

**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

No. SC3/342/2023/Home Dated, Thiruvananthapuram (15-07-2024)

Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of Finsere Nidhi Limited, Race Complex, Sankarayar Road, West Fort, Thrissur West and Finsere Kuries Private Limited, Kodungallur- 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. 56/TDR/CBEOW/TSR dated 26.10.2023 and letter No.500/TDR/CBEOW/TSR dated 20.09.2023 from the Deputy Superintendent of Police, Crime Branch EOW, Thrissur Unit.
4) Proceedings No:SC3/342/2023/Home dated 21/11/2023.
5)Letter No. DCTSR/10485/2020-C8 dated 01.07.2024 of the District Collector, Thrissur

ORDER

The Deputy Superintendent of Police, Crime Branch EOW, Thrissur Unit has submitted a report read as 3rd paper above regarding the crime cases registered against M/s Finsere Nidhi Limited and Finsere Kuries Private Limited, Kodungallur.

1. Finsere Nidhi Limited

The Company FINSERE NIDHI LIMITED is registered with the Registrar of Companies and incorporated on 28.04.2016. However the Company has

not filed the mandatory forms in NDH I, NDH -II, NDH -III and NDH IV. The amended provisions of the Companies Act (Section 406) and Nidhi Rules (as amended w.e.f. 15.08.2019) require that Nidhi companies have to apply to the Ministry of Corporate Affairs for updation of their status/declaration as Nidhi Company in Form NDH-4. The Registrar of Companies have also reported that Finsere Nidhi Limited has not filed NDH 4. As per Nidhi Rules, 2014, the Nidhi Companies cannot accept deposits from or lend to any person, other than its members and issue or cause to be issued any advertisement in any form for soliciting deposits. M/s Finsere Nidhi Limited have blatantly violated all these Rules and solicited deposits through advertisements and accepted deposits from the general public offering higher returns. As such Crime No. 174/2021 u/s 406, 420 r/w 34 IPC and section 3 r/w 21, 5 r/w 23 of BUDS Act 2019 was registered against the firm for conducting unregulated Deposit Schemes. The investigation has revealed that the Company accepted deposit to the tune of around 3 crores from public.

2. Finsere Kuries Private Limited

Finsere Kuries Private Limited was registered with Registrar of Companies as a Private Limited Company on 13.10.2011 with CIN No. U65992KL2011PTC029571. The Directors of the firm conducted chit schemes (kuries) without obtaining necessary sanction from the Registration Department and made the public believe that the chit scheme namely Grihalakshmi - 101 got approval from the District Registrar of Societies, Faridabad and accepted subscriptions from public. The amount collected was diverted to another Company Finsere Insurance Consultants and in real estate business. A crime case was registered as Crime Branch Crime No. 220/2021 u/s 406, 420 r/w 34 IPC and section 3 r/w 21, 5 r/w 23 of BUDS Act, 2019 against the accused.

Vide Proceedings read as 4th 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 be filed within 30 days which might extend up to 60 days before the Designated Court. But the District

Collector, Thrissur vide letter read as 5th 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 deposits through advertisements and accepted deposits from the general public offering higher returns, 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 4th 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
Deputy Superintendent of Police, Crime Branch EOW, Thrissur Unit.
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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