

(TO BE PUBLISHED IN PART IV OF THE DELHI GAZETTE EXTRAORDINARY)

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
FINANCE (REVENUE-I) DEPARTMENT
DELHI SACHIVALAYA, I. P. ESTATE: NEW DELHI-110002

No.F.6/8/PF-CF/1999/d/sv/460

Dated the 20/5/2014

NOTIFICATION

No.F.6/8/PF-CF/1999 .- In exercise of the powers conferred by section 21 of the Delhi Protection of Interests of Depositors (In Financial Establishments) Act, 2001 (Delhi Act No. 10 of 2001), the Lt. Governor of the National Capital Territory of Delhi, hereby, makes the following rules further to carry out purpose of the Act, namely:-

1. Short title and Commencements.- (1) These Rules may be called the Delhi Protection of Interests of Depositors (In Financial Establishment) Rules, 2014.

(2) They shall come into force on the date of their publication in the Delhi Gazette.

2. Definitions.- (1) In these rules, unless the context otherwise requires.-

(a) "Act" means the Delhi Protection of Interests of Depositors (in Financial Establishments) Act, 2001 (Delhi Act No. 10 of 2001);

(b) "Competent Authority" means the authority appointed by the Government under section 5 of the Act;

(c) "Registered Valuer" means a person appointed by the Competent Authority as a valuer under section 34 AA-AE, of the Wealth Tax Act, 1957;

(d) "Delhi" means the National Capital Territory of Delhi;

(e) "section" means a section of the Act;

(f) "Form" means a form prescribed by the Rules;

(g) "Property" means movable and immovable property of such person, Shares, other securities and money deposited in the bank or due from any other person.

(h) "Words and expressions" defined in the Act and used, but not defined, in these rules, shall have the meaning assigned to them in the Act.

3. Competent Authority's right to acquire information:- (1) The Competent Authority shall have power to acquire information on the activity of the defaulting financial establishment from any of its officers/employees or any officer or authority of the Government or any organization or authority working under the Government undertaking or Public sector Undertaking or any autonomous organization and such financial establishment or officer or authority of the Government or local authority or person shall be bound to furnish such information to the Competent Authority.



(2) An officer in charge of the police station or any Revenue Officer having the lawful jurisdiction, when required by the Competent Authority, shall take all steps, including inquiry, investigation or survey in respect of any person, place, property, documents, books of account, etc., of the Financial Establishment or promoter, director, manager, officers, servants or members of such Financial Establishment.

4. Procedure for attachment of property of the defaulting financial establishment:-

(1) The Government shall pass the ad-interim order of attachment under clause (ii) of sub section (2) of section 4 of the Act.

(2) Upon receipt of the orders of the Government under sub-rule(1), the competent authority shall initiate proceedings for attachment of the property as per the procedure prescribed herein below and such attachment may be carried out in respect of the properties of the promoter, director, partner or manager or any member of employee of the defaulting financial establishment.

(3) Consequent upon issue of attachment order in respect of any immovable property, the competent authority shall promptly issue notice in writing to the land officials or the officers authorized and duty-bound to register the rights and juristic acts connected with such immovable property and the said land officials or officers shall enter the said attachment in their record.

(4) Prior to the attachment of property, the competent authority shall present the assignment documents, the identity card and the order attaching the property to the owner or the persons entitled to the property. If such person is not found, the presentation shall be made to the possessor or family member of the possessor. If the said person is not found the attachment shall be executed/undertaken by also enlisting the police officials or administration officials in such locality.

(5) The competent authority shall post the attachment notification at the location of such immovable property and issue a notice in writing to the immovable property owner and the combined owners or the persons having title in respect of such the immovable property. If such persons could not be notified, the seizure/attachment notifications shall be posted at the land office or at a conspicuous place in the vicinity as seized/attached and at the workplaces of the office.

In case that the competent authority is able to obtain the documents of title of the immovable property, such documents of the property shall be kept in custody in the office.

(6) Upon the property being already seized/attached, the competent authority shall arrange for the owner or the person entitled to such property or the possessor or family member of the possessor of such property to affix signature certifying the list of seized property. If such person refuses to affix signature or in case such person is not present, the list of seized property shall be recorded and the police official of administration official of such locality shall affix signature of certification instead.



(7) Attachment shall remain operative till the outcome of final verdict of the Designated Court.

(8) All money or property, attached by the Government and vested in the Competent Authority under section 4 of the Act shall be sealed by the competent authority and shall be in the custody/possession of competent authority.

(9) The Competent Authority shall maintain the record of all the income received from the expenditure incurred for, the property received, managed and disposed and furnish the same to the designated court, from time to time.

5. Procedure for the custody of property attached under section 4.- (1) Where the property to be attached is movable property, other than agricultural produce in the possession of the debtor, the attachment shall be made by actual seizure and the attaching officer shall keep the property in his own custody or in the custody of one of his subordinates or of a receiver, who has been appointed under sub rule (2) and, shall be responsible for the due custody thereof:

Provided that when the property seized is subject to speedy and natural decay or when the expenses of keeping it in custody are likely to exceed its value, the attaching officer may sell it at once by way of auction or such other mode as fit and proper for securing maximum value of such property.

(2) Where it appears to the officer ordering conditional attachment under section 4 to be just and convenient, he may appoint a receiver for the custody of the movable property attached under that section and his duties and liabilities shall be identical with those of a Receiver appointed under Order XL in the First Schedule to the Code of Civil Procedure, 1908 (5 of 1908).

(3) (i) Where the property to be attached is immovable, the attachment shall be made by an order prohibiting the debtor from transferring or charging the property in any way, and any such person from taking any benefit from such transfer or charge.

(ii) The order shall be proclaimed at some place on, or adjacent to such property by beat of drum or other customary mode, and a copy of the order shall be affixed on a conspicuous part of the property and also upon a conspicuous part of the village chaupal/locality and where the property on land is situated, it may also be affixed in the office of the Deputy Commissioner of the revenue area, the Block Development Officer and the Tehsildar within whose jurisdiction the property is situated.

6. Procedure for assessment of assets and deposits and liabilities.- (1) The Competent Authority shall appoint a registered valuer for assessment of the assets, deposits and liabilities of the defaulting financial establishment.

(2) The registered Valuer so appointed under sub-rule (1) should be on the panel of at least one Department of Central Government or State Government

(3) Upon the seizure or attachment of any assets, the competent authority shall promptly undertake the assessment of the said assets, deposits and liabilities.

(4) For the assessment of assets of any category, the opinion of experts or knowledgeable skilled persons may be sought after proper inspection of such property.

(5) In the matter of assessment of land, the principle of comparison with the market price or the price closest to the market price rate shall be used but it shall not be lower than the rate notified by Competent Department.

(6) For old property, the market price less the depreciation under actual condition or other prescribed procedure shall be used.

7. Procedure for reporting to the Designated Court. - For reporting the matter to the Designated Courts the Competent Authority shall follow the procedure as laid down in Code of Civil Procedure.

8. Procedure for filing appeals by the Competent Authority if aggrieved by the order of the Designated Court. - The Competent Authority shall follow the procedure for filing appeals against the orders of the Designated Courts as per the provisions of the Code of Civil Procedure.

9. Safe custody of books, Papers and documents of the defaulting financial establishment.- The competent authority shall ensure safe custody of all the records/books, papers and documents of the defaulting financial establishment till the issuance of the final order of the Designated Court and in case of appeal till further order of the High Court/Supreme Court.

10. Auditing of the balance sheets and profit and loss accounts. - The Competent Authority shall be responsible for getting the balance sheets and profit and loss accounts audited through an administrative order by a chartered accountant appointed by it.

11. Powers relating to absconding persons. - Where the competent authority is satisfied or has reason to believe that a person in respect of whom action is contemplated or being contemplated under the Act, has absconded or is hiding himself, the competent authority shall make a report in writing to the Designated Court.

12. Power to issue order of attachment.- (1) An order attaching the money and other property of a Financial Establishment to be issued by the Government, under section 4 of the Act shall be issued by the Competent Authority.

(2) The Competent Authority consequent upon issue the order under sub-rule (1), may seek the necessary assistance of police officer or any officer of the Government or an officer/employee of any undertaking/autonomous body under the Government for the purpose of taking possession of the property in respect of which the attachment order has been made and upon such requisition, it shall be the duty of such officer to render the necessary assistance to the Competent Authority.

13. When an order is made attaching the money or other property, transfer by such money or property shall be void. - When an ad-interim order attaching the money or other property of a financial establishment is made by the Government under section 4 of the Act, such money or property referred to the order shall not be transferred to any other



persons by any mode whatsoever and if any such transfer is made, it shall be null and void ab initio.

14. Appeal. - (1) The Government or the person aggrieved by the order of the Competent Authority may file appeal before the Designated Court within **Sixty Days** of such order.

(2) The Party, aggrieved by the order of the Designated Court may file appeal in the High Court of Delhi within **Sixty Days** of such order and the procedure for filing such appeals, as contained in the Code of Criminal Procedure, 1973 (2 of 1974), shall be followed.

15. Competent Authority to provide assistance to Special Public Prosecutor. - The Competent Authority shall arrange to render assistance to the Special Public Prosecutor in conducting the cases in the Designated Court, as may be required.

By order and in the name of the Lt. Governor
of the National Capital Territory of Delhi,

(Ravinder Kumar)
Dy. Secretary VI (Finance)

No.F.6/8/PF-CF/1999/dls vi/460

Dated the 20/5/ 2014

Copy forwarded for information to:-

1. The Principal Secretary (GAD), Government of NCT of Delhi in duplicate with the request to publish the notification in Delhi Gazette Part-IV (extraordinary) in today's date.
2. The Principal Secretary to the Hon'ble Lieutenant Governor, Delhi.
3. The Principal Secretary (Finance), Government of NCT of Delhi, Delhi Sachivalaya, I.P. Estate, New Delhi.
4. The Registrar (Chit Fund), Chit Fund Department, Govt. of NCT of Delhi, Vyapar Bhawan, I.P. Estate, New Delhi.
5. The Additional Secretary (Law), Government of NCT of Delhi, Delhi Sachivalaya, I.P. Estate, New Delhi.
6. OSD to Chief Secretary, Government of NCT of Delhi, Delhi Sachivalaya, I.P. Estate, New Delhi.
7. Guard File.
8. Website.

(Ravinder Kumar)
Dy. Secretary VI (Finance)