Order No.RO/PO/SRO/04/2020-21

SECURITIES AND EXCHANGE BOARD OF INDIA SOUTHERN REGIONAL OFFICE, CHENNAI

Recovery Certificate No. 2280 of 2019 issued in the matter of Kerala Housing Finance Limited

Order under Rule 16 and 48 of the Second Schedule to the Income-tax Act, 1961 read with Section 28A of the Securities and Exchange Board of India Act, 1992

- Recovery proceedings was initiated by the Securities and Exchange Board of India ("SEBI") vide R.C. No. 2280 against i) Kerala Housing Finance Limited (KHFL) and its directors and promotes viz., ii) G Unnikrishnan Nair, iii) N Krishnan Nair, iv) Komala Unnikrishnan, v) G Suresh Kumar, vi) P Parameshwaran, vii) B Ajith Kumar, viii) Shajan P.G., ix) S Suresh Kumar, x) R Sukumaran and xi) B Manmadhan (collectively referred to as "defaulters") in view of their default in complying with SEBI direction to refund the money collected from the investors along with an interest of 15% per annum vide SEBI Order No. WTM/GM/CFD-IMD/41/2017-18 dated August 10, 2017. Accordingly, Notice of demand dated June 26, 2019 (to entities at Sl. Nos. (i) to (vi) and February 10, 2021 (to entities at Sl. Nos. (vii) to (xi)) were issued to the aforesaid entities. The amount due from these entities as per the Notice of demand dated June 26, 2019 was Rs.261,35,50,640 which included interest and costs till date of issuance of the said Notice of Demand. In pursuance of the recovery proceedings, attachment notices dated June 26, 2019 were also issued attaching the bank accounts, demat accounts and mutual fund folios of the defaulters. The defaulters were directed to satisfy the recovery certificate and to send the details of assets for liquidation. However, the defaulters had failed to honour their dues to investors.
- 2. It is noted that nearly 64.25 cents of land under document No. 873/2003 in survey Nos. 544/13, 544/15/3C, 544/12E and 544/12C/2 were registered in the name of Kerala Hospitality Limited ("KHL") which is a company promoted by the Directors and relatives of directors of KHFL. From the filings made with MCA, it was observed that Komala Unnikrishnan [PAN: AATPU6479N], G. Unnikrishnan Nair [PAN: AKHPP5583E] and N. Krishnan Nair [PAN: BQYPK5654D], held 93.02%, 1.73% and 1.05% of the equity share capital of the company, respectively. Altogether, the defaulters held 95.80% of the equity share capital of Kerala Hospitality Limited and by virtue of SEBI attachment order dated June 26, 2019 and the Prohibitory order dated August 02, 2019, these shares stood attached by SEBI. As per the records available on MCA, KHL has been struck off under Section 248 of the Companies Act, 2013 for failure to file financial statements of the company.



- 3. SEBI had also issued a Prohibitory Order against the defaulters (i) to (vi) mentioned at para 1 above on August 02, 2019, inter-alia, prohibiting them from disposing, transferring, alienating or charging all moveable and immoveable properties held by them. However, the defaulters had failed to honour their dues to investors. As on date, the dues of these defaulters to investors amounts to around Rs.317.50 crore. Considering the large number of investors and the amount involved, considerable public interest is involved in the matter and SEBI has to take all possible measures, in the interest of investors, to liquidate the properties owned by the defaulters to pay off the dues of the investors.
- 4. In such background, it becomes necessary to prohibit the defaulters from transferring or encumbering any of their assets. Considering the case at hand and to ensure that investor's interest is protected, in exercise of the powers conferred under Rule 16 and 48 of the Second Schedule to the Income-tax Act, 1961 read with Section 28A of the SEBI Act, 1992, the defaulters, are hereby prohibited from disposing, transferring, alienating, or charging any or all the immovable properties including that mentioned at Para 2 above.
- 5. It is further directed that all persons are hereby prohibited from taking any benefit under such disposal, transfer, alienation or charge in respect of the properties mentioned above, which stands attached in execution of the aforesaid Recovery Certificate.
- 6. The concerned Sub-Registrar Office is also directed to provide the certified copy of the document evidencing ownership of 64.25 cents of land under document No. 873/2003 in survey Nos. 544/13, 544/15/3C, 544/12E and 544/12C/2 which stood registered in the name of **Kerala Hospitality Limited**.
- 7. This Order shall be served on the defaulters and to
 - i. The Inspector General of Registration of the State of Kerala; and
 - ii. The concerned Tehsildars, District Registrars and Sub-Registrars of the respective areas where the above properties are located,

with a direction not to act upon any documents purporting to be dealing with transfer, mortgage, charge, lease or creation or alteration of any interest in any of the properties owned / held by the defaulter, including the said property, if presented for registration.

Given under my hand and seal at Chennai on this the 27th day of April, 2021.

SEAL

RECOVERY OFFICER

या तुरित को राजनेस्य कोई, बेहर्स्