

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 2611
TO BE ANSWERED ON TUESDAY, 17TH MARCH, 2020/ PHALGUNA 27, 1941 (SAKA)

SAHARA INDIA CORPORATE FRAUD CASE

QUESTION

2611. SHRI AKHILESH PRASAD SINGH:

Will the Minister of Finance be pleased to state:

- (a) the current status of Sahara India Corporate Fraud case;
- (b) the total amount of depositors at present lying with Sahara India; and
- (a) the roadmap envisaged by Government to recover depositors' hard earned money and by when it will be possible?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (c): Securities and Exchange Board of India (SEBI) has informed that two of the Group Companies of Sahara Group namely, Sahara India Real Estate Corporation Ltd., (SIRECL) and Sahara Housing Investment Corporation Ltd. (SHICL), had raised money aggregating to Rs. 19,400.87 Crore and Rs. 6,380.50 Crore respectively from around 3.07 Crores subscribers/investors/deposit accounts through issue of Optionally Fully Convertible Debentures (OFCDs) without filing offer documents with SEBI and in violation of SEBI Regulations and Companies Act, 1956.

Hon'ble Supreme Court vide Order dated 31.08.2012 *inter-alia* directed SIRECL and SHICL to refund the amount so collected along with interest @ 15% per annum to SEBI from the date of receipt of the subscription amount till the date of repayment, within a period of three months from the date of the Order of the Hon'ble Supreme Court and that the amount shall be deposited in a Nationalized Bank bearing maximum rate of interest. Accordingly, Sahara Group has deposited an amount of Rupees 15,451.11 Crore to 'SEBI-Sahara Refund' Account as on 1 March 2020.

As per the direction of Hon'ble Supreme Court and with the advice of Justice (Retd.) B N Agarwal appointed by Hon'ble Supreme Court vide order dated 31.08.2012 to oversee the refund process, SEBI had issued Press Releases at various points in time advising the investors to make necessary applications to SEBI for refund of their money invested in the OFCDs of the aforesaid two Companies viz., SIRECL and SHICL. July 2, 2018 was the last date for receiving applications for refund. Pursuant to the above, SEBI had received 19,560 applications in total involving 53,460 Original Bond Certificates / Pass Books for an aggregate principal amount of Rupees 81.44 Crore. As on date, SEBI made refunds, after verification of claims, with respect to 14,372 applications involving 39,958 Original Bond Certificates / Pass Books for an aggregate amount of Rupees 111.12 Crores (i.e. Rupees 59.06 Crores as principal and Rupees 52.06 Crores as interest).

Further, SEBI had examined the matter of other group entities like, M/s. Sahara Q Shop Unique Products Range Ltd, M/s. Sahara Q Gold Mart Ltd, M/s. Sahara India Commercial Corporation Ltd, M/s. Sahara Credit Co-operative Society Ltd, M/s. Sahara Prime City Ltd, M/s. Saharayn Universal Multipurpose Society Ltd, M/s. Saharayn E Multipurpose Society Ltd and M/s. Stars Multipurpose Co-operative Society Ltd for applicability of SEBI Regulations and it was observed that the activities of said companies did not fall under the definition of Collective Investment Schemes and hence, outside the purview of SEBI. The matters relating to said companies have been referred by SEBI to various authorities/ Regulators concerned such as Ministry of Corporate Affairs, Ministry of Agriculture and Farmers Welfare, Reserve Bank of India, Government of Maharashtra, and Government of Uttar Pradesh.
