

# **The Prize Chits and Money Circulation Schemes (Banning) (Tripura) Rules, 1979**

(Along with 1<sup>st</sup> Amendment dt. 30-07-2018)





GOVERNMENT OF TRIPURA  
FINANCE DEPARTMENT

**The Prize Chits and Money  
Circulation Schemes (Banning)  
(Tripura) Rules, 1979.**



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GOVERNMENT OF TRIPURA  
FINANCE DEPARTMENT

No.F.10 (6) – FIN (G) / 79

Dated, Agartala, the 1<sup>st</sup> November, 1979

In exercise of the powers conferred by section 13 of the Prize Chits and Money Circulation Schemes (Banning) Act., 1978 (43 of 1978), the Government of Tripura in consultation with the Reserve Bank of India hereby makes the following rules, namely:-

1. SHORT TITLE AND COMMENCEMENT.

- (1) These rules may be called the Prize Chits and Money Circulation Schemes (Banning) (Tripura) Rules, 1979.
- (2) They shall come into force on and from the date of their publication in the Official Gazette.

2. DEFINATIONS,

In these rules, unless the context otherwise requires, -

- (a) "Act" means the Prize Chits and Money Circulation Schemes (Banning) Act, 1978, (Act 43 of 1978);
- (b) "Authorised Officer" means the Director of State Lotteries Tripura or such other officer as may be specifically authorised by the State Government in this behalf by a notification in the Official Gazette for the purposes of section 12;
- (c) "Form" means a form specified in the Schedules to the rules;
- (d) "Promoter" means a person conducting a Prize Chit or Money Circulation Scheme at the commencement of the Act and desiring to continue such chit or schemes pursuant to sub-section(1) of section 12 for winding up the business relating to such chit or scheme;
- (e) "Schedule" means the Schedule to these rules;
- (f) "Scheme" means a money circulation scheme or, as the case may be, a prize chit as defined in clauses (c) and (e) respectively of section 2;
- (g) "Section" means a section of the Act;
- (h) "Subscriber" means a subscriber to a prize chit or money circulation scheme;
- (i) "Office of the Reserve Bank" means the office of the Reserve Bank specified in Rule 10;
- (j) Words and expressions used in these rules but not defined shall have the meanings respectively assigned to them in the Act.

- (1) Any charitable or educational institution desiring to be notified under clause (d) of section 11 shall make an application in that behalf, in duplicate, to the authorised officer in the form specified in the First Schedule. Two copies of such application shall, simultaneously, be forwarded by such institution to the office of the Reserve Bank.
- (2) The authorised officer shall forward one of the two copies of the application received by him to the State Government.
- (3) On receipt of a copy of the application from the authorised officer, the State Government may, in consultation with the Reserve Bank notify such institution or refuse to notify such institution having regard to the facts and circumstances of each case.

#### 4. PARTICULARS OF THE SCHEMES AND WINDING UP PLANS TO BE FURNISHED BY THE PROMOTER.

- (1) A statement of particulars of the schemes being conducted as on the date of commencement of the Act together with a detailed plan for the winding up of the business of such schemes shall, as required by the first proviso to sub-section (1) of section 12, be furnished in duplicate by the promoter to the authorised officer within six weeks from the date of coming into force of these Rules. Form I of the Second Schedule. Two copies of such statement together with such plan shall, simultaneously, be forwarded by the promoter to the office of the Reserve Bank.
- (2) On receipt of the statement of particulars and the winding up plan referred to in sub-rule (1), a written acknowledgement in token of receipt thereof shall be issued by the authorised officer to the promoter.
- (3) The authorised officer shall maintain or cause to be maintained a register of promoters furnishing the statements of particulars and the winding up plans furnished under sub-rule (1).

#### 5. EXTENSION OF TIME FOR THE WINDING UP OF THE EXISTING SCHEMES.

If for any reason, the promoter is unable to wind up the existing business of the schemes on or before the date specified by him in the winding up plan submitted by him under rule 4 or such other date as may be approved by the State Government, and is desirous of continuing it for its beneficial winding up beyond the specified date or the approved date as the case may be, he shall, not later than 4 months before such specified date or such approved date, submit to the authorised officer, an application in duplicate in Form II of the Second Schedule giving full details of such business which needs extension of time, the period for which the extension is sought and the reasons why such business cannot be finally wound up within the said specified date or such approved date. Two copies of the application shall, simultaneously be forwarded by the promoter to the office of the Reserve Bank.

#### 6. PROCEDURE FOR THE DISPOSAL OF THE PLAN OR APPLICATION.

- (1) On receipt of the application containing the statement of particulars and the winding up plan submitted by the promoter under sub-rule (1) of rule 4 or as the

State Government shall cause it to be examined by the authorised officer or such other officer as it may deem fit.

- (2) On receipt of the comments of such officer and after consulting the Reserve Bank on the application for the winding up of the business of the existing schemes or as the case may be, on the application for extension of time for the winding up of such business, the State Government may approve or disapprove the application for the proposed winding up of such business or approve it with such modification as it deems fit and may grant extension of time for such period as may be considered desirable in the public interest and subject to such terms and conditions as may be deemed necessary or expedient (including the furnishing of security by the promoter for the repayment of the amounts due to the subscribers to the schemes) or refuse to grant extension of time;

Provided that no order modifying or rejecting the application containing the winding up plan or modifying or rejecting the application for extension of time for the winding up of the existing schemes shall be passed without giving to the promoter an opportunity of being heard.

- (3) The State Government shall maintain or cause to be maintained by the authorised officer, a register specifying the particulars such as the names of promoters, the statements of particulars and winding up plans submitted, the periods for which extensions of time have been granted, or the applications for extension of time which have been rejected.

#### 7. PROMOTER TO BE INFORMED.

The State Government shall intimate the promoter the particulars of the terms and conditions subject to which the winding up plan has been approved or extension of time granted or its refusal to grant further extension of time. A gist of the modifications, if any, in the winding up plan or the extension of time, if any, granted or rejected shall be notified in the Official Gazette and particulars thereof shall, simultaneously, be advised by the State Government to the office of the Reserve Bank.

#### 8. CONSEQUENCES OF THE APPROVAL OF THE PLAN OR GRANT OF EXTENSION OF TIME TO CLOSE THE BUSINESS OF THE SCHEMES.

During the period for which a winding up plan has been approved or the extension of time granted to wind up the business of the schemes pursuant to any order passed by the State Government under sub-rule (2) of rule 6, is in force –

- (a) the subscribers may remit money to the promoter in accordance with the winding up plan;
- (b) the promoter may receive monies from the subscribers and may also distribute prizes by way of cash or otherwise to the subscribers in accordance with the winding up plan; and
- (c) the subscribers may receive monies from the promoter in accordance with the winding up plan due to them under the Schemes.

#### 9. REFUND OF MONIES OR SUBSCRIPTIONS COLLECTED BY THE PROMOTERS.

Where a promoter commits default in furnishing winding up plans as required by sub-rule (1) of Rule 4, he shall refund within a period of six months from the date of such default the monies and subscriptions collected till the date of default.

#### 10.MISCELLANEOUS.

For the purposes of these rules, the office of the Reserve Bank shall mean the office of the Deputy Chief Officer, Department of Non-Banking Companies, Reserve Bank of India, Calcutta Regional Office, 15, Netaji Subhas Road, Calcutta – 700001.

By order of the Governor

B.B. Deb Roy  
Finance Secretary to the  
Government of Tripura.

#### FIRST SCHEDULE (See Rule 3)

[Form of application to be used by a charitable / educational institution for being notified under clause (d) of section 11 of the Act.]

Place .....  
Date .....

From:

.....  
.....

To

.....  
.....

Dear Sir,

We, the undersigned, Sarvashri ..... and ..... President and Secretary respectively of the ..... do hereby apply in terms of Rule 3 of the Prize Chits and Money Circulation Schemes (Banning) (Tripura) Rules, 1979 for the said institution being notified under clause (d) of section 11 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 to enable it to promote / conduct the Scheme(s). Full particulars regarding the institution, Scheme(s) etc. are given in the Statement of particulars forwarded herewith.

Yours faithfully,

( ..... )  
President



Secretary  
for and on behalf of  
.....

\* Here enter the name of the applicant institution.

Note

- (i) Necessary changes regarding the designation etc. of the office bearers may be made wherever necessary. Strike out whatever words are not applicable.
- (ii) This application as well as its enclosures should be forwarded to the authorised officer in duplicate. Two copies each thereof should be forwarded simultaneously to the Deputy Chief Officer, Reserve Bank of India, Department of Non-Banking Companies, Calcutta, Regional office, 15, Netaji Subhas Road, Calcutta – 700001.

STATEMENT OF PARTICULARS

1.	Name and address of the charitable / educational institution.	
2.	Constitution i.e. whether incorporated as Company / Co-operative Society or registered or unregistered association of individuals (Also state the provision of the Act under which incorporated / registered along with the date of incorporation).	
3.	Names and address of the branches / offices, if any.	
4.	Main objects of the institution (Enclose a copy of the Memorandum and Articles of Association or as the case may be, of the Bye-laws / Rules regulating the activities of the institution).	
5.	Names, occupations and residential address of the office bearers of the institution.	
6.	Names of the bankers and their addresses.	
7.	Names of the auditors and their address	
8.	Broad nature of the schemes being conducted or proposed to be conducted [Enclose printed or type written copies of the schemes and of the rules governing such schemes].	
9.	Places where the schemes referred to item 8 are being / proposed to be	

10.	How are the funds collected by the promotion / conduct of the schemes proposed to be utilized?	
11.	Full particulars of each scheme as in the Annexure to this statement	
12.	Is the income of the institution exempt under any of the sub-section of section 10 of the Income- tax Act, 1961? If so, specify the provisions under which the income of the institution is so exempt.	
13.	Are the donations made to the institution recognized for the purpose of section 80G of the Income-tax Act, 1961? (If so, a copy of the notification may be enclosed).	
14.	Names and addresses of the associate institutions, if any.	
15.	Broad nature of the activities of such associate institutions and of the schemes, if any, conducted by such institutions.	
16.	Names, occupations and residential addresses of the office bearers of such associate institutions.	

I / we solemnly declare that the facts stated herein as also in the Annexure are true to the best of my / our knowledge, information and belief.

I / we certify that the particulars / informations given herein, insofar as they pertain to the books and records of the ..... \* have been verified from such books and records and found to be correct and complete in all respects.

Dated this ..... day of ..... 1979 at .....

Signature(s) of the President / Manager /  
Secretary / Authorised official of the  
Institution.

Names (s)  
Designation (s)

\* Here enter the name of the applicant institution.

Notes :

- (i) If the space given against any of the items is inadequate for furnishing full particulars, the required information should be given in separate sheets indicating the cross reference against the relative items of this statement.
- (ii) A copy each of the latest available audited Balance Sheet and Profit & Loss Account as also a financial statement in the same proforma as on the date of the coming into operation of the Act duly certified by the auditors, should

## ANNUXURE

(Amount in lakhs of rupees)

Sl. No.	Name of the Scheme	Date of commencement of the Scheme	Date maturity of the Scheme	No. of members intended to be enrolled as per the Scheme	No. of members enrolled and actually subscribing
1	2	3	4	5	6

Amount of liability by way of prizes, if any, in cash or kind offered during the currency of the Scheme	Amount actually disbursed by way of prizes.	Outstanding liability on account of disbursement of prizes.	Are subscribers who win prizes bound to pay subscriptions till maturity of the Scheme?
7	8	9	10

Does the scheme contemplate refund of the amounts paid by the subscribers to them on maturity of the scheme?	If the reply to the query in item 11 is in the affirmative, the amount of total liability under each scheme on its maturity.	Remarks
11	12	13

Notes:

- (i) Particulars to be given in this statement should relate to the position as on the ..... day of ..... 1978 i.e. date of the coming into operation of the Act in the case of the existing schemes, if any.
- (ii) If any item is not applicable, the letters N.A. should be entered thereunder.
- (iii) This statement should be authenticated by the authorised officials of the institution and countersigned by its auditors.

## SECOND SCHEDULES FORMS Form – 1 [See Rule 4 (1)]

[Form for furnishing particulars of the scheme(s) and winding up plan]

Place .....  
Date .....

From:

.....  
To  
.....  
.....

Dear Sir,

We, the undersigned, Sarvashri ..... and ..... President and Secretary respectively of the ..... \*forward herewith a statement of particulars in the prescribed form, together with a winding up plan as required by the first proviso to section 12(1) of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 read with rule 4 (1) of The Prize Chits and Money Circulation Schemes (Banning) (Tripura) Rules, 1979.

Please acknowledge receipt.

Yours faithfully,

( ..... )  
President

( ..... )  
Secretary  
for and on behalf of  
..... \*

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\* Here enter the name of the applicant / institution.

Notes:-

- (i) Necessary changes regarding the designation etc. of the office bearers may be made wherever necessary.
- (ii) This form as well as its enclosures should be forwarded to the authorised officer in duplicate. Two copies each thereof should be forwarded simultaneously to the Deputy Chief Officer. Reserve Bank of India, Department of Non-Banking Companies, Calcutta, Regional office, 15, Netaji Subhas Road, Calcutta – 700001.

#### STATEMENT OF PARTICULARS

1.	Name and address of the company / association of individuals / co-operative society / partnership / sole proprietorship (Addresses of the Registered as well as the Head Office / Administrative Office, if any, should be given).	
2	Constitution i.e whether incorporated	

	individuals / partnership / sole proprietorship (Also specify the provision of the Act under which incorporated / registered along with the date of incorporation).	
3.	Names and address of the branches / offices, if any.	
4.	Main objects of the institution (Enclose a copy of the Memorandum and Articles of Association or as the case may be, of the Bye-laws or Rules regulating the activities of the institution).	
5.	Names, occupations and residential address of the directors or as the case may be, of the promoters / members of the committee of management / partners etc.	
6.	Names and residential address of the Chief Executive Officer and two other officers immediately next to him, in the managerial set-up.	
7.	Names of the bankers and their address	
8.	Names of the auditors and their address	
9.	Broad nature of the schemes conducted [Enclose printed or type written copies of the schemes and of the rules governing such schemes].	
10.	Places where the schemes referred to in item 9 are being conducted.	
11.	Full particulars of each scheme as in the Annexure to this statement	
12.	Name and address of the associate / companies / co-operative societies / associations of individuals / partnerships / sole proprietorships.	
13.	Name, occupations and residential addresses of the directors or as the case may be, of the promoters / members of the committee of management etc. of the institution referred to in item 12.	
14.	Broad nature of the types of business done by them and / or of the schemes conducted by them.	
15.	Detailed plan for the winding up of the existing business of the schemes.	

I / we solemnly declare that the facts stated herein as also in the Annexure are true to the best of my / our knowledge, information and belief.

I / we certify that the particulars / informations given herein, insofar as they pertain to the books and records of the ..... \* have been verified from such books and records and found to be correct and complete in all respects.

Dated this ..... day of ..... 1979 at .....

Signature(s) of the Chairman / Managing Director /  
Manager / Partner(s) / Authorised official(s).

Names (s)  
Designation (s)

\* Enter the name of the applicant institution.

Notes :

- (i) If the space against any of the items is inadequate for furnishing full particulars, the required information should be given in separate sheets indicating the cross reference against the relative items of this statement.
- (ii) A copy of each of the latest available audited Balance Sheet and Profit & Loss Account as also a financial statement in the same proforma as on the date of the coming into operation of the Act, duly certified by the auditors, should be attached.
- (iii) As regards item 15 above, a cash flow statement for every six monthly period commencing from the date of this statement indicating the total amounts expected to be recovered and disbursed to the prize winners and to the subscribers of the schemes by way of advances and / or refunds (to the subscribers in the terminated schemes) should be furnished. It should be ensured that the cash flow statements are drawn up on a realistic basis having regard to the past experience and indicating the factors which have been taken into account arriving at the estimated amounts of recoveries and disbursements. The broad criteria / rules, if any, followed in determining the quantum of the loans advanced / to be advanced to the subscribers, the periods generally stipulated for their repayment and the nature of securities obtained at the time of disbursement of the loans should be indicated.

## ANNEXURE

(Amounts in lakhs of rupees)

### PART I – PARTICULARS OF THE SCHEMES.

Sl. No.	Name of the scheme	Date of commencement	Date of maturity
1	2	3	4

1.  
2.  
3.

No. of members contemplated to be enrolled as per the scheme	No. of subscribers enrolled and actually subscribing	Amount of subscriptions collected	Amount of subscriptions forfeited
5	6	7	8

Amount of subscriptions refunded to the subscribers	Amount by way of prizes in cash or kind offered during the currency of the scheme	Amount actually disbursed by way of prizes	Amount of outstanding liability on account of prizes
9	10	11	12

Are the subscribers who win prizes bound to pay Subscriptions till the maturity of the scheme?	Total amount of liability under each scheme on maturity i.e. amount refundable to the subscribers
13	14

1.

2.

3.

etc.

Whether any amounts have been advanced to persons other than subscribers	Mode of utilization of excess funds, if any	Remarks
15	16	17

No.  
(15A)

Amount  
(15B)

## PART II – PARTIULARS OF THE ADVANCES

Sl. No.	No. of subscribers and the amount disbursed to them as loans	No. of subscribers who have not availed of loans	No. and amount of loans availed of by the directors / members of committee of management / partners etc. and the associate Companies / concerns in which they are interested
1	2	3	4

No.  
(2A)

Amount  
(2B)

1.

2.

3.

Etc.

## Notes:

- (i) Particulars to be given in both parts of this statement should relate to the position as on the ..... day of ..... 1978 i.e. the date of the coming into operation of the Act.
- (ii) The relative particulars should be given scheme-wise in part I and IN THE SAME SERIAL ORDER IN PART II
- (iii) If any item is not applicable, the letters N.A. should be entered thereunder.
- (iv) In regard to item 4 of part II, further particulars about the advances to directors etc. should be given in a separate sheet in the following Proforma:-

Names of the directors / committee members / partners etc.	Date and amount of original advance		Amount of advance outstanding	Date and amount of loans advanced to associated companies / concerns in which such director / committee member is interested.	
1	2		3	4	
	<u>Date</u> (2A)	<u>Amount</u> (2B)		<u>Date</u> (4A)	<u>Amount</u> (4B)

Rate of interest charged	Remarks
5	6

FORM II  
(Sec Rule 5)

[Form of application to be used for seeking extension of time for the winding up of the business of the existing schemes]

Place .....

Date .....

From:

.....

.....

To

.....

.....

Dear Sir,



Please refer to our letter dated the ..... day of ..... 1979 forwarding a Statement of Particulars in the prescribed form together with a winding up plan as required by the first proviso to section 12(1) of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978. Due to various reasons listed in Annexure I and circumstances beyond our control, we shall not be in a position to wind up the remaining schemes within the time specified in the winding up plans submitted by us earlier. Full details of the business in respect of which extension of time is necessary are given in Annexure II we shall, therefore, be glad if an extension of time for a period of ..... months is granted for winding up of the business of the existing schemes, as a special case. We undertake to wind up the business within the extended period.

2. In order to ensure that the dues of the subscribers are repaid in full within the extended time, we offer the following securities:-

- (a)
- (b)
- (c)
- (d)

..... etc.

3. We shall be glad to have your approval in the matter at an early date.

Yours faithfully,

( ..... )  
Designation.

( ..... )  
Designation  
for and on behalf of  
.....

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Note :-

- (a) The statement containing the details of the business in respect of which extension of time is sought should be given in the same tabulated statement as the Annexure to Form I and should relate to the position obtaining as on the date not earlier than one month from the date of this application. The statement should be duly certified by the auditors as reflecting the position as available from the books and records of the applicant institution and found to be correct and complete in all respects.
- (b) Under items (a) or (b) or (c), etc. of paragraph 2, the nature of the securities offered such as immovable properties or other marketable securities, their estimated value, etc. duly certified by the auditors / expert valuers should be given. The fact that the proposed lodgers of the securities have a clear title and that the securities are not encumbered in any manner should be duly

- (c) This application as well as its enclosures should be forwarded to the authorised officer in duplicate. Two copies each thereof should be forwarded simultaneously to the Deputy Chief Officer, Reserve Bank of India, Department of Non- Banking Companies, Calcutta Regional Office, 15, Netaji Subhas Road, Calcutta – 700001.

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*Agartala, Monday, July 30, 2018 A. D., Sravana 8, 1940 S. E.*

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**PART--I-- Orders and Notifications by the Government of Tripura,  
The High Court, Government Treasury etc.**

Government of Tripura  
Finance (Institutional Finance) Department

No.F.12(17)-DIF/C-I/Shadow/1453

Dated 26 / 07 / 2018

**NOTIFICATION**

In exercise of the powers conferred by sub-Section (1) of Section 13 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 (Central Act No.43 of 1978), the Governor of Tripura is pleased to make the following Rules, to amend the Prize Chits and Money Circulation Schemes (Banning) (Tripura) Rules, 1979 (hereinafter referred to as Principal Rules) :-

**1. Short title and commencement:**

- (i) These may be called "The Prize Chits and Money Circulation Schemes (Banning) (Tripura) (Amendment) Rules, 2018";
- (ii) These shall come into force on and from the date of their publication in the Tripura gazette.

**2. Amendment of Rule 2:**

- (i) In clause (b) of Rule 2 of the Principal Rules, the expression "Director of State Lotteries Tripura" shall be substituted with the expression "Director of Small Savings, Group Insurance & Institutional Finance".
- (ii) After Clause (b) of Rule 2 of the Principal Rules, the following new Clauses shall be inserted --

"(ba) '**Compensation Plan**' means plans, whether explicitly stated or not, but in practice by the business entities for distribution of benefits to the subscribers;

(bb) '**Competent Authority**' means authority notified by the State Govt. for winding up of the business entities indulging in money circulation schemes and perform other tasks as assigned by the State Govt. in order to implement the Act;

(bc) '**Downline Subscriber**' means a subscriber who is at a lower level in the pyramid;

(bd) '**Enrolment**' means enrolling one or more subscribers;"

- (iii) After Clause (c) of Rule 2 of the Principal Rules, the following new Clause shall be inserted

"(ca) '**Nodal Authority**' means authority in the State, notified by the State Govt. and entrusted with the responsibility of collecting, collating and sharing information with other States, Central Government, Reserve Bank of India and others regarding money circulation schemes;"

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- (iv) Clause (d) of Rule 2 of the Principal Rules, shall be substituted with the following

“(d) **‘Promoter’** means a person or persons who conduct disguised money circulation schemes and includes heirs, assignees etc of the persons who promote business entities running disguised money circulation schemes. It also includes persons who actually control the operations of such schemes even though they may not be or record acting as promoters of the business entities;”

- (v) After Clause (d) of Rule 2 of the Principal Rules, the following new Clause shall be inserted –

“(da) **‘Pyramid’** means a multilayered network of subscribers to a scheme formed by subscribers enrolling one or more subscribers in order to receive any benefit, directly or indirectly, as a result of enrolment, action or performance of additional subscribers to the scheme. The subscribers enrolling further subscriber(s) occupy higher position and the enrolled subscriber(s) lower position, thus, with successive enrolments, they form multi-layered network of subscribers;”

- (vi) Clause (h) of Rule of the Principal Rules, shall be substituted with the following –

“(h) **‘Subscriber’** means a subscriber, by whatever name called, to a Money Circulation Scheme including disguised Money Circulation Scheme;”

- (vii) After Clause (h) of Rule 2 of the Principal Rules, the following new Clause shall be inserted -

“(ha) **‘Upline Subscriber’** means a subscriber who is at a higher level in the pyramid;”

**3. Insertion of new Rule 9 A :**

After Rule 9 of the Principal Rules, a new Rule ‘9A’ shall be inserted as follows:-

- (i) No individual or a group of individuals or a company or firm or business association, in any form, shall promote, run or participate any scheme as defined under Rule 2(f), including a money circulation scheme in disguise, in the form of direct selling or multi-level marketing or in any other manner;
- (ii) No individual or a group of individual or a company or firm or business association, in any form, shall run a scheme with a compensation plan in which a subscriber has to enroll one or more other subscribers to become entitled to certain benefits, directly or indirectly, as a result of such enrolment, action or performance of such additional subscribers;
- (iii) No individual or a group of individuals or a company or firm or business association, in any form, shall run a multi-level scheme that induces enrolment of new members by offering certain benefits or commission, by whatever name called, to up-line members in the pyramid out of the action or performance like sale or purported sale of goods or services by the down line members;
- (iv) No individual or a group of individuals or a company or firm or business association, if any form, shall run a scheme with a compensation plan, which

envisages receipt of deposits or entry fees or periodical subscription and gives incentive to subscribers out of these funds for enrolment of new subscribers;

**4. Insertion of new Rule 9B :**

After Rule 9A, as inserted *ibid* in the Principal Rules, a new Rule '9B' shall be inserted as follows :-

- (i) The promoters of money Circulation Schemes shall be personally liable, even if such schemes are run by companies registered under the Companies Act, 2013 or any other business entities carrying limited liability;
- (ii) On receipt of report from the investigating officer and on being satisfied that *prima facie* evidence exists about a money circulation scheme including money circulation scheme in disguise is being operated, an officer not below the rank of Superintendent of Police or any other officer authorized by the State Government in this regard, may order sealing of the business premises and offices connected with such schemes, suspend operations of the bank accounts connected with such schemes and take such other actions required for closure of such business operations pertaining to such schemes;
- (iii) The Competent Authority shall take action for winding up such business in cases where the power to initiate winding up the business entity is vested in the State Government. In the case of companies and other business entities where such a power is vested in the Central Government, the Competent Authority shall forward a report with its recommendations to the concerned Ministry in the Central Government for initiating action for winding up of the Company.

By order of the Governor

*M. Nagaraju*  
(M. Nagaraju, IAS)  
Principal Secretary to the  
Government of Tripura,  
Finance Department