

PROCEEDINGS OF THE COMPETENT AUTHORITY & ADDITIONAL CHIEF SECRETARY TO GOVERNMENT, BANNING OF UNREGULATED DEPOSIT SCHEMES ACT 2019 UNDER SUB SECTION 3 OF SECTION 7 OF BUDS ACT (2019)

PRESENT: Sri. BISHWANATH SINHA IAS

HOME (SC) DEPARTMENT

No.SC3/212/2025-HOME Dated, Thiruvananthapuram (29-06-2026)

Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of Haridas Narayana Pillai - Orders issued

Ref:

- 1) Letter No. TDR/No.142/2025/KNDY dated 13/06/2025 from Inspector, SHO, Kainady, Alappuzha
- 2) Letter No. D3-244906/2025/PHQ dated 12.01.2026 from the State Police Chief, Thiruvananthapuram
- 3) Letter No. D3-120046/2025/PHQ dated 12.01.2026 from the State Police Chief, Thiruvananthapuram
- 4) Submission of the accused in Crime No. 285/2025 of Kainadi Police Station and Crime No. 1152/2025 of Thrikkodithanam Police Station

ORDER

IN EXERCISE of powers conferred under sub-section 3 of Section 7 of the Banning of Unregulated Deposit Schemes Act, 2019, [hereinafter referred to as BUDS Act, 2019] I, Bishwanath Sinha, IAS, Competent Authority (BUDS) & Additional Chief Secretary (Home) make the order as under:

1. Brief background of the case leading to proceedings under BUDS Act.

1.1 A case in Crime-No. 285/2025 has been registered at Kainadi Police Station, Cr. No. 521/2025 in Central Police Station and Cr. No. 1152/2025 in Thrikkodithanam Police Station against the accused and the deposit taker **Haridas Narayana Pillai**.

The accused, Haridas Narayana Pillai, by displaying forged documents stored on

his mobile phone and laptop, falsely represented to the complainant that he was to receive several crores of rupees from various sources. He further made the complainant believe that the amounts invested in his so-called investment scheme during a financial year would be returned in the following year with three times the profit, and that if the investment was reinvested without withdrawal, it would be added to the previous year's profit and again returned with threefold profit in the next financial year.

1.2 Believing these fraudulent assurances, the complainant Sri. Cyriac Atony entrusted the accused with ₹56,20,000 (Fifty Six Lakh Twenty Thousand Rupees only).

1.3 Despite promising to return the principal amount along with the assured profit share, the accused failed to repay the said sum in March 2023, thereby dishonestly cheating the complainant and making an unlawful financial gain.

1.4 In addition to the above deception, the accused further misled the complainant by stating that he owned 66.69 cents of property covered under Document No. 222/2002 in the Changanassery Sub Registry and that he intended to construct a building thereon. He showed the complainant the property, plan, and permit and falsely promised to provide the property as security for the invested amount. However, it was later revealed that the accused had surreptitiously sold the said property to third parties without the complainant's knowledge, thereby cheating him once again.

2. Details of inquiry conducted under the BUDS Act:

2.1 The above case where the accused Haridas Narayana Pillai collected deposits from the complainant falls under the purview of the Banning of Unregulated Deposit Schemes (BUDS) Act, 2019. The BUDS Act of 2019 was created to protect the public from fraudulent schemes that collect money illegally. The core of this law is to ban any deposit-taking scheme that is not regulated by existing laws.

2.2 Sri. Joseph Sebastian has submitted a complaint dated 23.03.2025 where the

accused has dishonestly induced him to deposit a total sum of Rs. 54,00,000/- by way of monthly contributions until March 2023.

2.3 The Inspector SHO, Kainadi Police Station vide his report dated 13.06.2025 u/s 29 of the BUDS Act has reported that a case Cr. No. 285/2025 was registered in the Kainadi Police Station against the accused Haridas Narayana Pillai. The accused made the complainant Sri. Cyriac Antony believe that the amounts invested in his so-called investment scheme during a financial year would be returned in the following year with three times the profit, and that if the investment was reinvested without withdrawal, it would be added to the previous year's profit and again returned with threefold profit in the next financial year.

2.4 The Inspector of Police, Thrikkodithanam Police Station, has reported that Crime No. 521/2025, originally registered at Central Police Station, was subsequently transferred to Thrikkodithanam Police Station for further investigation. It is reported that the accused, with the intention to cheat, induced the complainant, Sri. Joseph Sebastian, to believe that a shopping mall would be constructed at Changanassery and that substantial returns would be earned on investments made in the proposed project. Acting on such representations, the complainant, along with his relatives and friends, allegedly invested a total amount of ₹53,85,302/-.

2.5 A hearing was conducted on 17.06.2026 by the Competent Authority. Sri. Joseph Sebastian one of the depositor has informed that he has been cheated by Haridas Narayana Pillai for an amount of approx 53 lakh. Sri. Cyriac Antony another depositor has informed that he has been cheated for an amount of approx Rs. 56 lakh.

Although the accused Haridas Narayana Pillai was called for hearing, he couldn't attend the meeting due to his physical condition. However a written submission was submitted before the Competent Authority. The accused has submitted that the dispute between the accused and the complainant are purely civil in nature. The transaction had occurred during 2018. The amounts advanced to the accused

promising that the complainants will be made as partners of the business and they will get huge profit out of that. The said will not come under the purview of the BUDS Act. Hence the accused has requested that the present proceedings initiated under section 7 of the Act may not be continued against the accused.

2.6 The contention raised by the accused that the transactions were concluded in the year 2018, prior to the commencement of the BUDS Act, is not sustainable. A perusal of the bank transaction statements reveals that financial transactions continued even after the commencement of the BUDS Act, thereby indicating continuance of the alleged scheme. The further contention that the amounts were advanced by the complainants with the understanding that they would be inducted as partners in the business is also not tenable. The accused has not produced any documentary evidence to establish that the complainants were admitted as partners or that the amounts received constituted capital contributions towards a partnership.

2.7 The total outstanding liabilities to the depositors is as follows:

- Sri. Cyriac Antony - Rs. 56,20,000/- (Fifty Six Lakh Twenty Thousand Rupees Only)
- Sri. Joseph Sebastian - Rs. 53,85,302/- (Fifty Three Lakh Eighty Five Thousand Three Hundred and Two Rupees only)

2.8 In light of the above findings, it is clearly established that the accused have committed offences punishable under Sections 3 read with 21(1), 21(2), and 21(3), and Section 5 read with 23 of the Banning of Unregulated Deposit Schemes Act, 2019 (BUDS Act).

3. Recording of reason to believe:

3.1 After having perused the following documents available on record viz.

Sl. No.	Description
1.	Copies of FIR and other investigation report
2.	Complaint from Sri. Joseph Sebastian

4. Operative part of the order of provisional attachment of the properties:

4.1 In exercise of the powers conferred under sub-section (3) of Section 7 of BUDS Act 2019 the following properties as mentioned below stands provisionally attached:

- Cherulozham House, 550/1, Ward No. 8, Aluva Municipality
- Thandaper No. 7049, Sy. No. 288/10,288/10-1,288/12, in Changanassery Sub Registrar
- Bank Account No - 4712958864, Kodak Mahindra Bank, Aluva Branch
- Bank Account No - 026800100088180, Dhanalekshmi Bank, Aluva Branch
- Vehicle No. KL 41K 8384

4.2 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.

4.3 The Lead Bank Managers of all concerned districts are directed to take necessary steps to freeze all the accounts of the financial institution and its allied firms and transfer the amount present in the accounts to the bank account of the Competent Authority

4.4 The District Collectors, concerned 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.

4.5 The District Collectors, concerned appointed as officers to assist the Competent Authority under Section 7(2) of the BUDS Act, are directed to file an application with particulars of the attachment effected before the Designated Court 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.

4.6 That the property attached shall remain under attachment until an order is passed under sub-section (3) or sub-section (5) of section 15 by the Designated Court.


29/11/19
BISHWANATH SRINIVAS

Forwarded/By order


Section Officer.

To: The Secretary, Revenue Department, Kerala
The State Police Chief, Thiruvananthapuram
District Collectors, Kottayam/Ernakulam
The Additional Director General of Police (Crimes), Kerala
The Inspector General of Police (EOW), Police Headquarters, Kerala
District Police Chiefs, Kottayam/Alappuzha
The Inspector General of Registration Department, Kerala
Transport Commissioner, Thiruvananthapuram
The Lead Bank Managers, Ernakulam
Haridas Narayana Pillai, S/o Shankara Narayana Pillai, 8/550-1, House No. 20,
Near Tony Eye Hospital, Aluva South, Ernakulam
I & PR (Web & New Media) Department.
Stock file/Office Copy