

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

PRESENT: SRI. BISHWANATH SINHA IAS

HOME (SC) DEPARTMENT

SC3/104/2023-Home Dated, Thiruvananthapuram (05-03-2025)

Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Lifting of attachment order against the Kandala Service Co - operative Bank No. T 197, Kandala P O, Kattakkada, Thiruvananthapuram- Orders issued.

Ref: 1. Letter No.400/GL/2023/SHO/MRLR dated 19.10.2023 from the Inspector SHO, Maranolloor Police Station
2. Proceedings No. SC3/104/2023/Home dated 18.11.2023.
3. Proceedings No. SC3/104/2023/Home dated 15.07.2024.
4. Proceedings No. SC3/104/2023/Home dated 25.10.2024.
5. Letter No RCS/10527/2023-CP(3) dated 18/01/2025 from the Registrar of Co-operative Societies.

ORDER

The Inspector SHO, Maranolloor Police Station as per letter read as 1st paper above has reported that around 62 crime cases are registered against the Kandala Service Co - operative Bank No. T 197, Kandala P O, Kattakkada, Thiruvananthapuram based on the complaints of several depositors regarding the non repayment of money deposited with the Society and during the course of investigation it is found that the deposit schemes offered by the Society does not possess approval of the Regulator concerned i.e., Registrar of Co - operative Societies and has accumulated an amount of Rs. 6,93,66,821/- in the above cases. Hence in addition to sections 420, 409 & 34 IPC , sections 3 r/w 21, 5 r/w 23 of BUDS Act have been added to the crime cases registered against the Society. The President and Secretary of the Society is arrayed as accused in all the crime cases. Consequently, orders for provisional attachment against the deposit taker was issued as per letter read as 2nd

paper above

The Kandala Service Cooperative Bank is presently under the control of the Administrative Committee. As part of its revival project, a meeting was held on 03.07.2024 in the chambers of the Minister of Cooperatives. During the meeting, it was decided that since the bank's activities and financial transactions are ongoing, an application was submitted before the Competent Authority seeking exemption from the freezing of the Society's accounts. Accordingly, vide reference 3rd cited, the proceedings were reissued, modifying the earlier order by exempting the bank account(s) of Kandala Service Co-operative Bank and authorizing their operation by the newly appointed Administrative Committee.

As per reference 4th cited the attachment orders issued against the Kandala Service Co-operative Bank was reissued as application under Section 14 of the BUDS Act could not be filed before the Designated Court within the stipulated time by the District Collector, Thiruvananthapuram

In the meeting held on 03.07.2024 in the chambers of the Honorable Minister of Co-operation, it was decided to include the Society in the revival package and restore it to its former condition. Accordingly, gold loan services were initiated by the Society on 12.09.2024. Additionally, the decision of the Bank Administrative Committee to lease the hospital, which was operating at a loss under the bank, and to auction and sell unused furniture of the Society has been approved by the Joint Registrar (General), Thiruvananthapuram.

As per the decision of the Administrative Committee meeting, undertaken as part of the renovation activities of the Kandala Service Co-operative Society the steps to lease the Kandala Co-operative Hospital can only be taken if the sale mortgage provision regulated under the Buds Act is waived. In the above circumstances, the Registrar of the Co-operative Society has requested that the BUDS Act order be relaxed for the above purposes only.

In view of the request from Registrar of Co-operative Society as well as the intention of the broad minded Government to revive the operations of the bank, the Competent Authority, by invoking inherent powers of the Civil Court conferred under section 151 of CPC r/w sub section 4 of section 7 of BUDS act hereby modify the proceedings dated 25.10.2024 read as 4th paper above that the attachment order is limited to the assets of the former directors who are accused in the

police case and attachment against the Kandala Service Co - operative Bank No. T 197, Kandala P O, Kattakkada, Thiruvananthapuram is lifted.

The Inspector General of Registration Department is hereby directed to unfreeze the sale/mortgage or any other transaction of immovable properties of the Kandala Service Co - operative Bank. The Transport Commissioner, Motor Vehicles Department is directed to release all vehicles owned by the bank.

BISHWANATH SINHA

Forwarded/By order

Section Officer.

To:

All District Collectors
The State Police Chief
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
General Managers of KSFE/District Managers of KFC(through District Collectors)
I & PR (Web & New Media) Department.
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