

**PROCEEDINGS OF THE COMPETENT AUTHORITY &  
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT,  
BANNING OF UNREGULATED DEPOSIT SCHEMES ACT  
UNDER SECTION 7(3) OF THE BUDS ACT (2019)**

PRESENT: Sri. BISHWANATH SINHA IAS

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**HOME (SC) DEPARTMENT**

SC3/97/2019-Home Dated,Thiruvananthapuram (03-04-2025)

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Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of Nirmal Krishna Nidhi Limited/ Nirmal Krishna Benefit Fund Limited, Perunkadavila/ Krishna Finance, Perunkadavila, Thiruvananthapuram and allied firms-Orders Reissued.

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.D3 - 69747/2023/PHQ dated 03.11.2023 from the State Police Chief.

4. Proceedings No. SC3/97/2019/Home dated 25/11/2023.

5. Judgment in WP(C)No.22737/2024-Home dated 05/11/2024 by the Hon.High Court of Kerala.

6. Judgment in CrI.M.P. 4358/2024 & CrI. M.P. 4359/2024 dated 28.01.2025 of the Additional Sessions Court III, Thrissur.

**ORDER**

The State Police Chief as per letter read as third paper above has reported that Nirmal Krishna Chitty Fund operating within the limits of Palukal Police Station in Tamil Nadu had collected deposits from public offering attractive rates of interest and also given gold loans to people and later closed its business without returning the money to the depositors. In this regard crime cases were registered at various Police

Stations in Tamil Nadu. The firm had branches at Perunkadavila, Marayamuttom, Thiruvananthapuram etc and conducted business in the name of Nirmal Krishna Benefit Fund Limited. On the basis of the complaints registered against the Managing Director of the firm that he has failed to return the gold ornaments taken as collateral for sanctioning loans, crime cases were registered at Marayamuttom Police Station as Crime No. 478/2022, 479/2022, 480/2022, 481/2022, 482/2022 and 582/2022 and also in of Cantonment Police Station as Crime No. 681/2024. All connected cases were transferred to the CBI for investigation vide G.O.(P)No.45/2025/HOME Dated. 27-03-2025.

Since the firms had violated BUDS rules, provisional attachment order as per 4<sup>th</sup> paper above was issued attaching the properties of the above firm.

As per the judgment in reference 5<sup>th</sup> cited, the Hon'ble High Court directed the Additional Sessions Court III, Thrissur, to determine whether the Competent Authority is permitted to initiate fresh proceedings or re-issue a previously issued provisional attachment order.

In compliance with this directive, the Additional Sessions Court III, Thrissur, in its judgment in reference 6<sup>th</sup> cited, held that the Competent Authority is fully justified in reissuing the provisional attachment order.

Therefore, it is concluded that there are no legal impediments to reissuing a provisional attachment order in cases where the application for making the order absolute was not filed before the respective designated courts within the prescribed time.

"Therefore, in exercise of the powers conferred under Section 7(3) of the BUDS Act, 2019, I hereby reissue the proceedings referred to as the 4<sup>th</sup> paper above to safeguard the interests of innocent depositors. Accordingly, all movable and immovable properties, along with any deposits held by the Deposit Taker, as well as any money or property acquired—whether in the name of the Deposit Taker and the accused persons or in the name of any other person on their behalf—are hereby reattached."

The Inspector General of the Registration Department is hereby

directed to freeze the sale, mortgage, or any other transaction of immovable properties of the firm and the Deposit Taker, if not already done. The Transport Commissioner, Motor Vehicles Department, is directed to seize all vehicles owned by the firm, the Deposit Taker, its partners, or allied firms and to take necessary steps to prohibit the transfer of vehicle registrations and report to the respective District Collectors, if not already done.

The Lead Bank Managers of all Districts concerned/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 current/ any future accused persons from time to time directly to the concerned 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 serve the copy of the provisional attachment to the owner of the property or any person who claims to be in possession of the property or any other person who has an interest in the said property and to prepare and maintain details of the properties so attached and the expenditure incurred in this regard.

The District Collectors are further directed to publish the order of provisional attachment in a leading newspaper, both in Malayalam and English, having wide circulation in the area or jurisdiction in which the Deposit Taker is located.

The District Collectors appointed as officers to assist the Competent Authority under section 7(2) of BUDS Act are directed to issue attachment orders separately against the properties of the accused and file application with particulars of the attachment effected before the Designated Courts constituted read as 2<sup>nd</sup> paper above, of the respective District, within the stipulated time of 30 days 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 BUDS Act, 2019.

The above order shall not be applicable to districts where the designated courts have already confirmed the provisional attachment order. In such cases, the District Collectors shall proceed with the sale of properties in accordance with Section 14 of the BUDS Act.

(Sd.)  
BISHWANATH SINHA

Forwarded/By order

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 Inspector General of Registration Department  
The Transport Commissioner  
The Registrar of Co-operative Societies  
The Lead Bank Managers.  
General Managers of KSFE/District Managers of KFC(through District Collectors)  
I & PR (Web & New Media) Department.  
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