

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

SC3/238/2023/Home Dated,Thiruvananthapuram (19-12-2023)

Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of Dvija Nidhi Nidhi Limited, TC 52/1396 (1), Sreevisakh, VNRA 2, Thrikkannapuram, Industrial Estate P O, Thiruvananthapuram - 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.Letter No.ROCK/NDH - 4 Rej/Dvija/2588/2023 dated 24.05.2023 from the Registrar of Companies, Kerala & Lakshadweep.

4. Letter No.Ptn - 14360/2023/CB dated 23.09.2023 from the Additional Director General of Police (Crimes).

ORDER

The Registrar of Companies, Kerala & Lakshadweep, as per letter read as 3rd paper above, has reported that the NDH 4 of Dvija Nidhi Nidhi Limited, TC 52/1396 (1), Sreevisakh, VNRA 2, Thrikkannapuram, Industrial Estate P O, Thiruvananthapuram has been rejected w.e.f 14.05.2021 by the Ministry of Corporate Affairs as the company has not met the requirements to be declared as a Nidhi Company. Rule 23 A of Nidhi Rules read with Companies Act, 2013 reads as follows:

" Provided further that no company which has not complied with the requirements of this rule, or fails to comply with such requirement on or after

the date of commencement of the Nidhi (Amendment) Rules, 2022, or in case the application submitted by the company in Form NDH-4 is or has been rejected by the Central Government, shall raise any deposit from its members or provide any loan to its members under the provisions of these rules from the date of such non-compliance, or the date of commencement of the said rules, or the date of rejection of the application in Form NDH-4, whichever is later. Provided also that any deposit raised by a company after the date of non-compliance, or the date of commencement of the above said rules, or the date of rejection of the application in Form NDH-4, whichever is later, as referred to in the second proviso shall be deemed to have been raised in pursuance of Chapter V of the Act, and shall be subject to all the requirements under that Chapter, or under any other provisions of the Act or the rules made thereunder, as the case may be."

As per Rule 3 (da) of Nidhi (Amendment) Rules, 2019, "Nidhi" means a company which has been incorporated as a Nidhi with the object of cultivating the habit of thrift and savings amongst its members, receiving deposits from, and lending to, its members only, for their mutual benefit, and which complies with the rules made by the Central Government for regulation of such class of companies.'

Whereas the Additional Director General of Police (Crimes) as per letter read as fourth paper above, reported that the Dvija Nidhi Nidhi Limited, TC 52/1396 (1), Sreevisakh, VNRA 2, Thrikkannapuram, Industrial Estate P O, Thiruvananthapuram offers gold loan, personal loan etc to public and through Recurring Deposit Scheme, Fixed Deposit Scheme and Daily Deposit Scheme accepted deposits from around 924 persons and only 480 members are share holders of the firm and further stated that the firm accepted deposits from public in violation of Nidhi Rules mentioned supra and whereas accepting deposits other than from members in violation of Nidhi rules would amount to conduct of unregulated deposit scheme punishable under the provisions of Banning of Unregulated Deposit Schemes Act, 2019,

Now, therefore in exercise of powers conferred under section 7(3) of BUDS 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 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, for which the 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 wherein 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 is directed to file application with particulars of the attachment effected before the Designated Courts constituted as per reference 2nd cited, of the respective Districts, 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:

The State Police Chief
All District Collectors

The Additional Director General of Police (Crimes)

The Inspector General of Police (EOW), PHQ

All District Police Chiefs.

The Inspector General of Registration Department

The Transport Commissioner

Registrar of Co-operative Societies

General Managers of KSFE/District Managers of KFC/All Banks etc
(through the District Collectors)

The Finance/ Law/Revenue/Taxes Departments

I & PR (Web & New Media) Department.

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