

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

HOME (SC) DEPARTMENT

SC3/98/2022-Home Dated,Thiruvananthapuram (15-07-2024)

Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of TNT Chits Private Limited - Orders Reissued

Ref: 1) GO(P) No. 69/2020/Home dated 18.12.2020 published as SRO No. 887/2020.

2) GO(Rt) No. 2959/2020/Home dated 22.12.2020 published as SRO No. 894/202.

3) Letter No. DCEKM/8237/2020/M2, dated 29.05.2022 from the District Collector, Ernakulam

4) Letter No. D3 - 210396/2022/PHQ, dated 08.03.2023 from the State Police Chief

5) Letter No. D1 - 7865/2023/R, dated 26.02.2023 from the District Police Chief, Thrissur Rural.

6) Proceeding No: SC3/98/2022/Home Dated,15-05-2023.

7) Letter No. DCTSR/10485/2020-C8 dated 01.07.2024 of the District Collector, Thrissur

ORDER

The District Collector, Ernakulam as per letter read as 3rd paper above has reported that 508 cases have been registered at various Police stations in Thrissur City, Thrissur Rural and Palakkad District against TNT Chits Private Limited and an approximate amount of 50 Crores were cheated by the accused persons from the depositors. The Investigating Officer has reported that Telson Thomas and Nelson Thomas formed a financial institution in the name of TNT Chits Pvt Ltd registered at Registrar of Companies and formed Director Board with 13 members including the accused persons.

As per the Memorandum of Association, the object of the company is for

starting and conducting kuries and registered office of the company is at Madayikkonam, and administration head office was at Thelappilly with in Irinjalakuda police station limit. The investigation revealed that the accused Director Board members of the company with the intention of cheating the public and for extracting the money from them under the chit business collected huge amount from the subscribers of the Chitty and depositors. The accused persons Telson and Nelson acquired movable and immovable properties using the money of chitty subscribers by violating provisions of section 14 of the Chit Fund Act.

Vide Proceedings read as 6th paper above the Competent Authority issued 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 in the name of any other person on behalf of the deposit taker.

As per section 14 of the BUDS Act application for confirmation of attachment and sale of property had to filed within 30 days which might extend up to 60 days before the Designated Court. But the District Collector, Thrissur vide letter read as 7th paper above reported that the exercise could not be completed within the stipulated time

Accordingly, I, Sanjay M Kaul IAS, Competent Authority, BUDS Act 2019 have examined the matter again in detail and found that the accused have collected huge amount from the subscribers of the Chitty with the intention of cheating the public and for extracting the money from them under the chit business, thus amounting to an unregulated scheme. The deposit taker have accepted the deposits in contravention of section 3 of the BUDS Act read with section 21 and defaulted in repayment of such deposits.

I, therefore, in exercise of powers conferred under section 7(3) of BUDS Act, 2019, reissue the proceedings read as 6th paper above to safeguard the interest of the innocent depositors, hereby attach 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 of 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 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 in Form No. 2.

The District Collectors are further directed to publish the order of provisional attachment in a leading newspaper both in Malayalam and in 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 Central BUDS Act, 2019.

(Sd.)
SANJAY M KAUL

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)

The Finance/ Law/Revenue/Taxes Departments

I & PR (Web & New Media) Department.

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