

PROCEEDINGS OF COMPETENT AUTHORITY & SECRETARY  
TO GOVERNMENT, UNDER SECTION 7(3) OF BANNING OF  
UNREGULATED DEPOSIT SCHEMES (BUDS) ACT, 2019.  
PRESENT : SRI. SANJAY M KAUL IAS

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HOME (SC) DEPARTMENT  
SC3/361/2023/Home Dated,Thiruvananthapuram (02-05-2024)

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Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of Heewan Nidhi Limited/Heewan Finance, Ponkunnam, Thrissur - Orders issued.

- Ref: 1.G.O(P) No. 69/2020/Home, dated 18.12.2020 published as S.R.O No.887/2020.  
2.G.O(Rt) No.2959/2020/Home, dated 22.12.2020 published as S.R.O No. 894/2020.  
3. Letter No. ROCK/RBI/Heewan/NF NDH/3501/2023 dated 27.07.2023 from the Registrar of Companies, Kerala & Lakshadweep.  
4. Letter No. DCTSR/1380/2024 - C8 dated 22.02.2024 from the District Collector, Thrissur.  
5. Report from the Sub Inspector, Town West Police Station, Thrissur City dated 21.03.2024.

ORDER

The District Collector, Thrissur as per letter referred as 4<sup>th</sup> paper above furnished complaints filed by the depositors of Heewan Nidhi Limited, Punkunnam, Thrissur alleging non repayment of money deposited in the firm. The Registrar of Companies as per letter referred as 3<sup>rd</sup> paper above has reported that M/s Heewan Nidhi Limited has not filed NDH 4 for declaring it as a Nidhi Company as per Rule 3A of Nidhi Rules, 2014. In the wake of the complaints against the Company and as it has not filed NDH - 4 so far, there is reason to proceed against Heewan Nidhi Limited as the deposits raised by the Company in

violation of Nidhi Rules will thus be unregulated deposits.

The Sub Inspector of Town West Police Station, Thrissur City as per report referred as 5<sup>th</sup> paper above reported that Heewan Nidhi Limited and Heewan Finance accepted deposits from public offering higher returns and issued Non - Convertible Debentures against the stipulations of the Reserve Bank of India. The firm has issued loans without obtaining adequate security. As per Nidhi Rules, " A Nidhi shall not accept deposits exceeding twenty times of its Net Owned Funds (NOF) as per its last audited financial statements" and "may offer interest on fixed and recurring deposits at a rate not exceeding the maximum rate of interest prescribed by the Reserve Bank of India which the Non-Banking Financial Companies can pay on their public deposits." All these rules are blatantly violated by the firm and hence around 8 crime cases are registered against the company invoking the provisions of BUDS Act too. It is also revealed that the money deposited by public was misappropriated by the directors for purchasing landed properties and they availed themselves of loans from the company and failed to repay the amount.

The following crime cases are registered against the Company at Town West Police Station, Thrissur City.

1. Crime No.1126/2023 u/s 406,420,34 IPC, 3 r/w 21,4 r/w 22, 5 r/w 23 of Banning of Unregulated Deposit Schemes Act.
2. Crime No. 1017/2023 u/s 406, 420 r/w 34 IPC
3. Crime No. 1508/2023 u/s 406, 420 r/w 34 IPC
4. Crime No. 46/2024 u/s 406, 420 r/w 34 IPC
5. Crime No. 247/2024 u/s 406, 420 r/w 34 IPC
6. Crime No. 259/2024 u/s 406, 420 r/w 34 IPC
7. Crime No. 267/2024 u/s 406, 420 r/w 34 IPC
8. Crime No. 272/2024 u/s 406, 420 r/w 34 IPC

Whereas provisions of Banning of Unregulated Deposit Schemes Act are invoked in the crime cases registered against M/s Heewan Finance/Heewan Nidhi Limited and the accused,

Now, therefore in exercise of powers conferred under section 7(3) of Banning of Unregulated Deposit Schemes Act, 2019, I, Sanjay M Kaul IAS, Competent Authority, hereby order the provisional attachment of

all movable/immovable properties and all other 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.

The Inspector General of Registration Department is hereby directed to freeze the sale/mortgage or any other transaction involving immovable properties of the firm and the Deposit Taker. The Transport Commissioner, Motor Vehicles Department is directed to seize all vehicles owned by the firm, deposit taker, its partners or allied firms and to take necessary steps to prohibit the transfer of registration of vehicles and to report to the respective District Collectors.

The Lead Bank Managers of all districts, Registrar of Co - operative Societies, General Managers of KSFE, District Managers of KFC and all other financial institutions are directed to take necessary steps to freeze all the accounts of the financial institution and its allied firms. Police Authorities shall identify the accounts of the firm and the deposit takers and take action to freeze the accounts by intimating the provisional attachment orders to the respective Banks where the accounts are maintained. The Police shall also report the details of the accused to the District Collectors for provisionally attaching the properties within the stipulated time limit.

The District Collectors appointed as officers to assist the Competent Authority under section 7(2) of BUDS Act are directed to file application with particulars of the attachment effected before the Designated Courts constituted as per reference 2nd cited. This is for making the provisional attachment absolute and for permission to sell the property so attached by public auction or, if necessary, by private sale according to section 14 of Banning of Unregulated Deposit Schemes Act, 2019.

(Sd.)

SANJAY M KAUL

Forwarded/By order

Signed by

Prameela K Nair

Date: 02-05-2024 15:40:46

Section Officer.

To:

The State Police Chief  
All District Collectors  
The Additional Director General of Police (Crimes)  
The Inspector General of Police (EOW), Police Headquarters.  
All District Police Chiefs  
The Sub Inspector of Police, Town West Police Station, Thrissur.  
The Inspector General of Registration Department  
The Transport Commissioner  
Registrar of Co-operative Societies  
General Managers of KSFE/District Managers of KFC/All Banks  
etc (through the District Collectors)  
The Finance/ Law/Revenue/Taxes Departments  
I & PR (Web & New Media) Department.  
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