

**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**

SC3/78/2022-Home Dated, Thiruvananthapuram (10-04-2025)

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Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of M/s Phenomenal Group of Companies-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.64/CB CU-III/DySP/KKD/2023 dated 19.10.2023 from the Deputy Superintendent of Police, Crime Branch Central Unit III.  
4.Proceedings No.SC3/78/2022/Home dated 21/11/2023.  
5.Judgment in WP(C)No.22737/2024-Home dated 05/11/2024 by the Hon.High Court of Kerala.  
6.Letter No. DCPKD/11452/2024-B7 dated 21/12/2024 from the District Collector, Palakkad.  
7.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 accused Managing Directors and directors of the Phenomenal Group of Companies had solicited deposits from public promising to double the amount in 9 years offering health insurance coverage during the term period and after accepting crores of rupees as investments in instalments since 2003, closed down the entities in 2016 thereby

cheating the complainants by not repaying the deposit amount with returns offered. As such, Crime No. 157/CBCU III/KKD/2017 u/s 406, 409, 420 r/w 34 IPC Sec. 3,4,5 of Prize Chits and Money Circulation Schemes (Banning) Act, 1978 and Sec 5 of Kerala Protection of Interests of Depositors in Financial Establishments Act, 2013 (Chalakkudy Police Station Crime Cr. 2299/2016) and 112 cases were registered in various police stations in the State. Investigation as per 3<sup>rd</sup> paper above, has revealed that the accused Director of Phenomenal Company, Benoy Raphael, has purchased a land of 11.51 ares in Re Survey No. 11/543 at Angamali Village in Ernakulam District with the money raised from the depositors. The District Collector, Palakkad has also reported that the Company owns 5.05 acres in Resurvey No. 524, 628 in Kottathara Village and Nandalal Kesar Singh, Chairman and Managing Director possesses 9.47 acres in Resurvey No. 621, 622 in Kottathara Village and another Director K O Raphael 4.19 acre land in Resurvey No. 623 in Kottathara Village, Palakkad District. The District Collector, Thrissur has reported that the Accused Company possesses 06.4345 Ha land in Survey No. 1652, 1651, 1650, 1646, 1645, 1644, 1643, 1642, 1641, 1470, 1469 in Kodakara Village and 0.0765 Ha land in Survey No. 504/10 and XXVIII/342 B No. building in Kizhakke Chalakkudy Village. Sri K A Jiffy, Director owns 0.0491 Ha land in Survey No. 735 in Kodakara Village in Thrissur District.

Since the firm had accepted deposits offering higher returns and subsequently failed to return the amount as promised, provisional attachment order as per reference 4<sup>th</sup> paper above was issued attaching the properties of the above firm.

Now the District Collector, Palakkad vide letter 6<sup>th</sup> paper above, has informed they could not file the application under section 14 of the BUDS Act before the Designated Court within the stipulated time frame and has requested to reissue the proceedings.

As per the judgment as per 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 as per reference 7<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 powers conferred under Section 7(3) of the BUDS Act, 2019, I hereby reissue the proceedings referred to as the 4th 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 either in the name of the Deposit Taker or in the name of any other person on their behalf, are hereby attached again.

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 2nd 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 the 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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