

PROCEEDINGS OF COMPETENT AUTHORITY & SECRETARY
TO GOVERNMENT, UNDER SECTION 7(3) OF BANNING OF
UNREGULATED DEPOSIT SCHEMES (BUDS) ACT, 2019.
PRESENT : SRI. SANJAY M KAUL IAS

HOME (SC) DEPARTMENT

SC3/339/2023/Home Dated,Thiruvananthapuram (30-03-2024)

Sub: Home Department - Banning of Unregulated Deposit Schemes Act, 2019 - Provisional attachment of all movable & immovable properties of M/s Jabal Green Park LLP, Kozhikode - Orders issued.

- 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. Representation dated 06.09.2023 from the Jabal Investors' Money Recovery Action Committee.
3. Letter No.D4 - 7997/2023/EOW dated 31.01.2024 from the Additional Director General of Police (Crime Branch).

ORDER

The Jabal Investors' Money Recovery Action Committee as per letter referred to as third paper above, represented to Competent Authority for BUDS Act requesting to recover the money invested with M/s Jabal Green Park LLP, Kozhikode invoking the provisions of Banning of Unregulated Deposit Schemes Act, 2019. The Action committee alleged that Sri Abdul Salam, Vellayankara, Maramchatty, Kozhikkode

District, cheated the investors by accepting around 3 Crores Rupees in the name of a proposed private industrial park to be established at Maramchatty, Kozhikode.

The Additional Director General of Police (Crime Branch) conducted an enquiry into the matter and reported that Jabal Green Industrial Park Ltd was registered in the year 2020 under the Limited Liability Partnership Act, 2008 and its partners are Sri Abdul Salam S/o Kunjimammed, Vellayankara House Maranchatty, Kozhikode and his brother Rasheed Velayankara. The registered office of the firm is at Building No. 5/357 Vellayankara, Maranchatty Koombara P.O, Koodaranji, Kozhikode, PIN - 673 604.

Sri Abdul Kalam accepted the deposits with the intention of starting a private industrial park (JGP LLP) at Maramchatty. For this purpose, he purchased 20 acres of land for 7 crores rupees. Out of this 7 Crore, an amount of 3 crores have been collected from 60 persons ((5 lakhs each) other than its partners. These deposits were collected on the promise to return with 12% of profit share to the depositors once the Industrial Park starts functioning and assured that the deposit will be returned to the party on 3 months prior notice on demand. Sri Abdul Salam approached the Industrial Department for the approval of the proposed project. However, approval for the same has been denied due to some land classification related issues. The land purchased by M/s JGP LLP for the industrial park is classified as plantation and as per existing law, it can be used for industrial purpose only after reclassification.

The Proprietorship and partnership concerns are un- incorporated bodies. Hence they are prohibited under the RBI Act, 1934 from accepting public deposits. Hence the deposit collection from other than the partners of the LLP constitute an unregulated scheme. Herein the depositors are given receipts specifying that the amounts are contribution towards the capital of the LLP firm. As per section 2 (4) (e) of BUDS Act (e) amounts received by way of contributions towards the capital by partners of any partnership firm or a limited liability partnership are exempted from the purview of "Deposit". However, in the instant case, money is collected from other than the partners of the LLP. Hence the deposit taker can be held liable for violating the

provisions of Banning of Unregulated Deposit Schemes Act, 2019.

Whereas provisions of Banning of Unregulated Deposit Schemes Act are invoked in the deposit taking conducted in the name of M/s Jabal Green Park LLP, Door No. 5/357 Vellayankara, Maranchatty Koombara P.O, Koodaranji, Kozhikode, PIN - 673 604,

Now, therefore in exercise of powers conferred under section 7(3) of Banning of Unregulated Deposit Schemes Act, 2019, I, Sanjay M Kaul IAS, Competent Authority, hereby order the provisional attachment of all movable/immovable properties and all other deposits held by the Deposit Taker and the money or other property acquired either in the name of the deposit taker or in the name of any other person on behalf of the deposit taker.

The Inspector General of Registration Department is hereby directed to freeze the sale/mortgage or any other transaction involving immovable properties of the firm and the Deposit Taker. The Transport Commissioner, Motor Vehicles Department is directed to seize all vehicles owned by the firm, deposit taker, its partners or allied firms and to take necessary steps to prohibit the transfer of registration of vehicles and to report to the respective District Collectors.

The Lead Bank Managers of all districts, 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 accused to the 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 file application with particulars of the attachment effected before the Designated Courts constituted as per reference 2nd cited. This is 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 Banning of Unregulated Deposit Schemes Act, 2019.

(Sd.)

SANJAY M KAUL

Forwarded/By order

Section Officer.

To:

Sri Abdul Salam, Vellayankara House Maranchatty, Kozhikode - 673 604.

Sri Rasheed Vellangara, Vellankara House, Maramchatty, Koombara PO, Koodaranji, Kozhikode - 673 604.

The State Police Chief

All District Collectors

The Additional Director General of Police (Crimes)

The Inspector General of Police (EOW), PHQ

All District Police Chiefs

The Inspector General of Registration Department

The Transport Commissioner

Registrar of Co-operative Societies

General Managers of KSFE/District Managers of KFC/All Banks etc (through the District Collectors)

The Finance/ Law/Revenue/Taxes Departments

I & PR (Web & New Media) Department.

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