

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

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HOME (SC) DEPARTMENT

SC3/97/2019/Home

Dated, Thiruvananthapuram (25-11-2023)

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Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of Nirmal Krishna Nidhi Limited/ Nirmal Krishna Benefit Fund Limited, Perunkadavila/ Krishna Finance, Perunkadavila, Thiruvananthapuram and allied firms - 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. Representation dated 25.10.2023 from the Nirmal Krishna Nidhi NIKSHEPANA Samrakshana Samithi.

4. Letter No.D3 - 69747/2023/PHQ dated 03.11.2023 from the State Police Chief.

5. Letter No. G8 - 40254/2023/T dated 13.06.2023 from the District Police Chief, Thiruvananthapuram Rural.

ORDER

The State Police Chief as per letter read as third paper above has reported that Nirmal Krishna Chitty Fund operating within the limits of Palukal Police Station in Tamil Nadu had collected deposits from public offering attractive rates of interest and also given gold loans to people and later closed its business without returning the money to the depositors. In this regard crime cases were

registered at various Police Stations in Tamil Nadu. The firm had branches at Perunkadavila, Marayamuttom, Thiruvananthapuram etc and conducted business in the name of Nirmal Krishna Benefit Fund Limited. On the basis of the complaints registered against the Managing Director of the firm that he has failed to return the gold ornaments taken as collateral for sanctioning loans, crime cases were registered at Marayamuttom Police Station as Crime No. 478/2022, 479/2022, 480/2022, 481/2022, 482/2022 and 582/2022.

The deposit taking was carried out by the firm prior to the enactment of Banning of Unregulated Deposit Schemes Act, 2019. Section 3 of BUDS Act states about banning of all types of Unregulated Deposits Schemes mentioned in the Act, from the date of commencement of the Act. Normally penal provisions have no retrospective effect in view of Article 20 (1) of the Constitution. In the instant case the deposits are received prior to the commencement of the Act. All Unregulated Deposit Schemes are banned with effect from the date of coming into force of the BUDS Act. When the Scheme itself is banned, no person is entitled to retain any deposit received under the Unregulated Deposit Schemes without the same being returned to the person who deposited the amount. Retaining of any amount in deposit under the Unregulated Deposits Scheme is therefore a continuing offence in view of total ban on the Unregulated Deposit Schemes.

Whereas the firm had been operating unregulated deposit schemes and as the Managing Director Nirmalan, S/o Krishnan Nair, TC 16/779 -1/SK NRA Lane, House No. 172, Jagathy, Thiruvananthapuram, PIN 695014 can be held responsible for the alleged offence,

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 any other accused identified in the course of investigation 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 2<sup>nd</sup> 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 Station House Officer, Marayamuttom Police Station.

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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