

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 1008

TO BE ANSWERED ON TUESDAY, 7TH DECEMBER, 2021/ Agrahayana 16, 1943 (SAKA)

Returning of money of investors of PACL and Sahara

QUESTION

1008. SHRI SANJAY RAUT:

Will the Minister of Finance be pleased to state:

- (a) whether it is a fact that Supreme Court has directed the Centre and the States to return the money of the aggrieved investors of PACL Ltd. and Sahara like financial institutions years ago but both the Centre or the States did not pay the victim so far;
- (b) if so, the details in this regard and reasons for the delay in paying money the victims;
- (c) whether Government has made any transparent mechanism for the payment to the aggrieved investors immediately; and
- (d) if so, details thereof and, if not, the reasons therefor?

ANSWER

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d):

A. PACL

1. The Hon'ble Supreme Court of India directed SEBI to constitute a Committee under the Chairmanship of Justice (Retd) R. M. Lodha, for disposing of the properties of PACL Ltd, so that the sale proceeds can be distributed to the investors. Accordingly, SEBI has constituted a Committee under the Chairmanship of Justice (Retd.) R.M. Lodha (hereinafter referred to as the "Committee").
2. The Committee after sale of properties and other realizations, decided to start the refund process and accordingly. As on 01.12.2021 payment of Rs 447.57 Crore was effected to 12,91,101 eligible applications involving claim amount up to Rs. 10,000. This includes payment of Rs. 18.15 Crore to 1,89,103 investors having claim amount up to Rs. 2,500/-.
3. The claim applications were verified and payments are credited in respect of eligible applications directly to the bank accounts of the investors, as provided by them in their claim applications, by way of NEFT/NACH transfer. After effecting the payment to the investors, they are intimated of the same by way of SMS.
4. The entire refund mechanism was kept simple and transparent. The investors were given adequate assistance by way of demo videos and helpline number was provided to the investors for filing their claims. Further, the Committee requested Chief Secretary of each States to provide required assistance to investors in filing claim application through E-Seva Kendra. To ensure transparency, the Committee regularly updates inter alia, status of refund, timeline for rectifying/submitting claim application etc. on SEBI website (<https://www.sebi.gov.in/PACL.html>). Further, periodic reports containing, inter alia, details of refund to investors, are submitted before Hon'ble Supreme Court.

B. Sahara

1. The Supreme Court vide Order dated 31.08.2012 inter-alia directed Sahara India Real Estate Corporation Limited (SIRECL) and Sahara Housing Investment Corporation Limited (SHICL) and their Promoters and Directors (hereinafter referred to as 'Saharas') to refund the amounts collected through Red Herring Prospectus(RHP) dated 13.03.2008 and 16.10.2009 of SIRECL and SHICL respectively, 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 Supreme Court i.e., 31.08.2012, which amount was ordered to be deposited in a Nationalized Bank bearing maximum rate of interest. The Supreme Court also directed SEBI to refund the amount to bondholders of SIRECL and SHICL along with interest on production of relevant documents evidencing payment and after counter checking the records produced by Saharas. The Supreme Court also appointed Justice (Retd) B N Agarwal to oversee the refund process and for effective and proper implementation of the directions issued by the Court.

2. In terms of the directions issued by the Supreme Court and Justice (Retd) B N Agarwal, SEBI issued a Press Release on 28.05.2013 and the bondholders of SIRECL and SHICL were also advised to make necessary applications to SEBI for refund of their money. SEBI also issued advertisements on 26.03.2018 and 19.06.2018 informing the bondholders of SIRECL and SHICL that 02.07.2018 (cut-off date) is the last date for receiving applications for refund and that no application would be accepted /entertained after the cut-off date.

3. SEBI received 19,644 Applications in total involving 53,642 Original Bond Certificates / Pass Books for an aggregate Principal Amount of Rupees 81.70 Crore. On the basis of verifiable documents, SEBI made refunds with respect to 17,526 eligible bondholders involving 48,326 Original Bond Certificates / Pass Books for an aggregate amount of Rupees 138.07 Crores (i.e. Rupees 70.09 Crores as Principal and Rupees 67.98 Crores as an Interest). The remaining applications were closed either due to their records not being traceable in the documents/data provided by SIRECL and SHICL or since no response was received from the bondholders to further queries raised by SEBI.

4. SEBI verifies the details of bond(s)/passbook(s) submitted by bondholders of SIRECL and SHICL with the details of data submitted by SIRECL and SHICL stored in portal created by Stockholding Corporation of India Limited. After verification, applications which are complete in all respects are approved in the portal/database and the details of eligible applications are sent to Saharas for their confirmation before making payments to the eligible bondholders. After receipt of confirmation from Saharas and getting due approval from Competent authority, SEBI gives instruction to Bank of India (where 'SEBI - Sahara Refund' Account is maintained) to make payments to respective eligible bondholders by sending the list of eligible bondholders in the format provided by Bank of India. Payment to eligible bondholders is by way of transfer through NEFT/RTGS (to their respective account numbers and IFSC codes provided). The entire refund process by SEBI in the matter of Saharas is continuously monitored by Justice (Retd) B N Agarwal.
