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PART-IIA

GOVERNMENT OF MEGHALAYA
ORDERS BY THE GOVERNOR

NOTIFICATIONS

The 12th October, 2015.

CORRIGENDUM

No.SCD.49/2014/48.—The words appearing in this Department's Office Memorandum No.49/2014/18, dated 12th December, 2014 **under B-Cadre-II (Other)-1-Civil** may be *read* as "The method of promotion will be from Soil & Water Conservation Demonstrator Senior (Surveyor) to the post of Surveyor-II and Soil & Water Conservation Demonstrator Senior (Draftsman) to the post of Draftsman-II, who have rendered not less than 7 (seven) years qualifying service for consideration for Promotion. Ratio of direct recruitment to promotion in any year shall be 9 :1 or 90% : 10%" instead of "The method of promotion will be from Soil & Water Conservation Demonstrator Senior (Surveyor) to the post of Surveyor II and Soil & Water Conservation Demonstrator Senior (Draftsman) to the post of Draftsman-II, who have rendered not less than 7 (seven) years qualifying service for consideration for Promotion. Ratio of promotion to direct recruitment in any year shall be 9 :1 or 90% : 10%".

J. S. CAJEE,

Under Secretary to the Govt. of Meghalaya,
Soil & Water Conservation Department.

The 12th October, 2015.

OFFICE MEMORANDUM

No.LR(B)45/2014/19.—The Government of Meghalaya is pleased to enhance the rate of sitting fee for Non-Official Members of the Meghalaya State Legal Services Authority, Shillong from the existing rate of Rs. 250/- per sitting to Rs. 500/- per sitting.

This office Memorandum shall come into force with immediate effect and also shall stand modified as regards No.LA.3/99/13, dated 3rd April, 2006 as amended thereto.

This issues with the concurrence of Finance (E) Department *vide* their I/D No.FE.433/15, dated 1st October, 2015.

L. M. SANGMA,
Special Secretary to the Govt. of Meghalaya,
Law (B) Department.

The 12th October, 2015.

OFFICE MEMORANDUM

No.LR(B)45/2014/20.—The Government of Meghalaya is pleased to fix the rate of sitting fee for Non-Official Members of the District Legal Services Authority at the rate of Rs. 500/- per sitting.

This office Memorandum shall come into force with immediate effect.

This issues with the concurrence of Finance (E) Department *vide* their I/D No.FE.433/15, dated 1st October, 2015.

L. M. SANGMA,
Special Secretary to the Govt. of Meghalaya,
Law (B) Department.

The 9th October, 2015.

CORRIGENDUM

No.EDN-375/2000/Pt/11.—Please *read* “₹ 23,300-700-27,500-830-32,480-970-39,270” instead of “₹ 20,700-620-24,420-730-29,530-890-36,650” as appeared in this Department’s Notification No.EDN-375/2000/155, dt.18.6.2012 in the schedule I of the Meghalaya Higher & Technical Education Service Rules with regard to the Time Scale of Pay of Heads of Department in Engineering/Technical Branches.

P. K. SRIVASTAVA,
Principal Secretary to the Govt. of Meghalaya,
Education Department.

The 12th October, 2015.

No.FIF.14/2009/201 - In exercise of the powers conferred by sub-section (1) of Section 13 of the Prize Chit and Money Circulation Schemes (Banning) Act, 1978 (Act No.43 of 1978), the State Government of Meghalaya hereby makes the following rules in consultation with Reserve Bank of India, namely, -

1. **Short title and commencement.** - (1) These rules may be called the Meghalaya Prize Chits and Money Circulation Schemes (Banning) Rules, 2015.

(2) They shall come into force from the date of publication in the Official Gazette.

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

- (a) "Act" means the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 (Central Act 43 of 1978);
- (b) "authorised officer" means the officer authorised by the State Government, under the first proviso to sub-section (1) of Section 12 of **the Principal Act.**, in this behalf by a notification in the Official Gazette for the purposes of the said Section;
- (c) "Competent Authority" means authority notified by the state Government for winding up of the business entities indulging in money circulation schemes and perform other tasks as assigned by the State Government in order to implement the Act;
- (d) "compensation plan" means plan(s) whether explicitly stated or not, but put in practice by the business entities for distribution of benefits to the subscribers;
- (e) "downline subscriber" means a subscriber who is at a lower level in the pyramid;
- (f) "Enrolment" means a subscriber enrolling one or more subscribers;
- (g) "form" means a form specified in the Schedule to these rules;
- (h) "Money Circulation Scheme" includes a scheme which is used for making of quick or easy money by disguising such scheme as a scheme for sale of products or providing or claiming to provide certain goods or services;
- (i) "nodal police authority" means police authority in the state notified by the state government 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 Scheme;
- (j) "Official Gazette" means the Gazette of Meghalaya;

- (k) "Office of the Reserve Bank" means the office of the Reserve Bank having jurisdiction over Meghalaya;
- (l) "promoter" means a person conducting a prize chit or Money Circulation Scheme at the commencement of the Act and is the founder or initiator of the scheme and desiring to continue *with* such chit or scheme pursuant to sub-section (1) of Section 12 *of the Principal Act* for winding up the business relating to such chit or scheme;
- (m) "pyramid" means a multi layered 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 subscriber(s) enrolling further subscriber(s) occupy higher position and the enrolled subscriber(s) the lower position, thus, with successive enrolments, they form multi-layered network of subscribers;
- (n) "rules" means the Meghalaya Prize Chits and Money Circulation Schemes (Banning) Rules, 2015;
- (o) "schedule" means the schedule to these rules;
- (p) "scheme" means a Money Circulation Scheme or a prize chit, as the case may be, as defined in clauses (c) and (e) respectively of Section 2 *of the Principal Act*
- (q) "section" means a section of the Act;
- (r) "State Government" means the Government of the State of Meghalaya;
- (s) "subscriber" means a subscriber by whatever name called to a Money Circulation Scheme including disguised money circulation scheme; and
- (t) "upline subscriber" means subscriber who is at a higher level in the pyramid;

(2) Words and expressions used in these rules but not defined shall have the meanings respectively assigned to them in the Act.

3. **Prohibition to promote, run or participate in the Money Circulation Scheme, compensation plan and inducing enrolment of new members.** –

(1) No individual or Company or firm or business association, in any form, shall promote, run or participate in the Money Circulation Scheme including a disguised money circulation scheme as defined in Rule 2(h) *above*.

(2) No individual or Company or firm or business association, in any form, shall run a scheme with a compensation plan in which the subscribers have to enrol one or more subscribers to become entitled to certain benefits, directly or

indirectly, as a result of enrolment, action or performance of additional subscribers.

(3) No individual or Company or firm or business association, in any form, shall run a scheme that induces enrolment of new members by offering 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.

(4) No individual or Company or firm or business association, in any form, shall run a scheme with a compensation plan which envisages receipt of deposits or entry fee or periodical subscription and gives incentive to subscribers out of these funds for enrolment of new subscribers.

(5) The Nodal Police Authority in a state shall be responsible for coordinating with the other State Governments, the Central Government and the agencies concerned under such Government and the Reserve Bank of India and shall also be responsible for furnishing the information to the Reserve Bank of India in the format and periodicity as decided by the State Government in consultation with the Reserve Bank of India.

Explanation – This does not debar the investigating agencies from interacting with other State Governments and other agencies for the purpose of investigation.

4. **Responsibility of Competent Authority.** - The Competent Authority shall be responsible for taking all necessary action in connection with the winding up of companies/firms/business associations in any form indulging in Money Circulation Schemes including disguised Money Circulation Schemes.
5. **Promoter to be personally responsible.** - The Promoters of Money Circulation Schemes shall be personally liable even if such schemes are run by companies registered under the Companies Act, 1956 or other business entities carrying limited liability.
6. **Suspension of operation on report of investigating officer.** - On a report received from the investigating officer and on being satisfied that prima facie evidence exists that a money circulation scheme including disguised money circulation scheme is being operated, an officer as notified 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 action as is required for closure of business operations pertaining to such schemes.

7. **Investigating officer to submit report to Competent Authority through Superintendent of Police in case the Prize Chit and Money Circulation Scheme run by company, firm or business association.** – On conclusion of the investigation, if adequate evidence exists that a Money Circulation Scheme is being run by a company or firm or business association in any form, the investigating officer, apart from prosecuting the case under the Prize Chit & Money Circulation Schemes (Banning) Act, 1978, shall forward a report giving details of the evidence collected during the investigation through the Superintendent of Police concerned to the Competent Authority in the state as defined in **Rule 2(c) above**. The Competent Authority shall take action for winding up such businesses in cases where the power to initiate winding up such businesses **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.
8. **Application for being notified under Section 11.** – (1) Any charitable or educational institution desiring to be notified under clause (d) of Section 11 **of the Principal Act** 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 **also**, simultaneously, be forwarded by such institution to the office of the Reserve Bank of India.
- (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 authorized Officer, the State Government may, in consultation with the **Reserve Bank of India** , notify such institution in the Official Gazette under clause (d) of Section 11 **of the Principal Act** or refuse to notify such institution having regard to the facts and circumstances of each case.

9. **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 **of the Principal Act**, be furnished in duplicate by the promoter to the authorised officer on or before the 25th day of November in 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 of India**.
- (2) On receipt of the Statement of particulars and the winding-up plan referred to in sub-rule (1) of Section 12 **of the Principal Act**, a written acknowledgment 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 section (1) of Section 12 **of the Principal Act**.
10. **Extension of time for the winding-up of the scheme.** – If for any reason, the promoter is unable to wind-up the business of the scheme on or before the date specified by him in the winding-up plan submitted by him as required under the first proviso to sub-section (1) of Section 12 **of the Principal Act** and is desirous of continuing it for its beneficial winding-up beyond the specified date, he shall, not later than two weeks after such specified date, submit to the authorised officer an application in duplicate in the **third Schedule** giving full details of such business, which needs extension to 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. Two copies of the application shall simultaneously be forwarded by the promoter to the office of the **Reserve Bank of India**.
11. **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 9 **above** or as the case may be, of the application for extension of time submitted under Rule 10 **above**, 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 consulting the Reserve Bank on the application or the winding-up of the business of the scheme, the State Government may approve or reject the proposed winding-up of such business or approve it with such modifications as it deems fit and may grant permission to continue to conduct the business of scheme under sub-section (2) of Section **12 of the Principal Act** for such period or refused to grant permission. Where the application is under Rule 10 **above**, the State Government may, or **on** receipt of the comments of such officer and after consulting the Reserve Bank permit the promoter to continue to conduct the business of the scheme for such further period as may be considered necessary having regard to the circumstances of the case and the interest of the members of the said scheme, 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 permission to continue to conduct the business of the scheme for further period:

Provided that no order modifying or rejecting the winding-up plan or refusing permission to continue to conduct the business of the scheme of the winding-up of the 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 the 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.

12. **Promoter to be informed.** – The State Government shall intimate to the promoter the particulars of the terms and conditions subject to which the permission was granted to continue the scheme or its refusal to grant permission. Where the winding-up plan has been approved with modifications, the State Government shall intimate the modifications to the promoter. A gist of the modifications, if any, in the winding-up plan or the permission to continue the scheme if any, granted or rejected or refused 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 of India.**

13. **Consequences of the approval of the winding-up plan or grant of extension of time to close the business of the scheme.** – During the period for which a winding-up plan has been approved by the State Government or permission was granted by the State Government to continue to conduct the scheme under sub-section (2) of Section 12 **of the Principal Act**, the promoter may continue to conduct the scheme in accordance with the winding-up plan.
14. **Refund of monies or subscriptions collected by the promoter.** – Where a promoter commits default referred to in sub-section (3) of section 12 **of the Principal Act** he shall, within a period of six months from the date of such default **as per sub-section (4) of Section 12 of the Principal Act** refund the monies and subscriptions collected till the date of default.

By order etc.,

E. Y. CHEN,

Joint Director Institutional Finance & *Ex-Officio*
Deputy Secretary to the Govt. of Meghalaya
Finance (Economic Affairs) Department.