

IN THE HIGH COURT OF KERALA AT ERNAKULAM
PRESENT
THE HONOURABLE MR. JUSTICE RAJA VIJAYARAGHAVAN V
&
THE HONOURABLE MR. JUSTICE K. V. JAYAKUMAR

Tuesday, the 11th day of November 2025 / 20th Karthika, 1947

WA NO. 453 OF 2021

AGAINST JUDGMENT DATED 23.11.2020 IN WP(C) 20828/2020 OF THIS COURT
APPELLANTS/PETITIONERS 2 & 1:

1. SUNIL KUMAR K. AGED 48 YEARS VALIYAVEETIL HOSE, KAITHAPARAMBU (PO), ENATHU VILLAGE, ADOOR TALUK, PATHANAMTHITTA, PIN-691 526.
2. SREEKUMAR.K.S., AGED 999 YEARS KARAKKATTU PUTHENVEEDU, VETTOOR, VETTOOR (PO), KONNITHAZHAM, KUMBAZHA, PATHANAMTHITTA, PIN-689 653.

BY ADVS.M/S.JACOB P.ALEX, JOSEPH P.ALEX, & MANU SANKAR P

RESPONDENTS/RESPONDENTS 1 TO 14:

1. UNION OF INDIA REPRESENTED BY ITS SECRETARY, MINISTRY OF FINANCE, NORTH BLOCK, NEW DELHI, PIN-110 001.
2. STATE OF KERALA, REPRESENTED BY THE CHIEF SECRETARY, GOVERNMENT SECRETARIAT, THIRUVANANTHAPURAM, PIN-695 001.
3. COMPETENT AUTHORITY, (UNDER SECTION 7 OF THE BANNING OF UNREGULATED DEPOSIT SCHEMES ACT, 2019), SECRETARY, HOME DEPARTMENT, GOVERNMENT OF KERALA, GOVERNMENT SECRETARIAT, THIRUVANANTHAPURAM, PIN-695 001.
4. CENTRAL BUREAU OF INVESTIGATION (CBI), REPRESENTED BY ITS DIRECTOR, CBI HEAD OFFICE, CGO COMPLEX, LODHI ROAD, NEW DELHI, PIN-110 003.
5. RESERVE BANK OF INDIA (RBI), THROUGH ITS REGIONAL DIRECTOR, BAKERY JUNCTION SERVICE ROAD, NANDAVANAM, VAZHUTHACAUD, THIRUVANANTHAPURAM, KERALA, PIN-695 033, REPRESENTED BY ITS REGIONAL DIRECTOR.
6. SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI), REPRESENTED BY ITS MANAGER, KOCHI LOCAL OFFICE OF THE SEBI, 6TH FLOOR, FINANCE TOWER, KALOOR, ERNAKULAM, PIN-682 017.
7. MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA, REPRESENTED BY ITS SECRETARY, A WING, SHASTRI BHAWAN, RAJENDRA PRASADROAD, NEW DELHI-110 001.
8. INSPECTOR GENERAL OF REGISTRATION, STATE OF KERALA, DEPARTMENT OF REGISTRATION, VANCHIYUR P.O., THIRUVANANTHAPURAM, PIN-695 035.
9. DISTRICT POLICE CHIEF, PATHANAMTHITTA, OFFICE OF SP OF POLICE, PATHANAMTHITTA, PIN-689 645.
10. THOMAS DANIEL, S/O.T.K.DANIEL, POPULAR TOWERS, VAKAYAR P.O., KONNI, PATHANAMTHITTA DISTRICT, PIN-689 698.
11. PRABHA THOMAS, W/O.THOMAS DANIEL, POPULAR TOWERS, VAKAYAR P.O., KONNI, PATHANAMTHITTA DISTRICT, PIN-689 698.
12. RINU MARIAM THOMAS, D/O.THOMAS DANIEL, POPULAR TOWERS, VAKAYAR P.O., KONNI, PATHANAMTHITTA DISTRICT, PIN-689 698.
13. RIYA ANN THOMAS, D/O.THOMAS DANIEL, POPULAR TOWERS, VAKAYAR P.O., KONNI, PATHANAMTHITTA DISTRICT, PIN-689 698.
14. M/S. POPULAR FINANCE, A REGISTERED PARTNERSHIP FIRM HAVING ITS

REGISTERED OFFICE AT POPULAR TOWERS, VAKARA P.O., KONNI,
PATHANAMTHITTA, PIN-689 698, REPRESENTED BY ITS MANAGING PARTNER
THOMAS DANIEL.

BY O.M.SHALINA, DEPUTY SOLICITOR GENERAL OF INDIA FOR R1 & R7

STATE ATTORNEY SRI.N.MANOJ KUMAR AND GOVERNMENT PLEADER SRI.K.R.RANJITH
FOR R2,R3,R8 & R9.

STANDING COUNSEL SRI.SREELAL WARRIER FOR R4

ADV.M/S.M.GOPIKRISHNAN NAMBIAR, K.JOHN MATHAI, JOSON MANAVALAN, KURRYAN
THOMAS, PAULOSE C. ABRAHAM AND RAJA KANNAN FOR R5

ADV.SRI.K.M.JAMALUDHEEN FOR R6

ADV.SRI.C.S.MANU FOR R10 TO R14

Prayer for interim relief in the Writ Appeal stating that in the circumstances stated in the appeal memorandum, the High Court be pleased to direct the 3rd respondent to file a Status Report detailing the various steps taken in the above case including the details of deposits, properties and money that are provisionally attached in terms with section 7 (3) of the Banning of Unregulated Deposit Schemes Act, 2019; after his appointment as per GO(P) No.48/2020/Home dated 25-09-2020 [Exhibit P4 in the WPC] pending disposal of the Writ Appeal.

This Writ Appeal again coming on for orders along with connected cases on 11/11/2025 upon perusing the appeal memorandum and this court's order dated 06/11/2025, the court on the same day passed the following:

**RAJA VIJAYARAGHAVAN V.,
&
K.V. JAYAKUMAR, JJ.**

W.A. Nos. 453 of 2021, 112 of 2021, 371 of 2021 & 1923 of 2023

Dated this the 11th day of November, 2025

ORDER

Raja Vijayaraghavan V, J.

All these Writ Appeals pertain to an unregulated deposit scheme allegedly conducted by the Popular Group of Companies and its office bearers, Directors, Promoters, and others. The depositors have approached this Court with the grievance that the official respondents have failed to initiate appropriate proceedings against the said company and its assets under the provisions of the Banning of Unregulated Deposit Schemes Act, 2019 (for brevity, “the BUDS Act”) to recover the amounts invested by them. The proceedings have been pending before this Court since the year 2020.

2. During the course of these proceedings, several orders have been passed by this Court.

3. We would only be dealing with the orders issued in 2025.

4. By order dated 11.02.2025, this Court had called upon the competent authority to furnish various details, including particulars of provisional attachments, information regarding the opening of bank accounts, and the institution of claims for properties attached under the Prevention of Money Laundering Act, 2002 (“the PMLA Act”). Subsequently, by order dated 14.03.2025, this Court, noting that the competent authority appointed under Section 7 of the BUDS Act had not approached the Designated Court for making the provisional order of attachment absolute, recorded the undertaking

W.A. No. 453 of 2021 and connected cases

of the learned Government Pleader, on behalf of the competent authority, that necessary applications would be diligently and promptly filed within the statutory period. The said direction was of utmost importance, considering that under the statutory scheme, the time limit for filing such an application is 30 days, extendable up to 60 days. With regard to movable items such as vehicles and perishable goods, the competent authority was directed to adhere scrupulously to the procedure prescribed under Rule 4 of the Kerala Banning of Unregulated Deposit Schemes Rules, 2021, and Rule 8 of the Banning of Unregulated Deposit Schemes Rules, 2020.

5. When the matter was taken up for consideration on 21.05.2025, this Court recorded the submission of the learned Government Pleader that a detailed Action Taken Report would be filed before this Court.

6. The matter was thereafter taken up on 11.06.2025. After considering the submissions of the learned Government Pleader and the learned counsel appearing for the parties, this Court directed the learned Government Pleader to place on record a comprehensive statement containing the following particulars:

- (a) Details of the properties that have already been attached under the provisions of the Act;
- (b) Details of the assets that are yet to be attached;
- (c) The quantum of cash presently available for distribution among the depositors;
- (d) The quantum of cash yet to be transferred to the designated account for distribution among the depositors; and

W.A. No. 453 of 2021 and connected cases

(e) The steps taken in this regard by the competent authority.

7. When the matter was next taken up on 26.06.2025, further time was sought by the learned Government Pleader. In the said order, this Court observed that it had been seized of the matter since 2021, and despite the passing of several orders aimed at ensuring proper implementation of the provisions of the Act, no tangible progress had been made. Nevertheless, in view of the fervent request made by the learned Government Pleader, an adjournment was granted, along with a specific reminder to the competent authority. The Court observed as follows in paragraph 3 of the order:

"3. The Additional Chief Secretary, Home Department, being the Competent Authority under Section 7(3) of the Banning of Unregulated Deposit Schemes Act, 2019, and who has been arrayed as the 3rd respondent in W.A. No. 453 of 2021, shall coordinate with all the concerned departments and officers and ensure that the report sought by this Court is placed before this Court without fail and the directions issued by this Court are complied with in its letter and spirit."

8. This Court expected the competent authority to comply with the directions issued and to act in strict adherence to the provisions of the Act, so that some relief could be extended to the beleaguered depositors, whose number, even by a conservative estimate, is around 30,000, and the total amount involved is approximately Rs. 2000 Crores.

9. Subsequently, when the matter was taken up on 23.07.2025, this Court once again reminded the competent authority to take the requisite steps to ensure compliance with Sections 14 and 15 of the BUDS Act. This direction was necessitated by the fact that it was not evident whether applications seeking confirmation of all provisional attachment orders had been filed within

W.A. No. 453 of 2021 and connected cases

the prescribed time limit, thereby enabling the Designated Court to proceed under Section 15 in accordance with the procedure laid down. In these circumstances, the following directions were issued:

(a) Orders of provisional attachment shall be passed in respect of all properties belonging to the deposit taker(s) involved in the unregulated deposit scheme in strict compliance with Section 7 of the Banning of Unregulated Deposit Schemes Act, 2019, r/w. Rule 4 of the Kerala Banning of Unregulated Deposit Schemes Rules, 2021 and Banning of Unregulated Deposit Schemes Rules, 2020. All immovable properties, in respect of which data has been provided by the CBI as well as the District Collectors shall also be proceeded against as above.

(b) In cases where provisional attachments have already been made but applications for confirmation have either not been filed or were filed beyond the prescribed time limit, competent authority shall initiate proceedings under Section 7 afresh in respect of the properties covered under the lapsed provisional attachment. As stated earlier, while undertaking such an exercise, the Competent Authority shall strictly adhere to the procedure under Section 7 of the Banning of Unregulated Deposit Schemes Act, 2019, r/w. Rule 4 of the Kerala Banning of Unregulated Deposit Schemes Rules, 2021 and Banning of Unregulated Deposit Schemes Rules, 2020.

(c) As nothing has transpired despite the lapse of several years, we direct the competent authority to carry out the exercise as ordered above within a period of six weeks from today and file a status report without fail.

10. On 16.09.2025, when the matter was taken up, it was submitted before this Court by the learned Government Pleader that in compliance with the directions issued by this Court in the order dated 23.07.2025, actions have been taken.

11. The matter was then taken up on 25.09.2025, wherein certain

W.A. No. 453 of 2021 and connected cases

further directions were issued to protect the interests of the depositors.

12. A statement has been filed on 05.11.2025 by the Deputy Secretary (Home) in pursuance to the earlier orders. In the said statement, it has been stated as under:

"4. It is submitted that the Competent Authority vide proceedings no. SC3/209/2025-HOME dated 12.09.2025 has issued a provisional attachment order, attaching all movable and immovable properties of Popular Finance Private Limited.

Subsequently, instructions were given to the District Collectors to file the application under Section 14 of the BUDS Act before the Special Designated Court, Alappuzha, within 30 days.

- The District Collector, Idukki, has informed that they have forwarded the attachment order to the Alappuzha Special Designated Court for filing by email and by post.
- The District Collector, Palakkad, has informed that they have issued another provisional attachment order at the District Collector level on 18.10.2025 on the basis of the Competent Authority's attachment order, and necessary action will be taken for filing the application before the Designated Court as soon as possible.
- The District Collector, Kozhikode, has informed that the sanction for the sale of movable properties was already received from the JFCM Court. A request for the release of these properties for sale was filed before the JFCM Court. The attachment of an immovable property, namely Villa No. 17, Olavenna, Kozhikode, was made absolute by the Designated Court. However, sale permission was not received, hence the case file was transferred to the Alappuzha Designated Court on 01.04.2025. No further filing of an application under section 14 of the BUDS Act is remaining in this case.
- The District Collector, Thiruvananthapuram, has informed that the details submitted by the CBI contain 2 flats in Kowdiar. However, the Tahsildar has reported that no properties exist in that Taluk. Moreover, 2 properties has been transferred as reported by the Pattom SRO. A detailed reports in this regard

W.A. No. 453 of 2021 and connected cases

has been sought from the Tahsildars by the District Collector, and the filing of the application before the Designated Court will be done after that.

- The District Collector, Kollam, has informed that they have filed an application before the Designated Court and has obtained OP No. 04/2022, which is now currently dealing in the Alappuzha Special BUDS Court under OP No. 04/2024. Further steps are being taken under the instructions of the Special BUDS Court.
- The District Collector, Ernakulam, has informed that the affidavit to make the said order absolute has been prepared and sent to the Alappuzha District Government Pleader on 10.10.2025.
- The District Collector, Alappuzha, has informed that an application for making the provisional attachment absolute was filed in the Special Court, and OP no. 01/2024 was obtained.
- In addition to the above, the CBI has informed that a petition has been filed before the Hon'ble Special Court for Popular Finance Scam under the BUDS Act, Alappuzha, seeking orders regarding handing over of the cash, gold, and other valuable items to the Competent Authority since it is under the custody of the court.

13. When the matter was taken up on 06.11.2025, the learned counsel appearing for the appellants pointed out that the statutory period for filing the application to make the provisional order of attachment absolute would expire on 11.11.2025. We were under the impression that, in view of the continuous stream of orders passed by this Court, the authorities would have woken up and complied with the provisions of Section 14 of the BUDS Act.

14. The cases were posted on 10.11.2025, and the learned Government Pleader was directed to ascertain and report whether the directions issued by the competent authority to the District Collectors, as stated in paragraph 4 of the Statement, had been duly complied with.

W.A. No. 453 of 2021 and connected cases

15. Today, when the matter was again taken up, the learned Government Pleader submitted that although the statutory period for filing the application expires today, he has received instructions only from the District Collectors of Thiruvananthapuram, Kollam, and Thrissur. As regards Thrissur, the statement reveals that the application has already been submitted and that the provisional order is in the process of being made absolute. With respect to Kollam, it is reported that O.P. No. 4 of 2024, seeking to make the provisional attachment absolute, has already been filed. In the case of Thiruvananthapuram, it is stated that the application has been forwarded to the concerned Prosecutor, however, there are no instructions as to whether the application has actually been filed before the Designated Court. Insofar as the other districts are concerned, there are absolutely no instructions forthcoming.

16. From the sequence of events extracted above, it is evident that substantial time and effort have been expended by this Court merely to ensure that the statutory authorities, upon whom onerous responsibilities have been conferred under the Act, act diligently and in strict compliance with its provisions. The Competent Authority, as defined under Section 2(3) of the BUDS Act, is required to be an officer not below the rank of Secretary to the Government and is vested with wide-ranging powers under the Act. These include, inter alia, the responsibility to share information under Section 11, to issue provisional orders of attachment, to open bank accounts for depositing the amount collected by the deposit taker, to order the sale of perishable items or assets, and to file applications for confirmation of attachment before the Designated Court. It appears, however, that the Competent Authority has treated the directions issued by this Court in a casual and perfunctory manner, disregarding the onerous statutory obligations entrusted to it under the Act.

W.A. No. 453 of 2021 and connected cases

Such indifference to compliance undermines both the statutory scheme and the authority of this Court.

17. It is worthwhile to note that the earlier provisional attachments have lapsed, as no applications were filed within the time prescribed to make such attachments absolute. Despite the repeated and specific directions issued by this Court, particularly requiring the Competent Authority to approach the Designated Court within the statutory period it appears that prompt action has not been taken, enabling the attachments to lapse. Even after this Court had issued repeated reminders months in advance, all that has been stated is that instructions were issued to the District Collectors, without any demonstrable follow-up or accountability to ensure compliance. The Competent Authority has also not chosen to apprise this Court that effective steps have been taken to implement the directions issued. Such callous inaction and blatant disobedience of the orders of this Court cannot be countenanced.

18. In view of the continued non-compliance and the apparent indifference displayed towards the binding directions of this Court, the 3rd respondent is hereby directed to appear virtually before this Court on 19.11.2025 at 10:15 a.m., to explain the reasons for the continued non-compliance and to show cause why appropriate action should not be initiated for flouting the directions issued by this Court.

Sd/-

**RAJA VIJAYARAGHAVAN V,
JUDGE**

Sd/-

**K.V. JAYAKUMAR,
JUDGE**

BR