

**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**

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**HOME (SC) DEPARTMENT**

SC3/357/2023-Home Dated,Thiruvananthapuram (27-03-2025)

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Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of the accused in Crime Branch crime No. 204/CB-EOW/MPM/2022-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. Letter No.539/Des/EOW/MPM/2023 dated 29.09.2023 from the Deputy Superintendent of Police, EOW, Malappuram

4.Proceedings No. SC3/357/2023/Home dated 21/11/2023.

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

6. Judgment in Crl.M.P. 4358/2024 & Crl. M.P. 4359/2024 dated 28.01.2025 of the Additional Sessions Court III, Thrissur.

7.Letter No. DCMPPM/3361/2025-E6 dated 07/03/2025 from the District Collector, Malappuram.

**ORDER**

The accused in the crime case no. 204/CB- EOW/MPM/2022 started a franchisee of Indian Infoline Securities LTD (Broker Licence Holder of SEBI for conducting share trade business) at Edavannappara in Malappuram District. A1 Sajitha is the Registered Sub Broker of SEBI. She obtained sub broker licence from SEBI in the year 2010. The franchisee of IIFL started in the name of Sajitha in the year 2010 at Edavannappara. A2. Abdul Nazar S/o Moosa, Valachettiyl House,

Cherumuttam, Valiyaparambu, Pulikkal is Sajitha's husband and he worked as office staff at IIFL office, Edavannappara. The allegation against the accused persons is that they solicited and collected huge sums of money from public from Malappuram and Kozhikode Districts by making a false promise that they will pay 2% interest on monthly basis by depositing their money in share trade business. They never disclosed the fact that profit from share trade is subject to market risk and also did not open a demat account for the depositors which is compulsory to conduct share trading in stock market for individuals. Later they misappropriated the money amounting to Rs 4,86,90,000/- (Four Crore Eighty Six Lakhs and Ninety thousand rupees only) collected from around 61 depositors.

The investigation has disclosed that accused A1 and A2 have defrauded about 61 depositors by offering a false promise of profit and collected an amount of 4,86,90,000. (Four crores eighty six lakhs and ninety thousand rupees only) from them. Accordingly, the provisional attachment order as per 4th paper above, was issued attaching the properties of the above firm.

Now the District Collector, Malappuram vide letter 7<sup>th</sup> 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 reports was not received from many departments and has requested to reissue the proceedings.

As per the judgment in reference 5<sup>th</sup> 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 the above 6<sup>th</sup> reference, 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 4<sup>th</sup> 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 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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