



CWP-35821-2025

-1-

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CWP-35821-2025

Reserved on : 26.02.2026

Pronounced on : 10.03.2026

Uploaded on : 10.03.2026

Whether any operative part of the judgment is pronounced or the full judgment is pronounced : operative part/full judgment

Karambir Poonia and others

.....Petitioners

Versus

State of Haryana and another

.....Respondents

CORAM: HON'BLE MR. JUSTICE SHEEL NAGU, CHIEF JUSTICE
HON'BLE MR. JUSTICE SANJIV BERRY

Present : Ms. Harmanpreet Kaur, Advocate, (arguing counsel), and
Mr. Sahil Nehra, Advocate,
for the petitioners.

Mr. Neeraj Gupta, Addl. Advocate General, Haryana.

* * *

1. Invoking the writ as well as supervisory jurisdiction of this Court under Article 226 read with Article 227 of the Constitution of India, challenge is laid to attachment order dated 04.11.2025 (Annexure P-9) issued by the District Magistrate, Fatehabad (respondent No.2) invoking his powers u/s 14 (1) (ii) of the Haryana Protection of Interest of Depositors in Financial Establishment Act, 2013 ('2013 Act' for brevity), whereby properties of the petitioners, after giving them opportunity of hearing, have been attached.

1.1 The petitioners herein, who are four in number, are all arrayed as accused in Complaint No. 59-DSP (T) dated 15.03.2023, 65-PS dated



CWP-35821-2025

-2-

20.03.2023 (Annexure P-1) alleging offences punishable under Sections 420, 406, 120B, 201 IPC, Section 3 (2) of 2013 Act and Section 21 (2) of the Banning of Unregulated Deposit Schemes (BUDS) Act, 2019. The complaint after being enquired into has already been filed with the trial court.

2. The primary ground of challenge raised in the present petition is that allegation against the petitioners is of receiving subscription in respect of Chit, which is excluded from the purview of 2013 Act and, therefore, the District Magistrate, Fatehabad, has no jurisdiction to exercise any power contained in 2013 Act for attachment of the property. The impugned order is, thus, bereft of jurisdiction and, therefore, deserves to be quashed.

3. The expression 'deposit' is defined in Section 2 (b) of 2013 Act, which for ready reference and convenience is re-produced below :-

- “2. *In this Act, unless the context otherwise requires –*
- (a) *xxx xxx xxx*
- (b) *“deposit” includes and shall be deemed always to have included any receipt of money or acceptance of any valuable commodity by any financial establishment to be returned 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 –*
- (i) *an amount raised by way of share capital or by way of debenture, bond or any other instrument covered under the guidelines issued and regulations made under the Securities and Exchange Board of India Act, 1992 (Central Act 15 of 1992);*
- (ii) *an amount contributed as capital by partners of a firm;*



- (iii) *an amount received from a Scheduled bank or a cooperative bank or any other banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (Central Act 10 of 1949);*
- (iv) *any amount received from –*
(I) the Industrial Development Bank of India;
(II) a State Financial Corporation;
(III) any financial institution specified in section A of the Companies Act, 1956 (Central Act 1 of 1956); or
(IV) any other institution that may be specified by Government in this behalf;
- (v) *amounts received in the ordinary course of business of way of –*
(I) security deposit;
(II) dealership deposit;
(III) earnest money; or
(IV) advance against order for goods or services;
- (vi) *any amount received from an individual or a firm or an association of individuals not being a body corporate, registered under any enactment relating to money lending for the time being in force in the State;*
- (vii) *any amount received by way of subscriptions in respect of a Chit*
Explanation – *For the purpose of this clause, “Chit” shall have the same meaning as assigned to it under clause (b) of section 2 of the Chit Funds Act, 1982 (Central Act 40 of 1982); and*



(viii) any credit given by a seller to a buyer on the sale of any property (whether movable or immovable);

3.1 From the aforesaid, it is obvious that while excluding amount received by way of subscriptions in respect of a Chit from the jurisdictional purview of 2013 Act, it is clarified by way of explanation that “Chit” shall have the same meaning as assigned to it under clause (b) of section 2 of the Chit Funds Act, 1982 (‘1982 Act’ for brevity).

4. When a pointed question was put to learned counsel for the petitioners as to whether ‘Chit’ is being operated by the petitioners after obtaining previous sanction of the State Government (Government of Haryana), in terms of Section 4 of 1982 Act, the answer is given in the negative.

4.1 Meaning thereby that “Chit” being operated by the petitioners does not have legitimate cloak in the absence of previous sanction of Government of Haryana. Therefore, “Chit” being operated by the petitioners is not the “Chit” contemplated by the 1982 Act.

5. Learned counsel for the petitioners, however, submits that for violation of Section 4 of 1982 Act, penalties are provided under Section 76 of 1982 Act, therefore, the District Magistrate has no authority to invoke its power under Section 2 (b) of 2013 Act.

6. Be that as it may, what is pertinent to see is that to avoid contradiction between the Central Act, i.e. 1982 Act, and the provincial Act, i.e. 2013 Act, the Government of Haryana had obtained assent of the President



CWP-35821-2025

-5-

of India on 27.10.2014, the day when 2013 Act was brought into effect in the State of Haryana.

6.1 It is obvious from the allegations that the petitioners' act of operating "Chits" is not covered by 2013 Act, and the only Act left under which operation of "Chits" is governed is 1982 Act. Under 1982 Act, no Chit can commence or be conducted without obtaining previous sanction of the State Government. Admittedly, the petitioners have not obtained any prior sanction of the Government of Haryana to commence or conduct Chit.

7. In view of above, and the explanation to Section 2 (b) (vii) of 2013 Act which does not exclude a Chit commenced and conducted in violation of 1982 Act, we do not find any substance in this CWP.

8. However, we leave it to the learned trial Judge to take a call at the time of framing of charge as to whether the criminal prosecution would be conducted under which penal statute.

9. Accordingly, this petition being devoid of substance stands dismissed.

(SHEEL NAGU)
CHIEF JUSTICE

(SANJIV BERRY)
JUDGE

March 10, 2026
narotam

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No