

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

HOME (SC) DEPARTMENT

SC3/52/2023/Home Dated,Thiruvananthapuram (17-04-2024)

Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of M/s Nedumpillil Finance - 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. Report from the Station House Officer, Kuruvilangad Police Station dated 23.01.2024.

ORDER

The Station House Officer, Kuruvilangad Police Station has furnished report u/s 29 of BUDS Act regarding the crime case No. 188/2024 u/s 406, 420 IPC & 4 r/w 22 of BUDS Act registered against M/s Nedumpillil Finance.

The Chairman, Managing Director, Director, and Branch Manager of Nedumpillil Finance are alleged to have engaged in unlawful financial practices, causing substantial losses to the depositors. The modus operandi involved is enticing the public with attractive interest rates, higher than those offered by scheduled banks. As per RBI circular DNBS (PD) CC.No.92 /03.02.089/2006-07 dated April 24, 2007 on 'Amendments to NBFC Regulations - Ceiling on rate of interest', the maximum interest rate payable on

public deposits by NBFCs is 12.5% per annum. Despite assurances of returning the amount after the maturity period, the accused issued only preference certificates and subordinate debt certificates for the fixed deposit instead of providing proper receipts. The accused also failed to return both the principal and interest amounts, thereby deceiving the depositors.

The details of accused.

1. Issac N A, Chairman, Nedumpillil Finance, Kuzhimullil Building, Uzhavoor, Kottayam.
2. Abraham N I, Managing Director, Nedumpillil Finance, Kuzhimullil Building, Uzhavoor, Kottayam.
3. Aneesha Abraham, Director, Nedumpillil Finance, Kuzhimullil Building, Uzhavoor, Kottayam.
4. Sasi P S, Manager, Nedumpillil Finance, Kuzhimullil Building, Uzhavoor, Kottayam.

The Reserve Bank of India has reported that M/s Nedumpillil Financial Company Limited, bearing CIN- U65910KL1996PLC011055 presently having its registered office at 41/3793, II Floor, Carmel Centre Building, Banerji Road, Kochi, Kerala- 682018 was incorporated on December 30, 1996 in the name of "Nedumpillil Chits and Finance Private Limited", under the provisions of the Companies Act, 1956. The company had submitted an application dated July 03, 1997 to the Reserve Bank of India for grant of Certificate of Registration (CoR) under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 ("the RBI Act") to carry on the business of a Non-Banking Financial Institution (NBFI). Subsequently, the name of the company was changed to 'Nedumpillil Financial Company Private Limited'. The Reserve Bank granted CoR No. B- 16.00124 dated October 04, 2000 to the company as a Non-Deposit taking Non-Banking Financial Company (NBFC-ND). Consequently, on conversion to a Public Limited Company, a fresh CoR dated September 25, 2002 was issued to the company in the name of "Nedumpillil Financial Company Limited", subject to compliance with the provisions of the RBI Act, guidelines/directions issued by the RBI from time to time and the terms/conditions subject to which the CoR was issued to it.

The RBI, after noting certain violation/discrepancies in the functioning of the Company, in exercise of the powers conferred by Section 45-1A (6) of the RBI Act, cancelled the CoR bearing No. B-16.00124 dated September 25, 2002

issued to Nedumpillil Financial Company Limited. The Company is also advised to stop carrying out financial business with immediate effect from the order dated November 17, 2022 and to repay all the outstanding claims, if any, which the Company carried out as an NBFC.

In the wake of the complaints from depositors, the Police have filed crime cases against the firm invoking the provisions of BUDS Act. Whereas provisions of Banning of Unregulated Deposit Schemes Act are invoked in the crime case registered against M/s Nedumpillil Finance 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

Section Officer.

To:

1. Issac N A, Chairman, Nedumpillil Finance, Kuzhimullil Building, Uzhavoor, Kottayam.
2. Abraham N I, Managing Director, Nedumpillil Finance, Kuzhimullil Building, Uzhavoor, Kottayam.
3. Aneesha Abraham, Director, Nedumpillil Finance, Kuzhimullil Building, Uzhavoor, Kottayam.
4. Sasi P S, Manager, Nedumpillil Finance, Kuzhimullil Building, Uzhavoor, Kottayam.
5. The State Police Chief
6. All District Collectors
7. The Additional Director General of Police (Crimes)
8. The Inspector General of Police (EOW), PHQ
9. All District Police Chiefs
10. The Station House Officer, Kuruvilangad Police Station.
11. The Inspector General of Registration Department
12. The Transport Commissioner
13. Registrar of Co-operative Societies
14. General Managers of KSFE/District Managers of KFC/All Banks etc (through the District Collectors)
15. The Finance/ Law/Revenue/Taxes Departments
16. I & PR (Web & New Media) Department.
17. Stock File/Office Copy