

**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

SC3/174/2023-Home Dated,Thiruvananthapuram (25-03-2025)

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Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of M/s -NFAI Associates LLP Private Ltd-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. D3 - 52181/2023/PHQ dated 25.03.2023 from the State Police Chief.

4.Proceedings No. SC3/174/2025/Home dated 27/06/2023.

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

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

7. Letter No.DCMPM/2844/2025-E6 dated 24/02/2025 from the District Collector, Malappuram.

**ORDER**

An online trading company in the name of NFAI Associates LLP Private Ltd has accepted deposits from public violating the provisions of Banning of Unregulated Deposit Schemes Act and on the basis of the complaints filed by the depositors Crime No. 206/2023 u/s 406,420 r/w 34 IPC & Sec 3 r/w 21(1),(2),(3) and Sec 5 r/w 23 of the Banning of Unregulated Deposit Schemes Act 2019 and Crime.No 219/2023 were registered at Vazhikkadavu Police Station and another case in Crime No

278/2023 was registered at Edakkara Police station.

#### Details of accused

1. Nisabudheen, S/o Moidheen, Kattumadathil House, Poovathipoyil, Vazhikkadavu.
2. Muhammed Fahad, S/o Ibrahim, Chakkiparamban House, Kambalakallu, Vazhikkadavu.
3. Illiyas, S/o Saleem, Vadakkan House, Munda, Edakkara.

The Accused claimed that they are running a multinational online trading company in the name of "NFAI Associates LLP Private Ltd, and offered an Investment Plan of accepting deposit for a minimum of Rs 10,000/- and up to any extent and promised high returns for the deposit amount. Neither the profit nor the deposit amount was returned to the investors. The investigation has revealed that the deposit accepted by the accused by way of offering high returns comes under the purview of BUDS Act, 2019

Since the firm had accepted deposits offering profit and subsequently failed to return the amount as promised, provisional attachment order as per 4th paper above was issued attaching the properties of the above firm.

Now the District Collector, Malappuram as per 7<sup>th</sup> 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 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 referred to as 6th 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.

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 2<sup>nd</sup> 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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