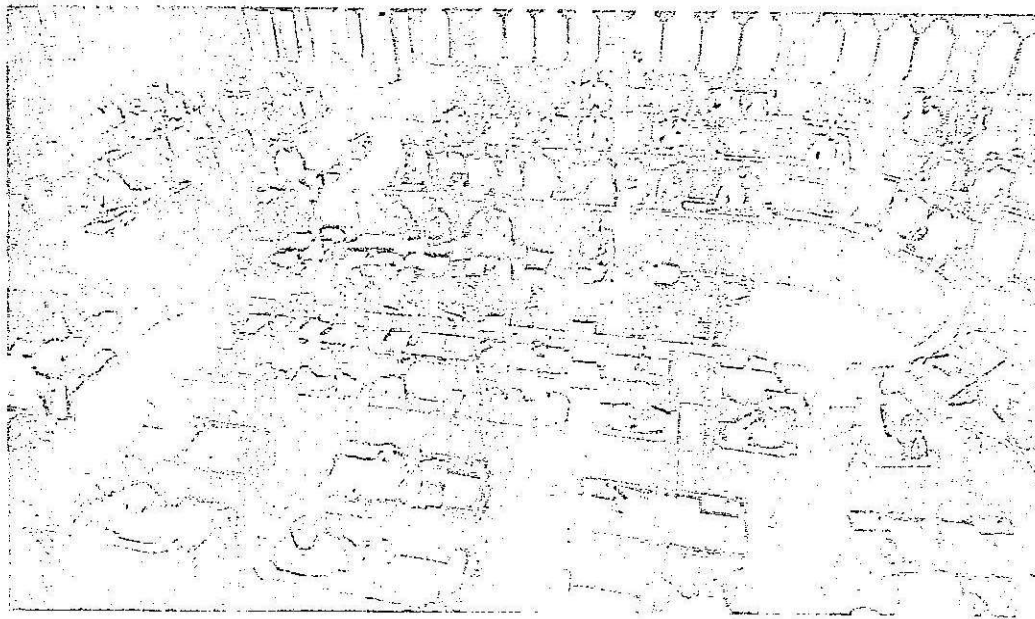


ಇಲಾಖೆ / ವಿಷಯ : DEPARTMENT / SUBJECT: Legislative Council Session

ಪತ್ರಿಕೆಯ ಹೆಸರು : NAME OF THE NEWS PAPER: Indian Express ದಿನಾಂಕ : DATE: 30/1/2021

TOUGH BILL TO PROTECT INVESTORS, BRING PONZI COMPANIES TO BOOK

Default, service failure to attract jail term; investigative authority to get more teeth



The Karnataka Legislative Council in session at Vidhana Soudha on Friday | NAGARAJ EADEKAL

EXPRESS NEWS SERVICE
@Bengaluru

WITH thousands of people being duped every year by Ponzi schemes that promise high returns on investment, and financial establishments engaged in fraudulent business, the State government is coming up with tougher measures to protect investors' interest. The CBI is investigating the IMA multi-crore scam and the state government has initiated measures to help depositors get their money back.

The Karnataka Protection of Interest of Depositors in Financial Establishments (Amendment) Bill 2020, tabled in the assembly on Friday by Chief Minister BS Yediyurappa, empowers police or a competent authority appointed by the government to take up investigation into complaints of fraudulent transactions. If convicted, those involved in such transactions or who fail to render service to investors as promised, can be jailed for up to seven years.

CRACKING DOWN

Tough measures to protect investors' interest

3-7 years jail term for fraudulent default

Police or competent authority can take up investigation

Can enter and search any premises, seize moveable properties

Promoters, directors, partners, managers and employees of a financial establishment, which fraudulently defaults on repayment of deposit on maturity, along with any benefit in the form of interest, bonus, profit or any other form as promised, or fails to render service as assured against the deposit, shall on conviction, be punished with imprisonment for a term of not less than three years, which may extend to seven years, the Bill states. Imprisonment and penalty for fraudulent default has been enhanced on par with the 'Banning of Unregulated Deposits Schemes

Act 2019', a Central Act.

The Bill also authorises the government, district magistrate or police to take up investigation of a complaint or fraudulent transaction and to empower the revenue secretary or any authority nominated by the government to conduct an investigation. It empowers the secretary or competent authority with the powers of a civil court judge to summon persons and documents as per the Code of Civil Procedure, 1908.

The police or competent authority appointed to conduct investigation shall have the power to enter and search any premises, seize moveable properties, freeze bank accounts and attach money or property believed to have been acquired by such financial establishment either in its own name or the name of any other person. Depending on the magnitude of the fraud, a special court may constitute a committee for realisation of proceeds and payment to depositors, and to utilise e-auction platforms for auction of attached assets.

Separate sand policy for coastal Karnataka region soon, says Nirani

EXPRESS NEWS SERVICE
@Bengaluru

MINES and Geology Minister Murugesh Nirani on Friday said the state government will soon announce a separate sand policy for the coastal Karnataka region.

He was responding to Congress MLA UT Khader's question on delay in announcing a separate sand policy for coastal Karnataka region even after holding several rounds of discussions. Nirani said they are aware of the problems faced by the people due to shortage of sand and also the need for a separate policy to help people of Udupi, Dakshina Kannada and Uttara Kannada districts in the coastal region.

The minister said construction activities are affected in many parts of the state due to shortage of sand and the government will take necessary steps to prevent such problem in any part of the state.

The minister said the Coastal Regulation Zone (CRZ) authority has been instructed to clear 13 sand mounds located along riverbeds coming under CRZ in 2020-21.

The seven-member District Sand Monitoring Committee headed by the Deputy Commissioner will issue temporary permits to 104 applicants to extract sand from 13 sand mounds for one year, he said.

MLAs Raghpathi Bhat and Kumar Bangarappa also raised the issue of shortage of sand. The minister assured that sand would be made available to public and sand auction would be conducted as per the rules.