

**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

SC3/184/2022-Home Dated,Thiruvananthapuram (27-03-2025)

Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of Kerala Housing Finance Limited (KHFL) -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)Investigation Reports from Detective Inspector, Crime Branch Central Unit -IV
4) Proceedings No.SC3/184/2022/Home dated 27/12/2022.
5) Letter No. DCTSR/10485/2020-C8 dated 27/06/2024 from the District Collector Thrissur.
6)Proceedings No.SC3/184/2022/Home dated 31/07/2024.
7)Judgment in WP(C)No.22737/2024-Home dated 05/11/2024 by the Hon.High Court of Kerala.
8)Judgment in Crl.M.P. 4358/2024 & Crl. M.P. 4359/2024 dated 28.01.2025 of the Additional Sessions Court III, Thrissur.
9) Letter No. DCPTA/623/2023-B7 dated 11/02/2025 from the District Collector Pathanamthitta.

ORDER

The Detective Inspector, CBCU - 1V, Thiruvananthapuram,as per letter read as 3rd paper above, relating to the crime case No. 31/CBCU - 1V/ TVM/R/2021 u/s 406,420 & 34 IPC and section 3,4 r/w 5 of The Emblems and Names (Prevention of Improper Use) Act 1950 and Section 5 of Kerala Protection of Interests of Depositors in Financial Establishments Act 2013 (KPID Act), Sec.21 & 23 of the Banning of

Unregulated Deposit Schemes Act 2019, registered against Kerala Housing Finance Limited (KHFL).KHFL has accepted deposits from the public and failed to return the amount as promised and thus committed offence under section 21 & 23 of BUDS Act.

The details of the accused in the case is as follows:

1. M/s Kerala Housing Finance Limited, 2nd Floor, PAN AFRICAN PLAZA Building, MG Road, Vanchiyoar, Thiruvananthapuram.
2. G Unnikrishnan Nair, S/o Govinda Pillai,Mullasserri Veed, Choorakkatt Vila, Adoor, Pathanamthitta.
3. Krishnan Nair, S/o Narayana Pillai, Ushas, Vazhottkonam, Vattiyurkavu, Thiruvananthapuram.
4. Smt Komala Krishnan, w/o G Unnikrishnan Nair,Mullasserri Veed, Choorakkatt Vila, Adoor, Pathanamthitta.
5. Sri Pazhoor Parameswaran, S/o Vasudevan Namboothiri, House No. 7/129, Kolazhi Green City, Viyyoor, Thrissur
6. Vijayalekshmi K, D/o Kamala Bhai Amma, Aayirappally Veettil, Muthukulam Village, Karthikappally.
7. The late G Suresh Kumarumar , S/o Gangadharan Pillai, Nikunjam Veed, Thekkekkara Varenikkal Post, mavelikkara, Alappuzha.

Since the accused have accepted deposits from the public and failed to return the amount, provisional attachment order as per 4th paper above was issued attaching the properties of the above firm.

The District Collector, Thrissur vide letter 5th paper above 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 KHFL before the Designated court within the stipulated time. Accordingly the above provisional attachment was reissued vide reference 6th cited.

Now the District Collector, Pathanamthitta vide letter 9th paper above has informed that they could not file the application under section 14 of the BUDS Act before the Designated Court within the stipulated time frame as it took time for obtaining the Valuation Certificate since a property owned by the firm has a value of Rs. 5 Crore and has requested to reissue the proceedings.

As per the judgment in reference 7th 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 the exercise of powers conferred under Section 7(3) of the BUDS Act, 2019, I hereby reissue the proceedings referred to as the 4th 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.

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