

Government of India
Ministry of Finance
Department of Economic Affairs

LOK SABHA
STARRED QUESTION NO. *319

TO BE ANSWERED ON MONDAY, DECEMBER 20, 2021/AGRAHAYANA 29, 1943
(SAKA)

Repayment to Investors

***319. SHRI GAJANAN KIRTIKAR:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Sahara India Group has deposited crores of rupees in the Securities and Exchange Board of India (SEBI)-Sahara refund account;
- (b) if so, the quantum of funds deposited by the Sahara India Group for repayment to investors in respect of optionally fully convertible debentures;
- (c) the number of investors repaid by SEBI and the amount involved therein;
- (d) the timeline for refund to investors by SEBI and return of money to Sahara India in case no investor is left for refund;
- (e) whether the Government is aware that the Sahara India Group has not been able to pay back the investors of other schemes due to embargo placed on them; and
- (f) if so, the measures being taken to ensure lifting of embargo on the Sahara India Group so that the genuine investors do not suffer?

ANSWER
MINISTER OF FINANCE
(SMT. NIRMALA SITHARAMAN)

(a) to (f) : A statement is laid on the Table of the House.

Statement referred to in the reply to part (a) to (f) of the LOK SABHA Starred Question no *319 raised by Sh. Gajanan Kirtikar due for reply on 20th December, 2021 regarding "Repayment to Investors".

(a) and (b): In terms of the Supreme Court order dated 31.08.2012 inter-alia directing 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 aggregating to Rs. 19,400.87 Crores and Rs. 6,380.50 Crores respectively (total amounting to Rs. 25,781.37 Crores) collected from around 3.07 Crores investors through Red Herring Prospectuses (RHP) on Optionally Fully Convertible Debentures 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. The Saharas have deposited an aggregate amount of Rs.15,485.80 Crores (against the Principal Amount Rs. 25,781.37 Crores) into designated 'SEBI-Sahara Refund' Account as on November 30, 2021.

(c): In response to the various Press Release/advertisements, SEBI received 19,644 Applications in total involving 53,642 Original Bond Certificates / Pass Books for an aggregate Principal Amount of Rs. 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 Rs. 138.07 Crores (i.e., Rs. 70.09 Crores as Principal and Rs. 67.98 Crores as an Interest) by way of transfer through NEFT/RTGS.

(d): In terms of the directions issued from time to time by the Supreme Court and Justice (Retd) B N Agarwal appointed by the Supreme Court in this matter, SEBI issued a Press Release on May 28, 2013 and multiple advertisements during the months of August-September 2014 and December 2014 which detailed the application process along with its mechanism to apply for refund. These were made available on the SEBI website and the bondholders of SIRECL and SHICL were also advised to make necessary applications to SEBI for refund of their money. SEBI also issued final 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.

Till date, SEBI has filed 22 status reports in total before the Supreme Court in this matter. Further, SEBI has also filed an Interlocutory Application dated 21.10.2021 seeking further directions from the Supreme Court in this matter and the same is presently pending before the Supreme Court.

(e) and (f): As regard Sahara India Group not being able to pay back the investors of other schemes, it informed that the principal amount raised under RHP of Optionally Fully Convertible Debentures of SIRECL and SHICL is Rs. 25,781.37 Crores against which only Rs.15,485.80 Crores has been deposited in SEBI-Sahara Refund Account and the SEBI has been facilitating the repayment of principal and interest to the investors who invested in Optionally Fully Convertible Debentures of SIRECL and SHICL.
