

No. C3/16596/14/CT

Office of the Commissioner,
Commercial Taxes, Kerala,
9th Floor, Tax Towers,
Killipalam, Karamana P.O,
Thiruvananthapuram.
PIN - 695 002.
Dated: 28/3/2015.

CIRCULAR No.7/2015

Sub: Commercial Taxes -State Level Co-ordination Committee on Regulation of Non-Banking Financial Companies and Deposit Acceptance Activities of Un-incorporated Bodies - Curbing the menace of schemes for unauthorized collection of deposits/funds mobilization from public, illegal collective investment schemes, other investment frauds, etc. - Direction issued.

It has been brought to the notice of the State Government by the Reserve Bank of India that there are various illegal schemes operating in the Country for collection of funds from the gullible public. State Level Co-ordination Committee on Regulation of Non-Banking Financial Companies and Deposit Acceptance Activities of Un-incorporated Bodies are expected to play an effective role in early detection and prompt action against illegal schemes such as unauthorized collection of deposits/funds mobilization from the public, collective investment schemes, ponzi schemes, other investment frauds etc.

Reserve Bank of India has directed the Department to strengthen the market intelligence activities which would help in bringing to notice such instances on a regular basis.

In this regard it is also brought to notice that Government of Kerala vide Notification in S.R.O. No: 1132/85 dated July 23, 1985 has authorized officers of and above the rank of Sales Tax Officers of the Agricultural Income Tax and Sales Tax Department for making a complaint in the Court in respect of any offence punishable under sub-section 5A of Section 58B of the Reserve Bank of India Act (i.e. violation of Section 45S of the Reserve Bank of India Act).

In view of the facts stated above, it is directed that all the Inspecting Assistant Commissioners in charge of implementation of the Kerala Money Lenders Act, 1958 should closely monitor the functioning of money lenders to find out whether they resort to any unauthorized collection of deposits / funds from the public through collective investment schemes, ponzi schemes, other investment schemes etc. and also to report such instances if any, to the Reserve Bank of India and to the Government, through proper channel.

Sd/-

COMMISSIONER

To,

All concerned.