

ITEM NO.301

COURT NO.2

SECTION XVII

S U P R E M E C O U R T O F I N D I A  
R E C O R D O F P R O C E E D I N G S

I.A. 47-49/2015 in CONMT.PET.(C) No. 412/2012 & 413/2012 In C.A. No. 9813/2011 & 9833/2011 No(s).

S.E.B.I.

Petitioner(s)

VERSUS

SAHARA INDIA REAL ESTATE CORPN.LTD.&amp;ORS.

Respondent(s)

(for extension of time and office report)

Date : 13/03/2015 These applications were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE T.S. THAKUR

HON'BLE MR. JUSTICE ANIL R.DAVE

HON'BLE MR. JUSTICE A.K.SIKRI

For Petitioner(s) Mr. Arvind Datar, Sr. Adv.  
Mr. Pratap Venugopal, Adv.  
Ms. Surekha Raman, Adv.  
Mr. Gaurav Nair, Adv.  
Ms. Niharika, Adv.  
M/s. K. J. John & Co., Adv.

For Respondent(s) Mr. Gaurav Kejriwal, Adv.  
  
Mr. Kapil Sibal, Sr. Adv.  
Dr. Rajeev Dhawan, Sr. Adv.  
Mr. S.Ganesh, Sr. Adv.  
Mr. Gautam Awasthi, Adv.  
Mr. Nijam Pasha, Adv.  
Mr. Simranjeet Singh, adv.  
Mr. Gautam Talukdar, Adv.  
Mr. Sandeep Bajaj, Adv.  
Mr. Ayush Chaudhary, Adv.  
Mr. abhinav Tripathi, Adv.  
Mr. Aditya Chopra, Adv.

Mr. Shekhar Napahade ,Adv. (A.C.)  
Ms. Shubhangi Tuli, Adv.  
Mr. Vikram Sobti, Adv.

Mr. Ramesh Bau, Adv.  
Ms. Swati Setia, Adv.,.

UPON hearing the counsel the Court made the following  
O R D E R

By our Order dated 24.02.2015 we had allowed Reserve Bank of India to initiate such proceedings as were called for under the provisions of Reserve Bank of India Act against the alleged acts of omission and commission committed by Sahara India Financial Corporation Limited. Mr. Ramesh Babu, learned counsel appearing for the Reserve Bank of India today submits that the Bank has already initiated action and served a show-cause notice upon the company concerned and that it would take further steps in the matter no sooner a reply to that notice is received.

We had also by the same order directed the Saharas to file an affidavit explaining the circumstances in which the securities and fixed deposits etc. were encashed/sold and the maturity value/sale consideration thereof transferred to Sahara India instead of being deposited in the SEBI Sahara Refund Account. Saharas have filed an affidavit in compliance with the said direction. Mr. Arvind Datar learned senior counsel for the respondent and Mr. Ramesh Babu, learned counsel pray

for and are granted two weeks' time to respond to the said affidavit.

Mr. Kapil Sibal, learned senior counsel appearing for the respondent submits that the respondents are in the process of negotiating a deal in regard to its off-shore properties to comply with the orders passed by this Court. He submits that an out line of the proposed deal which will generate sufficient funds to enable the respondents to comply with the directions of this Court shall be furnished to Mr. Shekhar Naphade, learned A.C. as also Mr. Datar within one week from today along with requisite documents to demonstrate that the deal is a serious attempt to raise money against the off-shore assets of the companies.

Mr. Sibal further submits that the respondents shall co-operate and furnish such further information as may be demanded by the A.C. and Mr. Datar in relation to proposed deal. Mr. Sibal Submits that although two earlier attempts to negotiate a somewhat similar deal have proved abortive, a third and final chance could be given to the respondents to raise the requisite amount of money for discharge of its liability in terms of the orders passed by this court.

We have in the previous orders passed by us from

time to time noticed how despite facilities which the respondents had demanded while in custody, the proposed deals had failed to fructify. We have in the light of that experience put it to learned counsel for the respondent that we are inclined to appoint a receiver for the properties owned by Saharas in question and to authorise the receiver to alienate the same with a view to complying with the directions of this Court. Mr. Sibal however fervently argued that the need for appointing a receiver may not arise if a final chance is given to Saharas to negotiate and finalise a suitable deal that would ensure that the directions of this Court are complied with.

We are inclined to accept the prayer made by Mr. Sibal. We, therefore, grant to the respondents yet another opportunity to negotiate the proposed deal the outline whereof shall be shared by the respondents with counsel for the SEBI and the A.C.. Mr. Sibal submits that in order to save time we could restore the facility earlier extended to the respondent within the jail precincts. He urged that this would help the respondents in finalising the deal early. We are not for the present inclined to extend the facility earlier directed by us for the outline of the proposed deal

remains to be critically examined by the A.C. and counsel for SEBI. We however see no difficulty in extending to "five hours a day" the concession of communication with the outside world in favour of the respondents besides two lap top computers. The jail authorities would make sure that the facility limited to communication for a period of five hours a day and two lap-tops only are extended to the respondents.

This matter shall now stand adjourned, to be posted again on 23.03.2015 at 2.00 P.M.

(Shashi Sareen)  
Court Master

(Veena Khera)  
Court Master