

The Banning of Unregulated Deposit Schemes Act, 2019

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Save as otherwise expressly provided in this Act, the provisions of this Act shall have effect notwithstanding anything contained in any other law for the time being in force, including any law made by any State or Union territory. (Sec 34)

Chapter I

Preliminary

Section 2(3), “Competent Authority” means an Authority appointed by the appropriate Government under **section 7**

Section 2(4) “Deposit”

an amount of money received by way of an advance or loan or in any other form, by any deposit taker with a promise to return whether after a specified period or otherwise, either in cash or in kind or in the form of a specified service, with or without any benefit in the form of interest, bonus, profit or in any other form, but **does not include**—

(a) amounts received as loan from a scheduled bank or a co-operative bank or any other banking company

(b) amounts received as loan or financial assistance from the Public Financial Institutions notified by the Central Government in consultation with the Reserve Bank of India or any non-banking financial company as defined in clause (f) of section 45-I of the Reserve Bank of India Act, 1934 and is registered with the Reserve Bank of India or any Regional Financial Institutions or insurance companies;

(c) amounts received from the appropriate Government, or any amount received from any other source whose repayment is guaranteed by the appropriate Government, or any amount received from a statutory authority constituted under an Act of Parliament or a State Legislature;

(d) amounts received from foreign Governments, foreign or international banks, multilateral financial institutions, foreign Government owned development financial institutions, foreign export credit collaborators, foreign bodies corporate, foreign citizens, foreign authorities or person resident outside India subject to the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

(e) amounts received by way of contributions towards the capital by partners of any partnership firm or a limited liability partnership;

(f) amounts received by an individual by way of loan from his relatives or amounts received by any firm by way of loan from the relatives of any of its partners

(g) amounts received as credit on the sale of any property (whether movable or immovable);

(h) amounts received by an asset re-construction company which is registered with the Reserve Bank of India under section 3 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(i) any deposit made under section 34 or an amount accepted by a political party under section 29B of the Representation of the People Act, 1951;

(j) any periodic payment made by the members of the self-help groups operating within such ceilings as may be prescribed by the State Government or Union territory Government;

(k) any other amount collected for such purpose and within such ceilings as may be prescribed by the State Government;

(l) an amount received in the course of, or for the purpose of, business and bearing a genuine connection to such business including—

(i) payment, advance or part payment for the supply or hire of goods or provision of services and is repayable in the event the goods or services are not in fact sold, hired or otherwise provided;

(ii) advance received in connection with consideration of an immovable property under an agreement or arrangement subject to the condition that such advance is adjusted against such immovable property as specified in terms of the agreement or arrangement;

(iii) security or dealership deposited for the performance of the contract for supply of goods or provision of services; or

(iv) an advance under the long-term projects for supply of capital goods except those specified in item (ii):

Provided that if the amounts received under items (i) to (iv) become refundable, **such amounts shall be deemed to be deposits on the expiry of fifteen days from the date on which they become due for refund:**

Provided further that where the said amounts become refundable, due to the deposit taker not obtaining necessary permission or approval under the law for the time being in force, wherever required, to deal in the goods or properties or services for which money is taken, such amounts shall be deemed to be deposits.

Explanation.—For the purposes of this clause,—

- (i) in respect of a company, the expression “deposit” shall have the same meaning as assigned to it under the Companies Act, 2013;
- (ii) in respect of a non-banking financial company registered under the Reserve Bank of India Act, 1934, the expression “deposit” shall have the same meaning as assigned to it in clause (bb) of section 45-I of the said Act;
- (iii) the expressions “partner” and “firm” shall have the meanings respectively assigned to them under the Indian Partnership Act, 1932;
- (iv) the expression “partner” in respect of a limited liability partnership shall have the same meaning as assigned to it in clause (q) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008;
- (v) the expression “relative” shall have the same meaning as assigned to it in the Companies Act, 2013;

Section 2 (5) “**depositor**” means any person who makes a deposit under this Act;

Section 2(6) “**deposit taker**” means—

- (i) any individual or group of individuals;
- (ii) a proprietorship concern;
- (iii) a partnership firm (whether registered or not);
- (iv) a limited liability partnership registered under the Limited Liability Partnership Act, 2008;
- (v) a company;
- (vi) an association of persons;
- (vii) a trust (being a private trust governed under the provisions of the Indian Trusts Act, 1882 or a public trust, whether registered or not);
- (viii) a co-operative society or a multi-State co-operative society; or
- (ix) any other arrangement of whatsoever nature, receiving or soliciting deposits, **but does not include—**
 - (i) a Corporation incorporated under an Act of Parliament or a State Legislature;
 - (ii) a banking company, a corresponding new bank, the State Bank of India, a subsidiary bank, a regional rural bank, a co-operative bank or a multi-State co-operative bank as defined in the Banking Regulation Act, 1949;

Section 2(7) “Designated Court” means a Designated Court constituted by the appropriate Government under section 8;

Section 2(14) “Regulated Deposit Scheme” means the Schemes specified under column (3) of the First Schedule;

Section 2(17) “Unregulated Deposit Scheme” means a Scheme or an arrangement under which deposits are accepted or solicited by any deposit taker by way of business and which is not a Regulated Deposit Scheme, as specified under column (3) of the First Schedule.

CHAPTER II

BANNING OF UNREGULATED DEPOSIT SCHEMES

3. On and from the date of commencement of this Act,—

(a) the Unregulated Deposit Schemes shall be banned; and

(b) no deposit taker shall, directly or indirectly, promote, operate, issue any advertisement soliciting participation or enrolment in or accept deposits in pursuance of an Unregulated Deposit Scheme.

4. **Fraudulent default in Regulated Deposit Scheme:** No deposit taker, while accepting deposits pursuant to a Regulated Deposit Scheme, shall commit any fraudulent default in the repayment or return of deposit on maturity or in rendering any specified service promised against such deposit.

5. Wrongful inducement in relation to Unregulated deposit schemes: No person by whatever name called shall knowingly make any statement, promise or forecast which is false, deceptive or misleading in material facts or deliberately conceal any material facts, to induce another person to invest in, or become a member or participant of any Unregulated Deposit Scheme.

6. A prize chit or a money circulation scheme banned under the provisions of the **Prize Chits and Money Circulation Scheme (Banning) Act, 1978** shall be deemed to be an Unregulated Deposit Scheme under this Act.

Chapter III Authorities

7. Competent Authority: (1) The appropriate Government shall, by notification, appoint one or more officers **not below the rank of Secretary** to that Government, as the Competent Authority for the purposes of this Act.

(2) The appropriate Government may, by notification, appoint such other officer or officers as it thinks fit, to **assist the Competent Authority** in discharging its functions under this Act.

(3) Where the Competent Authority or officers appointed under subsection (2), has reason to believe (the reason for such belief to be recorded in writing), on the basis of such information and particulars as may be prescribed, that any deposit taker is soliciting deposits in contravention of **section 3**, he may, by an order in writing, provisionally attach the deposits held by the deposit taker and the money or other property acquired either in the name of the deposit taker or in the name of any other person on behalf of the deposit taker from the date of the order, in such manner as may be prescribed.

Chapter III Authorities

7. (4) The Competent Authority shall, for the purposes of sub-section (3), have the **same powers as vested in a civil court under the Code of Civil Procedure, 1908** (5 of 1908) while conducting investigation or inquiry in respect of the following matters, namely:—

- (a) discovery and inspection;
- (b) enforcing the attendance of any person, including any officer of a reporting entity and examining him on oath;
- (c) compelling the production of records;
- (d) receiving evidence on affidavits;
- (e) issuing commissions for examination of witnesses and documents;
and
- (f) any other matter which may be prescribed.

(5) The Competent Authority shall have power to summon any person whose attendance he considers necessary whether to give evidence or to produce any records during the course of any investigation or proceeding under this section.

Chapter III Authorities

7. (6) All the persons so summoned shall be bound to attend in person or through authorised agents, as such officer may direct, and shall be bound to state the truth, and produce such documents as may be required.

(7) Every proceeding under sub-section (4) and (5) shall be deemed to be a **judicial proceeding** within the meaning of section 193 and section 228 of the Indian Penal Code (45 of 1860).

(8) Subject to any rules made in this behalf by the Central Government, **any officer referred to in sub-section (2) may impound and retain** in his custody for such period, as he thinks fit, any records produced before him in any proceedings under this Act:

Provided that the officer or officers referred to in sub-section (2) shall not— (a) impound any records without recording his reasons for so doing; or

(b) retain in his custody any such records for **a period exceeding three months**, without obtaining the previous approval of the Competent Authority.

Chapter III Authorities

GOVERNMENT OF PUDUCHERRY
DEPARTMENT OF REVENUE AND DISASTER MANAGEMENT

(G.O. Ms. No. 15, Puducherry, dated 18th November 2020)

NOTIFICATION

In exercise of the powers conferred by sub-section (1) of section 7 of the Banning of Unregulated Deposit Schemes Act, 2019 (Central Act No. 21 of 2019) read with section 2 (1) (ii) of the said Act, the Lieutenant-Governor, Puducherry, hereby appoints the Secretary to Government (Revenue), Government of Puducherry as the Competent Authority for the purposes of the said Act.

(By order of the Lieutenant-Governor)

Dr. ARUN, T., I.A.S.,
Secretary to Government (Revenue).

Chapter III Authorities

GOVERNMENT OF PUDUCHERRY
DEPARTMENT OF REVENUE AND DISASTER MANAGEMENT

(G.O. Ms. No. 16, Puducherry, dated 18th November 2020)

NOTIFICATION

In exercise of the powers conferred by sub-section (2) of section 7 of the Banning of Unregulated Deposit Schemes Act, 2019 (Central Act No. 21 of 2019) read with section 2 (1) (ii) of the said Act, the Lieutenant-Governor, Puducherry, hereby appoints the Sub/Deputy Collectors (Revenue) North and South Subdivisions of Puducherry region, Deputy Collectors (Revenue) of Mahe and Yanam regions and Sub/Deputy Collector (Revenue) of Karaikal region to assist the Competent Authority in discharging the functions under the provisions of the abovesaid Act.

(By order of the Lieutenant-Governor)

Dr. ARUN, T., I.A.S.,
Secretary to Government (Revenue).

Chapter III Designate Courts

8. Designated Court. – (1) The appropriate Government shall, with the concurrence of the Chief Justice of the concerned High Court, by notification, constitute one or more Courts known as the Designated Courts for such area or areas or such case or cases as may be specified in such notification, which shall be presided over by a Judge not below the rank of a District and Sessions Judge or Additional District and Sessions Judge.

(2) No Court other than the Designated Court shall have jurisdiction in respect of any matter to which the provisions of this Act apply.

(3) When trying an offence under this Act, the Designated Court may also try an offence, other than an offence under this Act, with which the accused may, under the Code of Criminal Procedure, 1973 (2 of 1974), be charged at the same trial.

Chapter III Authorities

Sl. No.	Name of the District	Name of the Court	Headquarters	Area or Areas over which the Court shall exercise jurisdiction
(1)	(2)	(3)	(4)	(5)
1.	Puducherry	Court of the Principal District and Sessions Judge, Puducherry.	Puducherry	Puducherry, Mahe and Yanam.
2.	Karaikal	Court of the District and Sessions Judge at Karaikal.	Karaikal	Karaikal District

(By order of the Lieutenant-Governor)

DI. ARUN, T., I.A.S.,
Secretary to Government (Revenue).

CHAPTER VI

OFFENCES AND PUNISHMENTS

21. (1) Any deposit taker **who solicits deposits** in contravention of section 3 shall be punishable with imprisonment for a term which shall not be less than one year but which may extend to five years and with fine which shall not be less than two lakh rupees but which may extend to ten lakh rupees.

(2) Any deposit taker **who accepts deposits** in contravention of section 3 shall be punishable with imprisonment for a term which shall not be less than two years but which may extend to seven years and with fine which shall not be less than three lakh rupees but which may extend to ten lakh rupees.

(3) Any deposit taker **who accepts deposits in contravention of section 3 and fraudulently defaults in repayment of such deposits or in rendering any specified service,** shall be punishable with imprisonment for a term which shall not be less than three years but which may extend to ten years and with fine which shall not be less than five lakh rupees but which may extend to twice the amount of aggregate funds collected from the subscribers, members or participants in the Unregulated Deposit Scheme.

22. Any deposit taker who contravenes the provisions of section 4 shall be punishable with imprisonment for a term which may extend to seven years, or with fine which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of the fraudulent default referred to in said section, whichever is higher, or with both.

(The offence is non cognizable if the offence is committed by a regulatory company and police have no power to register FIR and investigation)

23. Any person who contravenes the provisions of section 5 (Wrongful Inducement) shall be punishable with imprisonment for a term which shall not be less than one year but which may extend to five years and with fine which may extend to ten lakh rupees.

24. Whoever having been previously convicted of an offence punishable under this Chapter, **except the offence under section 26**, is subsequently convicted of an offence shall be punishable with imprisonment for a term which shall not be less than five years but which may extend to ten years and with fine which shall not be less than ten lakh rupees but which may extend to fifty crore rupees.

When the offences committed by the Body of Persons/Company

25. (1) Where an **offence** under this Act has been **committed** by a deposit taker **other than an individual**, every person who, at the time the offence was committed, was in charge of, and was responsible to, the deposit taker for the conduct of its business, as well as the deposit taker, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(2) Nothing contained in sub-section (1) shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(3) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a deposit taker other than an individual, and it is proved that the offence—

(a) has been committed with the consent or connivance of; or

(b) is attributable to any neglect on the part of any director, manager, secretary, promoter, partner, employee or other officer of the deposit taker, such person shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly

27. Notwithstanding anything contained in section 4, no Designated Court shall take cognizance of an offence punishable under that section except upon a complaint made by the Regulator:

Provided that the provisions of section 4 and this section shall not apply in relation to a deposit taker which is a company.

(4. No deposit taker, while accepting deposits pursuant to a Regulated Deposit Scheme, shall commit any fraudulent default in the repayment or return of deposit on maturity or in rendering any specified service promised against such deposit).

CHAPTER IV

INFORMATION AND DEPOSIT TAKERS

Section 9(1) The Central Government may designate an authority, whether existing or to be constituted, which shall **create, maintain and operate an online database** for information on deposit takers operating in India.

(2) The authority designated under sub-section (1) may require any Regulator or the Competent Authority to share such information on deposit takers, as may be prescribed.

Section 10. (1) Every deposit taker which commences or carries on its business as such on or after the commencement of this Act shall intimate the authority referred to in sub-section (1) of section 9 about its business in such form and manner and within such time, as may be prescribed.

26. Whoever fails to give the intimation required under sub-section (1) of section 10 or fails to furnish any such statements, information or particulars as required under sub-section (2) of that section, shall be punishable with fine which may extend to five lakh rupees.

Under Section 30 the Competent Authority has the power to refer the matter to the Central Govt. for investigation by the CBI looking to the gravity of the case and if it is spread over more than one state or union territory in India or outside India.

CHAPTER V

RESTITUTION TO DEPOSITORS

Section 12. Priority of depositors' claim. – Save as otherwise provided in the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002) or the Insolvency and Bankruptcy Code, 2016 (31 of 2016), any amount due to depositors from a deposit taker shall be paid in priority over all other debts and all revenues, taxes, cesses and other rates payable to the appropriate Government or the local authority.

Section 13. Precedence of attachment. – (1) Save as otherwise provided in the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002) or the Insolvency and Bankruptcy Code, 2016 (31 of 2016), an order of provisional attachment passed by the Competent Authority, shall have precedence and priority, to the extent of the claims of the depositors, over any other attachment by any authority competent to attach property for repayment of any debts, revenues, taxes, cesses and other rates payable to the appropriate Government or the local authority.

CHAPTER V

RESTITUTION TO DEPOSITORS

Section 13. (2) Where an order of provisional attachment has been passed by the Competent Authority—

- (a) such attachment shall continue until an order is passed by the Designated Court;
- (b) all the attached money or property of the deposit taker and the persons mentioned therein shall vest in the Competent Authority and shall remain so vested till further order of the Designated Court.

Section 13. (3) The Competent Authority shall open an account in a scheduled bank for the purpose of crediting and dealing with the money realised under this Act, which shall not be utilised except under the instructions of the Designated Court.

Section 13. (4) The Competent Authority shall not dispose of or alienate the property or money attached, except in accordance with the order of the Designated Court.

Section 13. (5) Notwithstanding anything contained in sub-section (4), the Competent Authority may, if it thinks it expedient, order the immediate sale of perishable items or assets, and the proceeds of the sale shall be utilised in the same manner as provided for other property

CHAPTER V

RESTITUTION TO DEPOSITORS

Section 14. Application for confirmation of attachment and sale of property.—

(1) The Competent Authority shall, **within a period of thirty days, which may extend up to sixty days, for reasons to be recorded in writing**, from the date of the order of provisional attachment, file an application with such particulars as may be prescribed, before the Designated Court for making the provisional attachment absolute, and for permission to sell the property so attached by public auction or, if necessary, by private sale.

Section 15. Confirmation of attachment by Designated Court. —

(1) Upon receipt of an application under section 14, the Designated Court shall issue notice to—

(a) the deposit taker; and

(b) any person whose property is attached under section 14, to show cause, within a period of thirty days from the date of issue of notice, as to why the order of attachment should not be made absolute and the properties so attached be sold.

CHAPTER V

RESTITUTION TO DEPOSITORS

Section 15. (2) The Designated Court shall also issue notice to all other persons represented to it as having or being likely to claim any interest or title in the property, to appear on the same date as persons referred to in sub-section (1) to raise objections, if they so desire, to the attachment of the property.

Section 15. (3) The Designated Court shall, after adopting such procedure as may be prescribed, pass an order—

- (a) making the provisional order of attachment absolute;
- (b) varying it by releasing a portion of the property from attachment; or
- (c) cancelling the provisional order of attachment, and in case of an order under clause (a) or clause (b), direct the Competent Authority to sell the property so attached by public auction or, if necessary, by private sale and realise the sale proceeds.

Section 15. (5) The Designated Court shall pass such order or issue such direction as may be necessary for the equitable distribution among the depositors of the money attached or realised out of the sale.

Section 15. (6) The Designated Court shall endeavour to complete the proceedings under this section within a period of **one hundred and eighty days** from the date of receipt of the application referred to in sub-section (1).

CHAPTER V

RESTITUTION TO DEPOSITORS

Section 16: **Attachment of property of mala fide transferees-(1)** Where the Designated Court is satisfied that there is a reasonable cause for believing that the deposit taker has transferred any property otherwise than in good faith and not for commensurate consideration, it may, by notice, require any transferee of such property, whether or not he received the property directly from the said deposit taker, to appear on a date to be specified in the notice and show cause why so much of the transferee's property as is equivalent to the proper value of the property transferred should not be attached.

(2) Where the said transferee does not appear and show cause on the specified date or where the Designated Court is satisfied that the transfer of the property to the said transferee was not a bona fide transfer and not for commensurate consideration, it shall order the attachment of so much of the said transferee's property as in its opinion is equivalent to the proper value of the property transferred.

CHAPTER V

RESTITUTION TO DEPOSITORS

17. Payment in lieu of attachment.—(1) Any deposit taker or a person referred to in sub-section (1) of section 15, or transferee referred to in section 16 whose property is about to be attached or has been provisionally attached under this Act, may, at any time before the confirmation of attachment, **apply to the Designated Court for permission to deposit the fair value of the property in lieu of attachment.**

(2) While allowing the deposit taker or person or transferee referred to in sub-section (1) to make the deposit under sub-section (1), the Designated Court may order such deposit taker or person or transferee to pay any sum towards costs as may be applicable.

CHAPTER V

Power of Designated Court

Section 18: The Designated Court shall exercise the following powers, namely:—

- (a) power to approve the statement of dues of the deposit taker due from various debtors;
- (b) power to assess the value of the assets of the deposit taker and finalise the list of the depositors and their respective dues;
- (c) power to direct the Competent Authority to take possession of any assets belonging to or in the control of the deposit taker and to sell, transfer or realise the attached assets, either by public auction or by private sale as it deems fit depending upon the nature of assets and credit the sale proceeds thereof to its bank account;
- (d) power to approve the necessary expenditure to be incurred by the Competent Authority;
- (e) power to pass an order for full payment to the depositors by the Competent Authority or an order for proportionate payment to the depositors in the event, the money so realised is not sufficient to meet the entire deposit liability;
- (f) power to direct any person, who has made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention; and
- (g) power to pass any other order which the Designated Court deems fit for realisation of assets of the deposit taker and for repayment of the same to the depositors of such deposit taker or on any other matter or issue incidental thereto.

CHAPTER V

Section 19 :Appeal to High Court. – Any person including the Competent Authority, if aggrieved by any final order of the Designated Court under this Chapter, may appeal to the High Court, **within a period of sixty days from the date of such order**

Section 20 : Power of Supreme Court to transfer cases. – (1) Whenever it is made to appear to the Supreme Court that there is a default in any deposit scheme or deposit schemes of the nature referred to in section 30, the Supreme Court may, by an order, direct that any particular case be transferred from one Designated Court to another Designated Court.

CHAPTER VII

INVESTIGATION, SEARCH AND SEIZURE

Section 28. Offences to be cognizable and non-bailable: Notwithstanding anything contained in the Code of Criminal Procedure, 1973 every offence punishable under this Act, **except the offence under section 22 and section 26**, shall be cognizable and non-bailable.

Section 29. Competent Authority to be informed of offences: The police officer shall, on recording information about the commission of an offence under this Act, inform the same to the Competent Authority.

Section 11(1) : Information to be shared. The Competent Authority shall share all information received under section 29 with the Central Bureau of Investigation and with the authority which may be designated by the Central Government under **section 9**.

Section 31. (1) Whenever any police officer, not below the rank of an officer in-charge of a police station, has reason to believe that anything necessary for the purpose of an investigation into any offence under this Act may be found in any place within the limits of the police station of which he is in-charge, or to which he is attached,,— **such officer may, with the written authorization of an officer not below the rank of Superintendent of Police, and after recording in writing so far as possible, the thing for which the search is to be made and subject to the rules made in this behalf, authorise any officer subordinate to him**

(a) to enter and search any building,;

(b) in case of resistance, to break open any door and remove any obstacle to such entry to seize any record or property found as a result of the search in the said building,

(c) to detain and search, and if he thinks proper, take into custody and produce before any Designated Court any such person whom he has reason to believe to have committed any offence punishable under this Act:

Provided that if such officer has reason to believe that the said written authorization cannot be obtained without affording opportunity for the concealment of evidence or facility for the escape of an offender, he may, without the said written authorization, enter and search such building, conveyance or place, at any time between sunset and sunrise after recording the grounds in writing.

(2) Where **it is not practicable to seize** the record or property, the officer authorised under sub-section (1), **may make an order in writing to freeze** such property, account, deposits or valuable securities maintained by any deposit taker about which a complaint has been made or credible information has been received or **a reasonable suspicion exists** of their having been connected with the promotion or conduct of any deposit taking scheme or arrangement in contravention of the provisions of this Act and it shall be binding on the concerned bank or financial or market establishment to comply with the said order:

Provided that **no bank or financial or market establishment shall freeze such account, deposit or valuable securities, for a period beyond thirty days unless the same is authorized by the order of the Designated Court:**

Provided further that, if at any time, it becomes practicable to seize the frozen property, the officer authorized under sub-section (1) may seize such property.

Explanation.—For the purposes of this section, the expressions,—

- (i) “freezing of account” shall mean that no transaction, whether deposit or withdrawal shall be allowed in the said account; and
 - (ii) “freezing of property” shall mean that no transfer, conversion, disposition or movement of property shall be allowed.
- (3) Where an officer takes down any information in writing or records grounds for his belief or makes an order in writing under sub-section (1) or sub-section (2), he shall, **within a time of seventy-two hours** send a copy thereof to the Designated Court in a sealed envelope and the owner or occupier of the building, conveyance or place shall, on application, be furnished, free of cost, with a copy of the same by the Designated Court.
- (4) All searches, seizures and arrests under this section shall be made in accordance with the provisions of the **Code of Criminal Procedure, 1973**.

Sharing of Information

Section 11(2) The appropriate Government, any Regulator, income-tax authorities or any other investigation agency, having any information or documents in respect of the offence investigated under this Act by the police or the Central Bureau of Investigation, shall share all such information or documents with the police or the Central Bureau of Investigation.

Section 33. Publication of advertisement of Unregulated Deposit Scheme: Where any newspaper or other publication of any nature, contains any statement, information or advertisement promoting, soliciting deposits for, or inducing any person to become a member of any Unregulated Deposit Scheme, the appropriate Government may direct such newspaper or publication to publish a full and fair retraction, free of cost, in the same manner and in the same position in such newspaper or publication as may be prescribed.

In Schedule-II the sections of following Acts are amended;

1. Reserve Bank of India 1934, Sec 45-I, Explanation-III is added.
2. Securities and Exchange Board of India 1992, Sec 11 is amended.
3. Multi State Co-operative Societies Act 2002, Sec 67 is amended

Section 2(15) “Regulator” means the Regulator specified in column (2) of the First Schedule;

SCHEDULE - I

Sl.No.	Regulator	Regulated Deposit Scheme
1	The Securities and Exchange Board of India	(i) Any scheme or an arrangement [as defined under section 11AA of the Securities and Exchange Board of India Act, 1992 (15 of 1992)] launched, sponsored or carried out by a Collective Investment Management Company registered with the Securities and Exchange Board of India under the Securities and Exchange Board of India (Collective Investment Scheme) Regulations, 1999.
2	The Reserve Bank of India	(i) Any scheme under which deposits are accepted by Non-Banking Financial Companies as defined in clause (f) of section 45-I of the Reserve Bank of India Act, 1934 (2 of 1934) and registered with the Reserve Bank of India; or any other scheme or an arrangement registered under the Reserve Bank of India Act, 1934.
3	The Insurance Regulatory and Development Authority of India	A contract of insurance pursuant to a certificate of registration obtained in accordance with the Insurance Act, 1938 (4 of 1938).

Sl.No	Regulator	Regulated Deposit Scheme
4	The State Government or Union territory Government	<p>(i) Any scheme or an arrangement made or offered by a co-operative society registered under the Co-operative Societies Act, 1912 (2 of 1912) or a society being a society registered or deemed to be registered under any law relating to co-operative societies for the time being in force in any State or Union territory.</p> <p>(ii) Any scheme or an arrangement commenced or conducted as a chit business with the previous sanction of the State Government in accordance with the provisions of the Chit Funds Act, 1982 (40 of 1982).</p> <p>(iii) Any scheme or an arrangement regulated by any enactment relating to money lending which is for the time being in force in any State or Union territory.</p> <p>(iv) Any scheme or an arrangement by a prize chit or money circulation scheme under section 11 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 (43 of 1978).</p>
5	The National Housing Bank	Any scheme or an arrangement for acceptance of deposits registered under the National Housing Bank Act, 1987 (53 of 1987).

Sl.No	Regulator	Regulated Deposit Scheme
6	The Pension Fund Regulatory and Development Authority	Any scheme or an arrangement under the Pension Fund Regulatory and Development Authority Act, 2013 Development (23 of 2013).
7	The Employees' Provident Fund Organisation	Any scheme, Pension Scheme or Insurance Scheme framed under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (19 of 1952).
8	The Central Registrar, Multi-State Co-operative Societies	Any scheme or an arrangement for acceptance of deposits from voting members by a Multi-State Co-operative Society registered under the Multi-State Co-operative Societies Act, 2002 (39 of 2002).
9	The Ministry of Corporate Affairs, Government of India	(i) Deposits accepted or permitted under the provisions of Chapter V of the Companies Act, 2013 (18 of 2013). (ii) Any scheme or an arrangement under which deposits are accepted by a company declared as a Nidhi or a Mutual Benefit Society under section 406 of the Companies Act, 2013 (18 of 2013).

(2) The following shall also be treated as Regulated Deposit Schemes under this Act, namely:-

- (a) deposits accepted under any scheme or an arrangement registered with any regulatory body in India constituted or established under a statute; and
- (b) Any other scheme as may be notified by the Central Government under this Act.

BUDS Complaint

