

**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

HOME (SC) DEPARTMENT

SC3/12/2023-Home Dated,Thiruvananthapuram (26-03-2025)

Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of M/s Dhanavyavasaya, Chettiayangadi, Thrissur - 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) Proceedings No. SC3/12/2023/Home dated 02/02/2023.

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

5)Proceedings No. SC3/12/2023/Home dated 31/07/2024

6)Judgment in WP(C)No.22737/2024-Home dated 05/11/2024 by the Hon.High Court of Kerala.

7)Letter No. DCTSR/10253/2023-C8 dated 28/11/2024 from the District Collector, Thrissur.

8)Judgment in CrI.M.P. 4358/2024 & CrI. M.P. 4359/2024

dated 28.01.2025 of the Additional Sessions Court III, Thrissur.

ORDER

M/s Dhanavyavasaya, Chettiyangadi, Thrissur had offered 15 % interest on the amount deposited and betrayed the depositors by not giving back the money. A crime case has been registered as Crime No. 2437/2022 of Thrissur City Town East Police Station u/s 406, 420, 34 IPC & sections 21 r/w 3, 23 r/w 5 of Banning of Unregulated Deposit Schemes Act. The firm had accepted deposit amounting to ₹4,78,42,070/ from the complainants without valid licence to operate such a firm.

The details of the accused are as follows :

- 1)M/s Dhanavyavasaya, Chettiyangadi, Thrissur.
- 2)Joy D Panancheri, S/o Devassi, Panancheri Veed, Vadookkara, Thrissur.
- 3)Rani Joy, W/o Joy D Panancheri, Panancheri Veed, Vadookkara, Thrissur.

Since the firm had accepted deposits offering profit and subsequently failed to return the amount as promised, provisional attachment order as per 3rd paper above was issued attaching the properties of the above firm.

The District Collector, Thrissur vide letter 4th paper requested to issue new provisional attachment order as they failed to file the confirmation of temporary attachment of all the movable and immovable properties of Dhanavyavasaya before the Designated court

within the stipulated time. Accordingly the above provisional attachment was reissued vide order in reference 5th cited.

Now the District Collector, Thrissur vide letter 7th 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 as additional properties found by the Investigation Officer after the initial attachment of the properties needs to be attached. The District Collector, Thrissur has requested to reissue the proceedings again.

As per the judgment in reference 6th 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 in reference 8th 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 3rd 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.

Stock file/Office Copy.