

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 1907
TO BE ANSWERED ON FRIDAY, 21ST DECEMBER, 2018/ AGRAHAYANA 30, 1940 (SAKA)

SAHARA Q SHOP

QUESTION

1907. SHRIMATI ANJU BALA:
SHRI L.R. SHIVARAME GOWDA:

Will the Minister of Finance be pleased to state:

- (a): whether the Government has received several complaints against Sahara Q Shop, an FMCG venture of Sahara India Group and if so, the details thereof along with the reaction of the Government thereto;
- (b): whether the Securities and Exchange Board of India (SEBI) has returned money to all investors of Sahara Group companies and if so, the details thereof and if not, the reasons therefor along with liabilities of SEBI under the above schemes of Sahara Group;
- (c): whether the SEBI is directed to accommodate investors of other schemes of Sahara India Group namely Sahara India Q Shop as investors were forced to convert their investments into Sahara Q Shop from Sahara India Real Estate Corp. (SIREC) and Sahara Housing Investment Corp. (SHIC) and if so, the details thereof along with the reaction of the Government thereto; and
- (d): the corrective measures being taken by the Government to prevent such type of financial frauds in India?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON. RADHAKRISHNAN)

(a): Yes Madam, as per MCA 21 data, Registrars of Companies (ROC), Mumbai, Ministry of Corporate Affairs has received 744 complaints against the company 'Sahara Q Shop Unique Products Range Limited', CIN U74999MH2011PLC218870. ROC, Mumbai, on examination of complaints and the documents filed by the said company has submitted a report recommending for investigation to be conducted in terms of Section 210/212 of the Companies Act, 2013. The Ministry of Corporate Affairs has ordered investigation into the affairs of the said company to be conducted by Serious Fraud Investigation Office vide order dated 31.10.2018.

(b): No Madam, Hon'ble Supreme Court vide its Order dated August 31, 2012 had directed SEBI to make refunds to the investors of Optionally Fully Convertible Debentures (OFCDs) in only two of the Sahara Group Companies namely Sahara India Real Estate Corporation Limited (SIRECL) and Sahara Housing Investment Corporation Limited (SHICL). As per the directions of the Hon'ble Supreme Court, SEBI had started the process of refunding the moneys to the investors of OFCDs of the above two companies viz., SIRECL and SHICL. In this regard, SEBI had issued a Press Release on 28.05.2013 and Press Advertisements during the months of August-September 2014 and December 2014, advising the investors at large to make necessary applications to SEBI for refund of their moneys invested in the OFCDs of the aforesaid two Companies viz., SIRECL and SHICL. SEBI has also made available the format of Application for Refund on its website (www.sebi.gov.in) to enable the investors to make their applications for refund. Further, SEBI has recently issued Press Advertisements on March 26, 2018 and June 19, 2018 informing the investors that July 2, 2018 (cut off date) is the last and final date for receiving applications for refund and no application shall be accepted/entertained beyond the cutoff date. Further, SEBI has also informed investors that this is the last and final opportunity provided to the OFCD holders of the above two companies, to make their applications for refund.

As on March 31, 2018, SEBI had received 15,146 applications involving 43,405 accounts, and made refunds with respect to 12,522 applications involving 35,300 accounts for an aggregate amount of Rs.98.56 Crore including the interest of Rs.45.26 Crore. As on March 31, 2018, financial liabilities of SEBI w.r.t principal amount claimed by the investors is Rs. 15.15 Crores.

(c) No Madam, Hon'ble Supreme Court vide its Order dated August 31, 2012 directed SEBI to make refund to only those investors, who invested in Optionally Fully Convertible Debentures (OFCDs) of Sahara India Real Estate Corporation Ltd., (SIRECL) and/or Sahara Housing Investment Corporation Ltd. (SHICL). Accordingly, the investments in other Schemes/Group Companies of Sahara including the Sahara Q-Shop are prima facie not covered in the said Order of Hon'ble Supreme Court.

Further, SEBI has recently passed an order dated October 31, 2018 in respect of Sahara India Commercial Corporation Limited (SICCL) (one of the group companies of Saharas) directing that SICCL and its directors/promoters shall jointly and severally, forthwith refund the money collected by the Company (SICCL for money collected till date and directors for the moneys collected during their respective period of directorship) through the issuance of OFCDs including the application money collected from investors, pending allotment of securities, if any, with an interest of 15% per annum, from the eighth day of collection of funds, to the investors till the date of actual payment. Further, SEBI has also clarified that the entities who are subject to the order of Hon'ble Supreme Court of India dated July 11, 2016 shall, in accordance with the directions of the said order deposit the sale proceeds of the assets in the SEBI Sahara Refund Fund. The said fund shall be utilised for the repayment of the investors of SICCL with the prior permission of the Hon'ble Supreme Court.

(d) SEBI undertakes various investor education and awareness activities to create awareness on relevant issues in securities market and to protect the interests of investors in securities market. In such activities the topic of unregistered Collective Investment Scheme (CIS) / Ponzi schemes is also covered where participants are cautioned against investing in CIS/Ponzi schemes. Further, in order to increase investor awareness among larger number of people, SEBI also carries out mass media campaign giving relevant messages to investors through popular media (TV/ Radio/Print/bulk SMSes/Digital media/cinema).
