

**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: BISHWANATH SINHA**

HOME (SC) DEPARTMENT

SC3/30/2024-Home Dated,Thiruvananthapuram 28-10-2024

Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of Self Employers Service Society, Building New Market Road, Kottayam- 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.D5-1733/2024/EOW dated 06/04/2024 from the Additional Director General of Police (Crimes).
4) Proceedings No. SC3/30/2024/Home dated 30/05/2024.
5) Letter No.5828/2024-S3 dated 22/08/2024 from the District Collector, Kottayam.

ORDER

The Competent Authority had previously attached the properties of the Self Employers Service Society, Market Road, Kottayam as per proceedings read as 4th reference cited. However, the attachment order became inoperative due to the failure to file an original petition before the Designated Court within the prescribed limitation period by the District Collectors.

The District Collector, Kottayam vide his report read as 5th reference cited has reported that after the issuance of the proceedings, Sri. Somaraj, submitted a petition, before the District Collector, Kottayam on 28.06.2024 pointing out some properties owned by the institution are under challenge. Necessary directions have been given to the Tahsildar, Kottayam to effect the provisional attachment on the property pointed out by the applicant from that office.

The report from the Tahsildar, Kottayam after the provisional

attachment effected on the property owned by the said institution was received by that office only on 28.07.2024. On the same day the collectorate office handed over the details of property to the Special Public Prosecutor to draft and file the petition to make the provisional attachment, absolute before the Designated Court. The special public prosecutor orally pointed out some irregularities in this case. Hence the District Collector could not file the petition before the Designated Court within the stipulated time.

The Additional Director General of Police (Crimes) as per letter read as 3rd paper above furnished report that the Self Employers Service Society, Kottayam registered as per Travancore - Cochin Literary Scientific and Charitable Societies Registration Act 1955 accepted huge deposits and issued loans to the public and members even after the enactment of BUDS Act. It is reported that the Society accepts Fixed Deposits, Cumulative Deposits & Recurring Deposits without any valid licence and collected huge amount (Rs. 1656 Lakhs) from members and issued loans (9 Crores 97 Lakhs Rupees). These activities of the society come under the purview of unregulated deposits defined in BUDS Act.

Accordingly, I, Bishwanath Sinha IAS, Competent Authority, BUDS Act 2019 have examined the matter in detail and found that the firm Self Employers Service Society are found not regulated by any of the Regulatory authorities listed in the schedule annexed to the BUDS Act and as such it comes within the purview 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 3rd 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 BUDS Act, 2019.

(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)

The Finance/ Law/Revenue/Taxes Departments

I & PR (Web & New Media) Department.

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