

SC pulls up Sebi for leaking Sahara Group's proposal to media

The Supreme Court has pulled up market regulator Sebi for leaking to media details of the proposal of Sahara Group's list of property sent to it as a guarantee to ensure that interest of investors are protected.

The apex court said it was "distressed" that the proposal sent by Sahara's counsel to the advocate of Sebi has come on one of the TV channels and such incidents which have been increasing day-by-day "not only affect the business sentiments but also interfere in the administration of justice".

"We are distressed to note that even 'without prejudice' proposals sent by counsel for the appellants (Sahara) to the counsel for Sebi has come on one of the TV channels.

"Such incidents are increasing by the day. Such reporting not only affect the business sentiments but also interfere in the administration of justice," a bench headed by chief justice S H Kapadia said.

Taking strong note of the incident, the bench said it would pass appropriate orders regarding reporting of sub-judice matters.

"In the above circumstances, we have requested counsel on both sides to make written application to this court so that appropriate orders could be passed by this court with regard to reporting of matters, which are sub-judice," the bench, also comprising justices A K Patnaik and Swatanter Kumar said.

The leakage of the proposal was brought to the notice of the court by Sahara's counsel and senior advocate Fali S Nariman, who had sent it to the Sebi's counsel.

Sahara's another counsel Kehav Mohan said the proposal was about the Group's assets to the tune of Rs. 35,000 crore as against the liability of Rs.24,000 crore towards its investors.

The bench had, on 28 November, 2011, also asked the companies to place before it their 2010-11 balance sheets and statements of accounts for November 2011.

"Net worth of the companies particularly assets against which liability has been created, financial statements including balance sheets of 2010-11 and statements of accounts of the companies of November 2011 shall be mentioned in the affidavit," the bench had said.

The apex court had earlier issued notices to the central government and the Sebi seeking their response on Sahara's plea challenging SAT's 18 October, 2011 order, directing it to refund the money raised through optionally fully convertible debentures (OFCD) to investors within six weeks.

It extended till 8 January the time limit set by SAT which had passed the order on the Sahara group's appeal against Sebi's June order asking the group's firms to return the money, collected from investors through financial instrument OFCD, on the ground of violation of regulatory norms.

The stock market regulator had also restrained the two entities from accessing the securities market for raising funds till payments were made to the satisfaction of Sebi.

The two companies, promoter Subrata Roy Sahara, and directors -- Vandana Bhargava, Ravi Shankar Dubey and Ashok Roy Choudhary -- were told jointly and severally to refund the collected money.

The company had then approached the Supreme Court which asked it to approach the Tribunal.

While dismissing the appeal, SAT had held that the market regulator has jurisdiction over such fund-raising schemes.

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