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OUT TODAY

ITEM NO.1 COURT NO.2 SECTION XVII

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

RECORD OF PROCEEDINGS

IA Nos. 101-103 in
CONTEMPT PETITION (C) NO. 412-413 OF 2012 IN Civil Appeal 9813/2011 & 9833/2011 and CONT. PET.(C) NO. 260/2013 IN C.A. NO. 8643/2012

S.E.B.I. Petitioner(s)

VERSUS

SAHARA INDIA REAL ESTATE CORPN.LTD.&ORS. Respondent(s)

(With appln(s) for modification of order dated 21.11.2013 and office report)

Date: 29/05/2014 These applns. were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE T.S. THAKUR
HON'BLE MR. JUSTICE A.K. SIKRI
(VACATION BENCH)

For Petitioner(s) Mr. Pratap Venugopal, Adv.
Mr. Gaurav Nair, Adv.
M/S. K.J. John & Co.

Mr. Vishwa Pal Singh ,Adv

For Respondent(s) Dr. Rajeev Dhavan, Sr.Adv.
Mr. Keshav Mohan, Adv.
Mr. Gaurav Kejriwal, Adv.
Mr. Jatin Pore, Adv.
Mr. Sandeep Bajaj, Adv.

Mrs.Shally Bhasin Maheshwari,Adv.

Mr. Gautam Awasthi ,Adv

UPON hearing counsel the Court made the following

O R D E R

Heard. Order reserved.

In the course of the resumed hearing today, Dr. Dhawan, learned senior counsel for the applicant contended that apart from selling the immovable properties situated within the country 'Saharas' propose to sell their stakes in three other properties situated outside the country. One of these three

properties happens to be Grosvenor House in London while the other two namely, Plaza Hotel and Dreams Downtown hotel are in New York in the United States of America. Dr. Dhawan argued that the Saharas own substantial stakes in these properties no matter the same are subject to a charge in favour of the bank of China. The 'shares' held by the Saharas, in the companies that own those properties argued Dr. Dhawan are also pledged with the Bank of China for repayment of the outstanding loan to the said Bank. According to Dr. Dhawan, the Saharas have already taken up the matter with the Bank of China proposing to dispose of their stakes in the said three properties to which the

Bank has given its, in principle, approval. It was submitted that this Court could apart from lifting the embargo on the sale of the moveable and immovable assets in India, vacate the same qua the said three properties to enable Saharas to comply with the directions issued by this court.

There is nothing on record before us to show that any request as mentioned by Dr. Dhawan was made by the Saharas to the Bank of China at any stage. Even so we see no reason why we should prevent Saharas from taking up the matter with the Bank of China for its permission/consent to the proposed transfer/sale/alienation of their stakes in the equity of the companies that own the said properties. Dr. Dhawan submitted, on instructions, that an appropriate communication could subject to the order of this Court be addressed to the Bank of China by the Saharas seeking its approval to the proposed transfer of the stakes held by Saharas in the three properties mentioned above, subject to the repayment of the loan outstanding against those properties. Dr. Dhawan submitted that a copy of the communication addressed to the Bank of China and its response shall be placed on record before this Court along with an affidavit within one week from today. He further submitted that apart from the correspondence that may be exchanged on the subject between Saharas and the Bank of China, the Bank of China will also be requested to confirm the amount that is outstanding towards the loan advanced by it in regard to each one of the three properties mentioned above to give a clear picture to this Court as to the outstanding liability that remains to be liquidated by the Saharas qua the said properties.

Our attention was also drawn to the valuation reports in regard to the three properties mentioned earlier. It was urged that the said valuation reports have been prepared by reputed valuers at the instance of the Bank of China in connection with the loan

transactions as a part of on-going annual exercise undertaken by the lending Bank. If that be so, Saharas would do well to obtain a confirmation from the Bank of China to the effect that the valuation reports prepared in respect of the three properties mentioned above by CBRE and JLL, have been prepared at the instance of the Bank of China and that the said valuation reports have been accepted by the Bank to be correct. This could lend re-assurance to the Court that the value/stakes held by Saharas in these properties are sought to be transferred on the basis of the true market value of the said assets. Needful shall be done expeditiously, but not later than one week from today.

(NAVEEN KUMAR)	(M.S. NEGI)
COURT MASTER	ASSISTANT REGISTRAR