IN THE NATIONAL COMPANY LAW TRIBUNAL

KOCHI BENCH

CP (C/Act)/20/KOB/2026

(Under Section 271(c), (d) and (e) read with Section 272(1)(e) of the Companies Act, 2013*)*

Date of Institution: 22.05.2026
Order delivered on: 06.10.2026

In the matter of:

M/s SAAN Popular Finance Private Limited.

Memo of parties:

Union of India,
Ministry of Corporate Affairs through Serious Fraud Investigation Office,
4th Floor, Corporate Bhawan, Survey No.127/1, Thattiannaram Village, Bandlaguda, Abdulapurmet Mandal, Ranga Reddy District, Hyderabad-500 068

... Petitioner

-Vs-

SAAN Popular Finance Private Limited.
13/577, Popular Tower Vakayar P O, Pathanamthitta, Konni, Kerala, India, 689698.

... Respondent

Coram:

HON'BLE MEMBER (JUDICIAL) : SHRI. VINAY GOEL

HON'BLE MEMBER (TECHNICAL) : SHRI. RAVICHANDRAN RAMASAMY

Appearances:

For the Petitioner : Mr. Renjith R, Advocate
Mr. Athin Roy, Advocate

The Respondent proceeded *ex parte* vide order dated 31.08.2026.

O R D E R

Per Coram

1. The present Company Petition has been filed by the Union of India, Ministry of Corporate Affairs ("MCA"), through the Serious Fraud Investigation Office ("SFIO"), under Sections 271(c), (d) and (e) read with Section 272(1)(e) of the Companies Act, 2013, seeking winding up of the Respondent Company, SAAN Popular Finance Private Limited ("SPFPL"), bearing CIN No. U67190KL1994PTC007793, on the grounds that its affairs have been conducted in a fraudulent manner, that it was acquired and utilised for fraudulent and unlawful purposes, that the persons concerned with its management have been guilty of fraud, misfeasance and misconduct, and that it has failed to file its financial statements and annual returns for five consecutive financial years. The Petitioner has sought the following prayers: -

    a. *The Respondent Company- SAAN Popular Finance Private Limited., CIN No. U67190KL1994PTC007793, be wound up under the provisions of the Companies Act, 2013 and the Official Liquidator be appointed as the Liquidator of the Respondent Company.*
    b. *b. The Official Liquidator be directed to take possession of the assets and properties of the Respondent Company SAAN Popular Finance Private Limited, CIN No. U67190KL1994PTC007793, and take actions in accordance with law;*
    c. *c. Pass an order awarding costs of this Petition in favour of the Petitioner and against the Respondent Company; and*
    d. *d. Such other and further order or orders be made and / or direction or directions may be given as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the case.*

2. It is submitted that the present Petition arises out of an investigation conducted by the Serious Fraud Investigation Office ("SFIO") into the affairs of the Popular Finance Group ("PFG"), comprising seven companies and nine LLPs, including the Respondent Company. The investigation was

entrusted to the SFIO by the Ministry of Corporate Affairs vide Order No. F.No.03/324/2020/CL-II (DGCOA)(SR) dated 07.01.2021, in exercise of powers under Section 212(1)(a) and (c) of the Companies Act, 2013 and Section 43 of the Limited Liability Partnership Act, 2008. Upon completion of the investigation, the SFIO submitted its consolidated Investigation Report dated 27.02.2025 to the Ministry of Corporate Affairs.

3. It is further stated by the Petitioner that, upon consideration of the findings of the SFIO Investigation Report, the Ministry of Corporate Affairs, vide Order No. F.No.35/13/2025-Legal dated 24.09.2025, directed the SFIO to initiate winding-up proceedings against the Respondent Company. The Petitioner is represented by Shri Paramveer Bhati, Senior Assistant Director, SFIO, who is stated to be duly authorised to institute the present proceedings.
4. So far as the Respondent Company is concerned, it is stated that SAAN Popular Finance Private Limited ("SPFPL"), formerly known as SAAN Chitties and Finance Private Limited ("SCFPL"), was incorporated on 28.03.1994 as a private limited company and an NBFC, bearing CIN No. U67190KL1994PTC007793, with its registered office at 13/577, Popular Tower, Vakayar P.O., Pathanamthitta, Konni, Kerala – 689698. The Respondent Company is stated to have been classified by the Reserve Bank of India ("RBI") as a non-systemically important non-deposit taking NBFC ("NBFC-ND"), i.e. a loan company.
5. It is further stated that, as per the Memorandum of Association, the Respondent Company was incorporated, inter alia, with the object of lending money on interest against the security of gold, silver, real estate, pronotes, bonds or personal guarantees and of carrying on leasing and hire-

purchase activities in respect of various machinery, equipment, vehicles and other goods.

6. It is the case of the Petitioner that, despite the Respondent Company being a non-deposit-taking NBFC, it was utilised by the Popular Finance Group for collection, routing and deployment of funds obtained from the public and for furthering the activities of the Group.
7. The Petitioner has stated that the Popular Finance Group traces its origin to a chitty business established in Vakayar, Kerala, in 1965 by Late Shri T.K. Daniel and that the business subsequently expanded into deposit mobilisation and gold-loan activities. According to the Petitioner, Thomas Daniel subsequently assumed control of the Group and its operations expanded substantially over the years.
8. It is submitted that, during 2009 and 2010, the Reserve Bank of India issued notices and warnings concerning the collection of deposits by entities associated with the Popular Finance Group without the requisite regulatory authorisation. It is further stated that attempts were made to obtain an NBFC licence for Pathanamthitta Popular Financial Services Limited, but the requisite licence could not be obtained.
9. According to the Petitioner, the Popular Finance Group thereafter acquired SCFPL, which was already in possession of an NBFC licence, and subsequently brought the Respondent Company under the control of the Group. It is stated that, during 2013-14, persons associated with the Popular Finance Group became shareholders and directors of SCFPL and that the name of the Company was subsequently changed to SAAN Popular Finance Private Limited in 2017.
10. It is the case of the Petitioner that the acquisition and subsequent utilisation of the Respondent Company formed part of a larger mechanism adopted by

the Popular Finance Group to give an impression that its operations were regulated by the RBI. According to the Petitioner, the RBI licence of the Respondent Company was displayed at various branches and was allegedly used to induce members of the public to place their funds with entities of the Popular Finance Group.

11. It is further submitted that the Popular Finance Group expanded its branch network substantially and collected funds from the public through fixed, recurring and savings deposits, capital contributions and debentures. According to the Petitioner, the Group collected approximately Rs. 4,700/- crores from the public, of which approximately Rs. 829.31 crores were attributable to the companies and LLPs under investigation.
12. It is stated that the Popular Finance Group offered deposits carrying comparatively high rates of interest and projected gold-loan activities as the principal business of the Group. According to the Petitioner, deposits were accepted through banking channels after obtaining KYC documents and issuing receipts, while advertisements, websites, pamphlets, hoardings and the engagement of persons of local repute were allegedly used to attract depositors. It is further alleged that incentives were offered for mobilisation of fresh deposits.
13. It is further submitted that, when the deposits collected substantially exceeded the gold loans advanced, the Popular Finance Group adopted a restructuring mechanism involving the incorporation of Nidhi companies and LLPs and the acquisition of the Respondent Company. According to the Petitioner, these entities were utilised to facilitate the collection and routing of funds and to sustain the operations of the Group.
14. The Petitioner has alleged that the books of account and financial statements of the entities forming part of the Popular Finance Group

contained material misstatements, misrepresentations and omissions, allegedly with the object of creating a false impression of financial strength and inducing members of the public to deposit their funds. It is further alleged that the persons responsible for the management failed to ensure compliance with the applicable statutory requirements.

15. It is stated that the financial position of the Popular Finance Group subsequently became unsustainable and that, by mid-2020, the Group was unable to meet its repayment obligations. According to the Investigation Report, the Group had deposits of approximately Rs. 599.46 crore against gold and other loans of approximately Rs. 104.89 crore. It is further stated that Thomas Daniel and members of his family were arrested by the Kerala State Police in August 2020.

16. So far as the Respondent Company is concerned, the Petitioner has alleged that its acquisition by Thomas Daniel and persons associated with the Popular Finance Group was undertaken with the object of obtaining access to an existing RBI licence. According to the Petitioner, the acquisition was intended to enable the Group to represent that its operations were regulated by the RBI, despite the Group's inability to obtain the requisite licence for its other entities.

17. The Petitioner has relied upon the statement of Thomas Daniel dated 04.08.2024, as recorded in the SFIO Investigation Report, wherein he is stated to have explained that the Respondent Company, formerly known as SCFPL, was acquired after attempts to obtain an NBFC licence for another Group entity had not succeeded. The Petitioner has further relied upon the statement of CA Sajeeth M dated 29.06.2024, according to which the acquisition of SCFPL was allegedly finalised for a consideration of Rs. 62.50

lakh, stated to have been paid to the Shalom Group on a part-payment basis in cash.

18. It is further stated that Thomas Daniel, in his statement dated 29.07.2024, allegedly stated that, on the advice of CA Sajeeth M, nine LLPs and three Nidhi companies were incorporated to facilitate deposit collection and that an NBFC having an RBI licence, namely SCFPL, was acquired.
19. The Petitioner has further alleged that the source of share capital infused into the Respondent Company by Prabha Thomas and Marykutty Madampil John comprised funds routed from Group entities which had collected funds from the public. It is stated that the Respondent Company also received funds from the public in the form of debentures amounting to approximately Rs. 10.78 crore.
20. According to the Petitioner, funds collected by LLPs of the Popular Finance Group in the guise of capital contributions were transferred to the Respondent Company against the issue of debentures and were thereafter utilised by the Respondent Company for lending activities and for transferring funds to Group partnership firms as term loans.
21. The Petitioner has further relied upon the statement of a depositor, Aleyamma Saji, dated 20.02.2024, wherein she is stated to have represented that Popular Finance was perceived as a banking company regulated by the RBI and that it offered higher rates of interest than nationalised banks. According to the Petitioner, the said statement is relied upon to contend that the Popular Finance Group created an impression amongst members of the public that its operations were regulated by the RBI.
22. It is the case of the Petitioner that the Respondent Company, despite being classified as an NBFC-ND and a non-deposit-taking loan company, collected funds from the public through the issue of debentures/bonds amounting to

approximately Rs. 10.78 crore. It is further alleged that the Respondent Company received approximately Rs. 2.53 crore from Thomas Daniel and approximately Rs. 160.41 crore from certain LLPs forming part of the Popular Finance Group, namely Mypopular Marine Products LLP, Mary Rani Trading LLP and Vakayar Lab LLP.

23. It is further alleged that the Respondent Company received approximately Rs. 21.85 lakh by way of share capital and that the funds received from various Group entities were routed through the Respondent Company and utilised for lending and other transactions. According to the Petitioner, the Respondent Company had outstanding deposits amounting to approximately Rs. 10.78 crore.
24. The Petitioner has further alleged that the Respondent Company diverted approximately Rs. 438.24 crore to related entities, including Popular Dealers, Popular Finance, Popular Finance Company and Popular Mini Finance, and approximately Rs. 1.18 crore to Thomas Daniel and certain directors, namely Marykutty M.J., Prabha Thomas, Reba Mary Thomas, Ria Ann Thomas and Rinu Mariam Thomas.
25. It is stated that the Respondent Company was engaged in gold-loan activities and advanced loans against pledges of gold at interest rates ranging from 12% to 24%. The Petitioner has further alleged that the Respondent Company misrepresented its financial position through purported capital infusions and that customers' pledged gold was allegedly re-pledged in the name of the Company, directors or employees for obtaining loans from banks without the consent of the concerned customers.
26. According to the Petitioner, the Respondent Company also engaged in circular movement of funds between Group entities, which allegedly had

the effect of masking the financial position of the Group and facilitating diversion of funds. On the basis of the findings recorded in the SFIO Investigation Report, the Petitioner has alleged that the aforesaid transactions constituted fraudulent conduct on the part of the Respondent Company and persons associated with its management.

27. It is further submitted that the Respondent Company has failed to file its financial statements in Form AOC-4 from the financial year 2018-19 onwards and its annual returns in Form MGT-7 from the financial year 2019-20 onwards. According to the Petitioner, the said defaults constitute a failure to file the requisite statutory returns for five consecutive financial years and independently attract the provisions of Section 271(d) of the Companies Act, 2013.

28. The Petitioner has further submitted that criminal prosecution has been initiated against the Respondent Company, other entities forming part of the Popular Finance Group and their respective directors/designated partners before the Special Court, namely the Court of Additional Sessions Judge-VII, Fast Track Court, Ernakulam, and that the said proceedings are pending under Filing No. Crl.MP (Complaint)/3/2026.

29. On the aforesaid grounds, it is the case of the Petitioner that the Respondent Company was acquired and subsequently utilised as part of the larger structure of the Popular Finance Group for unlawful purposes; that its affairs were conducted in a fraudulent manner; and that the persons concerned with its management were allegedly guilty of fraud, misfeasance and misconduct in connection therewith. The Petitioner accordingly contends that the case falls within the ambit of Sections 271(c), 271(d) and 271(e) of the Companies Act, 2013 and that the Respondent Company is liable to be wound up. The Petitioner has accordingly prayed for winding

up of the Respondent Company and appointment of the Official Liquidator as its Liquidator.

30. At the time of hearing, learned Counsel for the Petitioner submitted that the Official Liquidator attached to the Hon'ble High Court of Kerala may be appointed as the Liquidator of the Company to carry out the process of winding up. In support of the said submission, learned Counsel relied upon orders passed by various Coordinate Benches of this Tribunal, including the order of the NCLT, Kolkata Bench, in C.P. No. 382/KB/2018, *Union of India (SFIO) v. Saradha Reality India Limited*; the order of the NCLT, Guwahati Bench, in C.P. No. 03/GB/2022, *Union of India (SFIO) v. Jeevan Suraksha Assurance Agency Pvt. Ltd.*; and the order of the NCLT, Mumbai Bench, in C.P. No. 464/MB/2019, *Union of India (SFIO) v. Juggernaut Projects Limited.*

Observations & Findings: -

31. The present Company Petition has been filed by the Union of India, Ministry of Corporate Affairs, through the SFIO, under Sections 271 and 272 of the Companies Act, 2013, seeking winding up of SAAN Popular Finance Private Limited. This Tribunal, after considering the material on record, found a prima facie case and on 25.05.2026 passed the following order with a view to grant interim relief: -

> *CP(C/ACT)/20/KOB/2026*
>
> *The present Petition has been filed by the Union of India Ministry of Corporate Affairs through the Serious Fraud Investigation Office (SFIO) under Section 271(1)(c), (d) and (e) read with Section 272(1)(e) of the Companies Act, 2013, seeking winding up of the Respondent Company.*
>
> *The Petitioner has sought the following reliefs in the present Petition:*
>
> *Interim Reliefs: -*
>
> *a) That the Respondent Company be restrained from mortgaging or creating charge or lien or third-party interest or in any way alienating, the movable or immovable properties owned by them and further, direct attachment of all the said properties.*

b) Appoint the Official Liquidator as a provisional liquidator of the company.
c) The Provisional Liquidator be directed to take charge of the affairs of the Company;;……..

……Ld. Counsel, Mr. Renjith R appears physically for the applicant.

It is alleged that the Respondent Company was incorporated for unlawful purposes and that its affairs have been conducted in a fraudulent manner and in a manner prejudicial to public interest. It is further alleged that the Respondent Company has failed to file its financial statements and annual returns for five consecutive financial years. It is also stated that the investigation report dated 27.02.2025 necessitated the filing of the present Petition. Along with the Petition, the Petitioner has annexed the following relevant documents in support of its case: -

i. Copy of Order No. F.No.35/13/2025-Legal dated 24.09.2025.
ii. copy of the said Letter of Authority dated 29.04.2026.
iii. Copy of Investigation Report dated 27.02.2025.
iv. Certificate of Incorporation of the Company.
v. Copy of the Articles of Association of the Respondent Company.
At this stage, it would not be appropriate to record any conclusive findings without affording an opportunity of hearing to the other side. The principles of natural justice warrant issuance of notice to the Respondent so as to enable it to place its version before this Tribunal.
However, Counsel for the Petitioner insisted for certain interim protections and prayed that the Respondent Company may be restrained from creating any third-party interest or transferring, alienating, or encumbering any of its movable and immovable assets. It is further prayed that a Provisional Liquidator be appointed to safeguard and manage the affairs of the Company in smooth and effective manner.
Having considered the submissions advanced on behalf of the Petitioner and upon perusal of the documents placed on record, this Tribunal is satisfied that a prima facie case is made out in favour of the Petitioner. Grant of limited interim protection at "Serial No. a", as prayed for, would not prejudice the rights of the Respondent and would rather ensure preservation of the assets of the Company.
Accordingly, the Respondent Company is restrained from creating any third-party interest or from transferring, alienating, encumbering, or mortgaging any of the movable and immovable assets of the Company without prior permission of this Tribunal.
However, insofar as the prayer for appointment of a Provisional Liquidator is concerned, this Tribunal is of the considered view that such relief ought not to be granted at this stage without affording an opportunity of hearing to the Respondent.
Further, it is made clear that observations made above are purely prima facie in nature and shall not have any bearing on the merits of the case.

The Petitioner is directed to take necessary steps for service of copy this Order and a notice of Petition upon the Respondent along with a copy of the Petition with all annexures through registered post as well as through all other available modes within 24 hours from today, and to file an affidavit of service thereafter. In default

thereof, the Petitioner shall be liable to pay costs of Rs. 5,000/- to be deposited with the National Defence Fund.
The Registry is also directed to issue notice to the Respondent along with a copy of this order forthwith.
At request, case is adjourned to ***05.06.2026****.*

32. Vide order dated 25.05.2026, the Petitioner was directed to serve notice of the present Petition upon the Respondent Company. But the notice had been returned to the sender by the postal authorities with the remark: "Addressee left without instructions". Even the Registry's notice sent to the respondent at the same address was returned with similar remarks, and the email sent has also bounced back. The said address is the same as recorded with the Registrar of Companies. In the circumstances, and having regard to the provisions of the General Clauses Act, 1897 and the settled legal position, this Tribunal being satisfied that reasonable steps for effective service were duly taken and that the Respondent Company had avoided service, notice was thereafter published in both the Malayalam daily newspaper *Malayala Manorama* and the English daily newspaper *The New Indian Express* on 30.07.2026 and 07.08.2026. This Tribunal is satisfied that reasonable steps for effective service have been duly taken, but the respondent deliberately avoiding service and appearance to contest this matter. Accordingly, the Respondent Company was proceeded as *ex parte* vide order dated 31.08.2026. The return of notice sent through post and non-appearance of respondents, despite public notice, itself suggests that respondents have no intention to counter the allegations made in the petition. This Tribunal is very cautious to go into the merits of the case, despite such conduct of respondents, and to satisfy itself as to whether the Petitioner has proved its case for the reliefs claimed.

33. This Tribunal has heard Counsel for the Petitioner and has also perused the pleadings, documents placed on record and the Investigation Report dated 27.02.2025 submitted by the Serious Fraud Investigation Office ("SFIO").

34. The Petitioner has invoked the jurisdiction of this Tribunal for winding up of the Respondent Company on the grounds contemplated under Sections 271(c), (d) and (e) of the Companies Act, 2013. The maintainability of the present Petition and the grounds on which the winding-up jurisdiction is sought to be exercised are, therefore, required to be considered in the light of the provisions contained in Sections 271 and 272 of the Companies Act, 2013. The relevant provisions are extracted hereinbelow:

> *"[**272.** (1) Subject to the provisions of this section, a petition to the Tribunal for the winding up of a company shall be presented by—*
> *(a) the company;*
> *(b) any contributory or contributories;*
> *(c) all or any of the persons specified in clauses (a) and (b);*
> *(d) the Registrar;*
> *(e) any person authorised by the Central Government in that behalf; or*
> *(f) in a case falling under clause (b) of section 271, by the Central Government or a State Government."*

35. In the present case, the Petition has been instituted by the Union of India, Ministry of Corporate Affairs, through the SFIO. Shri Paramveer Bhati, Senior Assistant Director, SFIO, is stated to have been duly authorised to institute the present proceedings pursuant to the directions contained in Order No. F.No.35/13/2025-Legal dated 24.09.2025 issued by the Ministry of Corporate Affairs. Accordingly, the present Petition has been instituted by a person authorised by the Central Government in terms of Section 272(1)(e) of the Companies Act, 2013. The petitioner has annexed a copy of Order No. F.No.35/13/2025-Legal dated 24.09.2025 along with the petition to establish its competence to institute the present petition.

36. Section 271(1) of the Companies Act, 2013, insofar as relevant to the present proceedings, provides as follows:

> *[**271.** A company may, on a petition under section 272, be wound up by the Tribunal,—*
>
> *(a) if the company has, by special resolution, resolved that the company be wound up by the Tribunal;*
>
> *(b) if the company has acted against the interests of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality;*
>
> ***(c) if on an application made by the Registrar or any other person authorised by the Central Government by notification under this Act, the Tribunal is of the opinion that the affairs of the company have been conducted in a fraudulent manner or the company was formed for fraudulent and unlawful purpose or the persons concerned in the formation or management of its affairs have been guilty of fraud, misfeasance or misconduct in connection therewith and that it is proper that the company be wound up;***
>
> ***(d) if the company has made a default in filing with the Registrar its financial statements or annual returns for immediately preceding five consecutive financial years; or***
>
> ***(e) if the Tribunal is of the opinion that it is just and equitable that the company should be wound up.]***

37. The question that arises for consideration is whether, on the basis of the material placed on record, the grounds contemplated under Sections 271(1)(c) and 271(1)(d) of the Companies Act, 2013 are made out against the Respondent Company so as to warrant an order of winding up.

38. The present Petition arises out of an investigation conducted by the SFIO into the affairs of the Popular Finance Group ("PFG"), comprising seven companies and nine LLPs, including the Respondent Company. The investigation was entrusted to the SFIO by the Ministry of Corporate Affairs vide Order No. F.No.03/324/2020/CL-II (DGCOA)(SR) dated 07.01.2021 under Section 212(1)(a) and (c) of the Companies Act, 2013 and Section 43

of the Limited Liability Partnership Act, 2008. Upon completion of the investigation, the SFIO submitted its consolidated Investigation Report dated 27.02.2025 to the Ministry of Corporate Affairs. In the so-submitted report, the investigation officer observed as under: -

Regulatory and Financial Malpractice

5. In 2009 and 2010, the Reserve Bank of India (RBI), Thiruvananthapuram issued multiple notices to PFG, which continued to collect deposits without a valid RBI license. Attempts to secure an NBFC license for Pathanamthitta Popular Financial Services Limited were unsuccessful, leading PFG to acquire SAAN Chitties and Finance Private Limited, a non-deposit-taking NBFC, later renamed SAAN Popular Finance Private Limited.

6. PFG expanded rapidly, with branches increasing from 100 in 2005 to approximately 275 by 2015, across Kerala, Karnataka, Tamil Nadu, Maharashtra, and Delhi. Despite lacking a license to collect deposits, PFG managed its asset-liability imbalance by using new deposits to fulfill obligations to existing depositors.

Financial Misrepresentation and Fund Misuse

7. PFG unlawfully collected around 4700 crore from the public (829.31 crores by companies/LLPs under investigation) by promoting itself as a longstanding reputable group till August 2020. The Group adopted various means to collect deposits from the public in various forms i.e. deposits (fixed, recurring, savings), capital contribution, debentures and routed the funds from/to group concerns and ultimately utilized the public funds for personal use of directors/designated partners. PFG offered high-interest deposit schemes and attracted depositors through gold loan services, advertising these loans as the face of the business. PFG operated many deposit schemes and offered deposits of various tenures ranging from 6 months to 25 years with interest rates ranging from 9% to 18.18%. Since these rates were very high in comparison to other players in the market, the public at large were easily drawn into their trap.

8. Additionally, to gain the trust of people, deposits were accepted through banking channels after collecting their KYC documents and were handed over various types of receipts in lieu of the deposits collected. PFG also offered gold loans at various interest rates. Even though gold loans formed only a fraction of deposits, it served as an effective tool for surrogate advertising. The publicity done through television, pamphlets, hoardings etc spoke about gold loans only, since the management was

well aware that they were collecting deposits unauthorizedly. Further, PFG used electronic media (website) as a means to induce public, employed retired Bank managers/ teachers and other reputed people in the locality as branch managers who were used for canvassing new depositors. PFG also offered incentives of up to 1% of fresh deposits.

9. However, the collected deposits largely exceeded the gold loans extended. To circumvent legal requirements, PFG restructured in 2016, incorporating Nidhi companies and LLPs. Many Nidhi rules were violated, and depositors were unknowingly inducted as partners in LLPs under the guise of capital contributions. Funds were rotated within the group and siphoned off for personal use by Thomas Daniel and his family.

10. The books of accounts and the financial statements of PFG Companies and LLPs include intentional misrepresentations, misstatements, and omission of material facts with sole motive to create a false impression of financial strength to attract depositors. The Board of Directors of the Companies have wilfully and deliberately falsified the financials and have failed to take any reasonable steps to secure compliance by the companies with respect to the financials laid before them in the general meeting.

Business Failures and Financial Collapse

11. Thomas Daniel made various business investments, resulting in significant losses and capital depletion. Lavish expenditures, rapid branch expansion, and other financial mismanagement deepened PFG's unsustainable financial position. By early 2020, COVID-19 significantly impacted deposits, exacerbating liquidity issues. Attempts to sustain operations included re-pledging gold and selling properties, but these efforts failed, resulting in payment defaults by mid-2020. PFG owed approximately 599.46 crore in deposits while holding ₹104.89 crore in gold/other loans. Kerala State Police arrested Thomas Daniel and his family in August 2020.

Charges and Legal Recommendations

12. The investigation found that PFG's financial statements and records contained deliberate misrepresentations to deceive depositors. The directors and designated partners failed to comply with legal and regulatory requirements, allowing Thomas Daniel and Dr. Rinu Mariam Thomas to misuse funds for unrelated ventures and personal acquisitions.

13. The Popular Finance Group's entities were established to conduct fraudulent activities, meriting prosecution under Section 447 of the Companies Act, 2013, and Section 30 of the Limited Liability Partnership Act, 2008. Key figures, including Thomas Daniel, Dr. Rinu Mariam Thomas, and associated directors, are recommended for legal sanctions.

> *14. A summary of charges and a list of accused persons is provided in "Summary of Charges" (Annexure A). Recommendations for sharing the investigation report/relevant part of the investigation report with other regulatory agencies are summarized in "Summary of Recommendations" (Annexure B).*

39. From the findings recorded in the SFIO Investigation Report, it is seen that the Popular Finance Group was engaged in mobilisation of funds from members of the public through fixed, recurring and savings deposits, capital contributions and debentures and was also carrying on lending activities, including gold-loan business. The Investigation Report records that the Group undertook mobilisation of deposits from members of the public without the requisite regulatory authorisation.

40. According to the findings of the SFIO Investigation Report relied upon by the Petitioner, the Popular Finance Group had mobilised approximately Rs.4,700/- crores from the public, out of which approximately Rs.829.31 crores were attributable to the companies and LLPs covered by the investigation. The Investigation Report further records movement of funds amongst the Group entities and utilisation of funds for purposes stated to be unrelated to the legitimate business of the respective entities, including acquisition of assets and expenditure associated with persons controlling the Group.

41. The Investigation Report records that the Group attracted deposits by offering comparatively high rates of interest and projecting gold-loan activities as its principal business. The material relied upon by the Petitioner records that deposits were mobilised through banking channels, KYC-based transactions, issuance of receipts, advertisements and through persons of local repute.

42. It is further borne out from the Investigation Report that, when the deposits mobilised by the Group substantially exceeded the gold loans advanced, the Group restructured its operations through the incorporation of Nidhi companies and LLPs and also through the acquisition and utilisation of an existing NBFC, namely SAAN Chitties and Finance Private Limited. The Respondent Company, formerly known as SAAN Chitties and Finance Private Limited, was incorporated on 28.03.1994 and was subsequently acquired by persons associated with the Popular Finance Group, and its name was changed to SAAN Popular Finance Private Limited in 2017. The Respondent Company thereafter formed part of the structure examined in the SFIO investigation.

43. The Petitioner has relied upon the findings of the SFIO concerning the restructuring and functioning of the Popular Finance Group, including the incorporation of Nidhi companies and LLPs and the acquisition and utilisation of the existing NBFC, namely the Respondent Company, as part of the Group structure. The Investigation Report also records instances of material misstatements, misrepresentations and omissions in the books of account and financial statements of entities forming part of the Popular Finance Group, as well as movement of funds amongst the Group entities and utilisation of funds for purposes unrelated to their respective businesses.

44. Insofar as the Respondent Company is concerned, the material placed on record shows that the Respondent Company was an existing non-deposit-taking NBFC which was subsequently acquired by persons associated with the Popular Finance Group and renamed SAAN Popular Finance Private Limited. The Petitioner has relied upon the findings of the SFIO concerning the acquisition and subsequent utilisation of the Respondent Company

within the Popular Finance Group structure, including its alleged use for receiving funds from Group entities, issuance of debentures and lending and other financial transactions.

45. It is gathered from the records that six persons were the nodal persons associated with the Popular Finance Group Companies, and that the involvement of other persons, who may have contributed to the present state of affairs and may have played a role in the management and functioning of the group Companies, cannot be ruled out. The details of nodal persons, as borne out from the material placed on record, are set out hereinbelow: -

Sl. No.	Name of Director	DIN	Address
1.	Thomas Daniel	2760647	Indikkattil House, Vakayar.P.O, Konni Pathanamthitta, 689698, Kerala, India
2.	Prabha Thomas	2760633	Indikkattil House, Vakayar.P.O, Konni Pathanamthitta, 689698, Kerala, India
3.	Rinu Mariam Thomas	7555845	Indikkattil House, Vakayar.P.O, Konni Pathanamthitta, 689698, Kerala, India
4.	Reba Mary Thomas	7552767	Indikkattil House, Vakayar.P.O, Konni Pathanamthitta, 689698, Kerala, India.
5.	Ria Ann Thomas	7201234	Indikkattil House, Vakayar.P.O, Konni Pathanamthitta, 689698, Kerala, India
6.	Marykutty Madampil John	3050455	Indikkattil House, Vakayar.P.O, Konni Pathanamthitta, 689698, Kerala, India

46. As per records in the Popular Finance Group of Companies the other key managerial persons namely Ayyappan Nair Varavara, Job Manthottathil Joy, Vellappan Appukkutty, Vasu Jayaprakash, Kattiramkunnan Chami Sahadevan, Kunhipacky Aboobacker, Jayson Joy Manthottathil Joy Varghese, Vadakkeveedu Sekharan Sureshkumar, Sunil Kumar Satpal

Manocha, Jestus Daniel, Prakash Venkobarao Mahagoankar, Leya, Samuel Ambanattu Prakash, Kattukkune Joseph Binu, Dharmaraj Murali, Pramod Vilakkathara, Varhese Anumon, Jeevan John, Neethu Subramoniyan, including names of nodal persons are apprehended from the records of the RoC. The persons behind and back these persons, if any, are also fully responsible. It is important to note that nodal persons are also indeed key managerial persons. The other authorities and investigating agencies may take care of that aspect. The scope of this present company petition is limited to the prayers reproduced in para 1 supra.

47. It is pertinent to note that the Respondent Company, despite due service of notice and publication thereof, has neither appeared before this Tribunal nor placed any material on record to rebut the documentary material and findings relied upon by the Petitioner. The absence of any contest, by itself, does not dispense with the requirement of establishing the statutory grounds for winding up; however, the material placed by the Petitioner remains unrebutted.

48. In this context, reference may be made to the statutory definition of "fraud" contained in the Explanation to Section 447 of the Companies Act, 2013, which includes any act, omission, concealment of fact or abuse of position committed with intent to deceive, to gain undue advantage or to injure the interests of the company, its shareholders, creditors or any other person, whether or not wrongful gain or wrongful loss is involved.

49. Having considered the Investigation Report and the other material placed on record, this Tribunal finds that the circumstances relating to the incorporation and role of the Respondent Company within the PFG structure, when considered along with the findings of the SFIO concerning mobilisation of public funds, movement and utilisation of funds amongst

Group entities, irregularities in financial reporting and the restructuring undertaken through Nidhi companies and LLPs, establish the connection of the Respondent Company with the transactions and activities forming the subject matter of the investigation.

50. The aforesaid material, coupled with the specific findings of the SFIO relied upon by the Petitioner concerning the Respondent Company and its management, and in the absence of any rebuttal from the Respondent Company, leads this Tribunal to conclude that the affairs of the Respondent Company fall within the mischief contemplated under Section 271(1)(c) of the Companies Act, 2013. Accordingly, the ground under Section 271(1)(c) is made out.

51. The Petitioner has further placed on record the statutory filing position of the Respondent Company. The records relied upon by the Petitioner establish that the Respondent Company has failed to file its financial statements and annual returns with the Registrar of Companies for the immediately preceding five consecutive financial years. Such default constitutes an independent ground for winding up under Section 271(1)(d) of the Companies Act, 2013.

52. The Petitioner has also placed on record that criminal proceedings have been initiated before the Special Court, namely the Court of Additional Sessions Judge-VII, Fast Track Court, Ernakulam, against the Respondent Company, other entities forming part of the Popular Finance Group and their respective directors/designated partners, and that the said proceedings are pending under Filing No. Crl.MP (Complaint)/3/2026. The pendency of such proceedings does not, by itself, preclude this Tribunal from examining the present Petition on the statutory grounds contemplated under Section 271 of the Companies Act, 2013.

53. Upon consideration of the pleadings, the SFIO Investigation Report dated 27.02.2025, the documents forming part thereof, and the other material placed on record, and having regard to the fact that the Respondent Company has remained *ex parte* and has not rebutted the material relied upon by the Petitioner, this Tribunal is satisfied that the affairs of the Respondent Company have been conducted in a fraudulent manner and that the persons concerned with the management of its affairs have been guilty of fraud, misfeasance and misconduct in connection therewith, thereby attracting the provisions of Sections 271(1)(c) and 271(1)(d) of the Companies Act, 2013, independently and irrespective of the recommendation made by the SFIO.

54. The jurisdiction under Section 271(1)(c) does not rest merely upon the existence of an allegation or finding of fraud, but further requires this Tribunal to be satisfied that it is proper that the company be wound up. In the present case, having regard to the nature, extent and continuity of the transactions brought on record, the involvement of the corporate structure in the impugned activities, the interests of investors and public creditors, the present state of the Company's affairs, and the absence of any material demonstrating the existence of a viable and legitimate business capable of being preserved, this Tribunal is satisfied that permitting the Respondent Company to continue would serve no useful or legitimate purpose. Accordingly, it is just and proper that the Respondent Company be wound up.

55. As such, it would be appropriate to proceed further with the winding up of the company. In view thereof, the prayers seeking interim protection against alienation of the company’s assets or creation of third-party

interests do not survive for separate consideration and stand disposed of accordingly.

56. Accordingly, in exercise of the powers conferred under Section 273(1)(d) read with Sections 271(1)(c) and 271(1)(d) of the Companies Act, 2013, this Tribunal hereby orders as follows:

A. The present Company Petition is **allowed** and **SAAN Popular Finance Private Limited, CIN No. U67190KL1994PTC007793**, is hereby ordered to be **wound up** in accordance with the provisions of the Companies Act, 2013 and the Companies (Winding Up) Rules, 2020.

B. The Official Liquidator attached to the Hon'ble High Court of Kerala is hereby appointed as the **Company Liquidator** of the Respondent Company, subject to the provisions of Section 275 of the Companies Act, 2013 and in terms of the Companies (Liquidation) Rules, 2020, to carry out the functions as mentioned under Section 290 of the Companies Act,2013.

C. Considering that the present matter involves funds of the innocent members of the public at large, prompt and expeditious action on the part of the Company Liquidator is required and expected.

D. This Tribunal hereby directs the Deputy Registrar, NCLT Kochi, to send intimation of this order to the Company Liquidator within seven days from the date of passing of this order, by Registered Post, Speed Post, Courier Service, or by electronic means, with a copy thereof to the Registrar of Companies, Ernakulam, in terms of Section 277(1) of the Companies Act, 2013, read with the Companies (Winding Up) Rules, 2020.

E. The Company Liquidator shall publish notice of the winding-up order to be published in the Malayalam daily newspaper *Malayala Manorama* and the English daily newspaper *The Hindu*, both having circulation in the State of Kerala, within fourteen days from the date of this order;

F. The directors and other officers of the Respondent Company are directed to comply with the provisions of Section 274(3) of the Companies Act, 2013 and to submit, within thirty days of the date of the winding-up order, the books of account of the Company, duly completed and audited up to the date of the winding-up order, to the Company Liquidator, in the manner specified by this Tribunal. The books of account and other records of the Respondent Company shall be duly compiled and brought up to date in accordance with law.;

G. The Company Liquidator is permitted to initiate appropriate action in accordance with extant provisions of the Companies Act, to take custody or control of all the properties, effects and actionable claims to which the Company is or appears to be entitled to and take such steps and measures, as may be necessary, to protect and preserve the properties of the Company in order to avoid misuse of its property;

H. Within three weeks from the date of this winding up order, the Company Liquidator shall make an application to the Tribunal for constitution of a winding up committee to assist and monitor the progress of liquidation proceedings by the Company Liquidator in carrying out the function as provided in section 277(5) of the Act;

I. This Tribunal further directs the Company Liquidator to submit the report in terms of Section 281 of the Companies Act, 2013, within 60 days from the date of this order, along with a comprehensive report shall also be filed indicating the assets identified and secured, claims received, funds and assets traced, recoveries made or proposed, proceedings initiated, and any further directions required from this Tribunal;

J. The Company Liquidator shall file periodical reports to the Tribunal as envisaged under Section 288 of the Companies Act, 2013;

K. This winding up order shall be deemed to be a notice of discharge to the officers, employees and workmen of the company, except when the business of the company is continued;

L. All former and present promoters, directors, officers and other persons having custody or control of the assets, books, records or information of the Respondent Company shall extend full cooperation and assistance to the Company Liquidator in accordance with Section 284 of the Companies Act, 2013;

M. Further, it is directed that no suit or other legal proceeding shall be commenced, or, if pending on the date of the winding-up order, shall be proceeded with, by or against the Respondent Company, except with the leave of this Tribunal and subject to such terms as this Tribunal may impose. However, it would not affect pending proceedings and investigation against individual directors and promoters for their criminal acts; and

N. The Company Liquidator shall also ensure:

i. examine the SFIO Investigation Report and other material available on record and trace the flow and end-use of funds collected from the public, including any diversion or transfer thereof to promoters, directors, related entities or other persons;

ii. identify the properties and assets acquired out of such funds and take appropriate proceedings, in accordance with law, for their recovery, restoration or protection for the benefit of the Respondent Company and its stakeholders;

iii. examine the transactions and conduct of the promoters, directors, officers and other persons concerned and, wherever warranted, initiate appropriate proceedings under Sections 339 to 342 and other applicable provisions of the Companies Act, 2013;

iv. invite, verify and adjudicate the claims of creditors, depositors, investors and other stakeholders in accordance with law and maintain a proper record thereof;

v. seek necessary information, records and assistance from the SFIO, Registrar of Companies, banks, financial institutions and other investigating or statutory authorities. The concerned authorities shall extend necessary cooperation, subject to law and to any orders passed by the competent court or authority; and

vi. ensure that the liquidation proceedings do not prejudice or unnecessarily duplicate any pending investigation, prosecution,

attachment or other proceedings before any competent authority.

vii. It would be the duty of the Liquidator to comply with all statutory provisions in its letter and spirit.

57. Registry is directed to send a copy of this order to the parties, the Company Liquidator appointed by this Tribunal and the Registrar of Companies, Kerala, immediately and the Registrar shall make an endorsement to that effect in his records relating to the company and notify in the Official Gazette that such an order has been made.

58. Let the certified copy of this order be issued upon compliance with requisite formalities.

59. File be consigned to records.

Sd /- **Sd /-**

RAVICHANDRAN RAMASAMY
(MEMBER TECHNICAL)

VINAY GOEL
(MEMBER JUDICIAL)

Signed on this the 06th day of October, 2026.

*A*Steno_A*