

**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**

SC3/88/2020-Home

Dated, Thiruvananthapuram (11-03-2025)

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Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of M/s Popular Finance Company Ltd- 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. SC3/88/2020/Home dated 22.09.2020  
4) SRO No. 605/2020, dated 23.09.2020.  
5) Proceedings No. SC3/88/2020/Home dated, 16/11/2021.  
6) Letter No. DCKLM/9513/2020/M5 dated 20/01/2025 from the District Collector, Kollam.  
7) Judgment dated 28.01.2025 of the Hon. Addl. Sessions Court III, Thrissur in CrI.M.P. 4358/2024 & CrI. M.P. 4359/2024

**ORDER**

Popular Finance, a Financial Group having various establishments with different legal status and having its Head Office at Popular Towers, Vakayar, Konni, Pathanamthitta District (also known as Popular Group). The Managing Directors of M/s Popular Finance, have collected unregulated deposits and failed to return the deposit when demanded by the depositors. Therefore the depositor filed complaints against the Managing Directors of the firm and SHO, Konni Police registered an FIR vide Crime No. 1740/2020 of Konni Police Station on 15.08.2020 on the petition filed by Smt. Aniamma Koshy

and later several FIRs have been registered against them at various police station.

In view of the direction of the Hon'ble High Court in W.P(C)No. 18199/2020 dated 16.09.2020, the Competent Authority has issued direction vide reference 3rd cited authorizing the District Collectors to close down all the branches of M/s. Popular Finance Company Ltd and its allied institutions within the districts concerned and to attach all the movable and immovable properties.

Government have decided to entrust the investigation of the case by the Central Bureau of Investigation vide reference 4th cited. The Central Bureau of Investigation has submitted reports of investigation and informed of the commission of offences under BUDS Act 2019, prima facie against (1) the Chairman & Managing Director, Directors of M/s. Popular Finance and Group of Companies and (2) Representatives of M/s. Popular Finance and other unknown persons. The following persons have been identified as the Managing Director, Directors of M/s. Popular Finance & Group of Companies and they have been arrayed as accused persons:

1. Thomas Daniel(A-1),
2. Prabha Thomas(A-2),
3. Dr. Rinu Mariyam Thomas(A-3),
4. Dr. Riya Ann Thomas(A-4) and
5. Reba Mary Thomas (A-5).

Government with the concurrence of the Chief Justice issued notification designating the Additional District and Sessions Court in all 14 Districts in the State as Designated Courts for the purpose of carrying out the functions under the said Act. Later, in terms of the directions issued by the High Court in order dated 01.12.2022 in W.P. (C) No. 4998 of 2021, the Government issued an order dated 16.05.2024 establishing a Special Designated Court in Alappuzha having jurisdiction all over Kerala to deal with cases involving deposit fraud committed by Popular Finance Pvt. Ltd. and other connected entities.

The District Collectors of Thiruvananthapuram, Kollam, Alappuzha, Pathanamthitta, Idukki, Kottayam, Ernakulam, Waynad, Thrissur, Kozhikkode and Palakkad have submitted detailed report of the movable and immovable properties of M/s. Popular Finance Group, in their respective Districts.

As per Section 14 of the BUDS Act, an application for confirmation

of the attachment order must be filed before the Designated Court within 30 days, extendable up to 60 days. Since time limit has been expired, the District Collector, Kollam has requested to reissue the earlier proceedings.

As per the judgment dated 05.11.2024 in WP(C) No. 22737/2024, 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 referred to as the 7th paper above, 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.

Furthermore, with the establishment of the Special Designated Court in Alappuzha for the trial of Popular Finance Scam cases, which has state-level jurisdiction, it is essential to transfer all related cases to this court.

Upon scrutiny, it has been observed that besides Kollam District Collector some other District Collectors have failed to file the required applications before the respective designated courts within the time limit prescribed under the Act.

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 5th 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 concerned districts, the Registrar of Co-operative Societies, the General Managers of KSFE, the 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. The Central Bureau of Investigation, which is investigating the scam, is requested to 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 CBI is also requested to report the details of any current or future accused persons from time to time directly to the concerned District Collectors for the provisional attachment of properties within the stipulated time limit.

The District Collectors, appointed as officers to assist the Competent Authority under Section 7(2) of the BUDS Act, are directed to serve a copy of the provisional attachment order to the owner of the property, 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 the BUDS Act, are directed to issue attachment orders separately against the properties of the accused and file an application with particulars of the attachment effected before the Special Designated Court in Alappuzha for the trial of Popular Finance Scam cases within the stipulated time of 30 days to make the provisional attachment absolute and to seek permission to sell the attached property 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  
Supt of Police & HoB, Central Bureau of Investigation  
Anti Corruption Branch, Kathrikkadavu, Kochi 682017  
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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