

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 1370
TO BE ANSWERED ON MONDAY, 10TH FEBRUARY, 2020/ MAGHA 21, 1941 (SAKA)

SAHARA INDIA GROUP INVESTORS

QUESTION

1370. SHRI SUBHASH CHANDRA BAHERIA:

Will the Minister of Finance be pleased to state:

- (a) whether the Government is aware about the number of investors duped in Sahara India Group along with the quantum of funds involved and if so, the details thereof;
- (b) the funds deposited so far by Sahara India Group to SEBI account for re-payment to investors;
- (c) the number of investors who have filed their claims with SEBI for refund along with the amount involved therein;
- (d) the number of investors repaid by SEBI till date along with the amount involved; and
- (e) the manner in which the remaining investors will be repaid?

ANSWER

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

(a): 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.

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.

(b): As per the directions of the Hon'ble Supreme Court order dated 31.08.2012, Sahara Group has deposited an amount of Rupees 15,448.67 Crore to 'SEBI-Sahara Refund' Account as on 01.02.2020. Further, a cheque of Rs 41.59 crore in respect of a property situated at Vellore was produced before the

Hon'ble Supreme Court on 24.01.2020, where the Hon'ble Supreme Court directed that the same shall be accepted by SEBI 'without prejudice'. The said cheque has been presented to the bank for depositing to "SEBI-Sahara Refund" Account and has not yet been realized as on date.

(c), (d) & (e): 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 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 money 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. SEBI had once again issued Press Advertisements on March 26, 2018 and June 19, 2018 informing the investors that July 2, 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 and that this would be the last and final opportunity for investors to claim refund.

Pursuant to the above advertisements, SEBI had received 19,560 Applications in total involving 53,361 Original Bond Certificates / Pass Books for an aggregate Principal Amount of Rupees 81.30 Crore. SEBI made refunds with respect to 14,146 Applications involving 39,499 Original Bond Certificates / Pass Books for an aggregate amount of Rupees 109.86 Crores (i.e. Rupees 58.52 Crores as Principal and Rupees 51.34 Crores as an Interest). The refund to investors is subject to verification of their applications and approval of Justice (Retd) B N Agarwal in terms of the order of the Hon'ble Supreme Court.
