

SAHARA-SEBI STANDOFF

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The Supreme Court is set to hear Sahara chief Subrata Roy's petition on Tuesday. Sahara has raised some points over its legal battle with stock market regulator Sebi. Sahara says it has already paid 93% of the investors, Per investor average deposit is of 8,400. Hence, it can be repaid in cash as per law In last 17 months, Sebi repaid only 1 cr and is holding 5619 cr (including interest), argues Sahara .

No verification process has been started by Sebi in the last 17 months, disobeying court's August 31, 2012 order, the company says Sahara offered guarantee of the entire amount through bank trustee security; but when it was rejected, the company says it offered irrevocable bank guarantee.This has not been accepted .

At the heart of the matter lies Sebi's demand, under directions of the Supreme Court, of an additional 20,000 crore along with 15% interest to investors .The company says Sebi has alleged that Sahara's investors are fictitious and untraceable.

Sahara says that in 2008, it had repaid around 4 crore depositors under supervision of the Reserve Bank of India. The company says in response to Sebi's assertion that many of the 20,000 letters to depositors didn't elicit a response, Sahara had submitted affidavits and KYC documents confirming their existence .

Sahara says it remains Sebi's responsibility to ascertain the authenticity of its claim that it has repaid most of their money. If Sebi continues to insist that investors do not exist, then, by the same logic, the regulating body _ born out of the specific mandate of protecting investors _ also ceases to have any further stake or role to play in the case, the company said in a statement .

Sahara says a proper verification process has not been implemented to ascertain the existence of its depositors