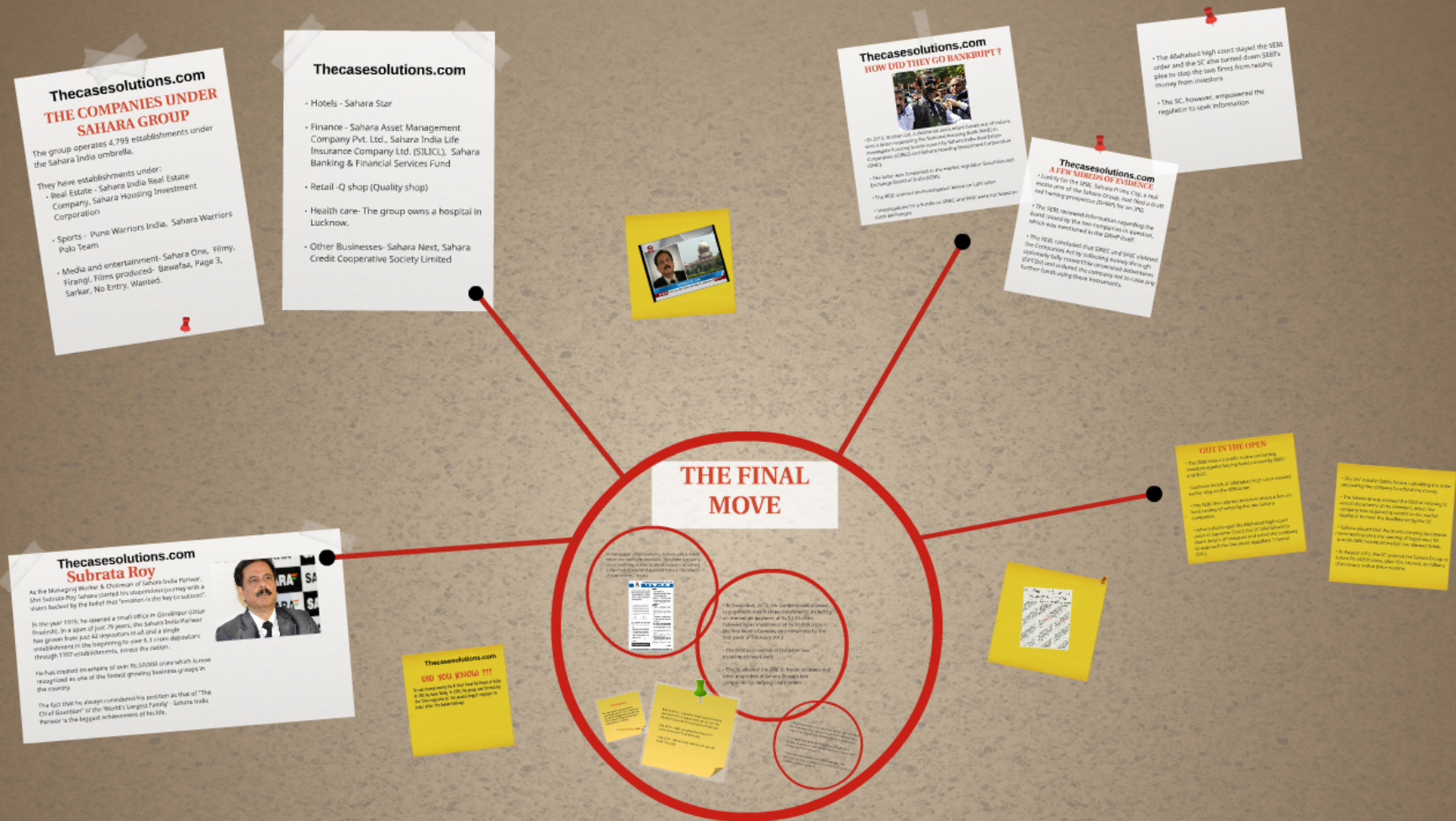
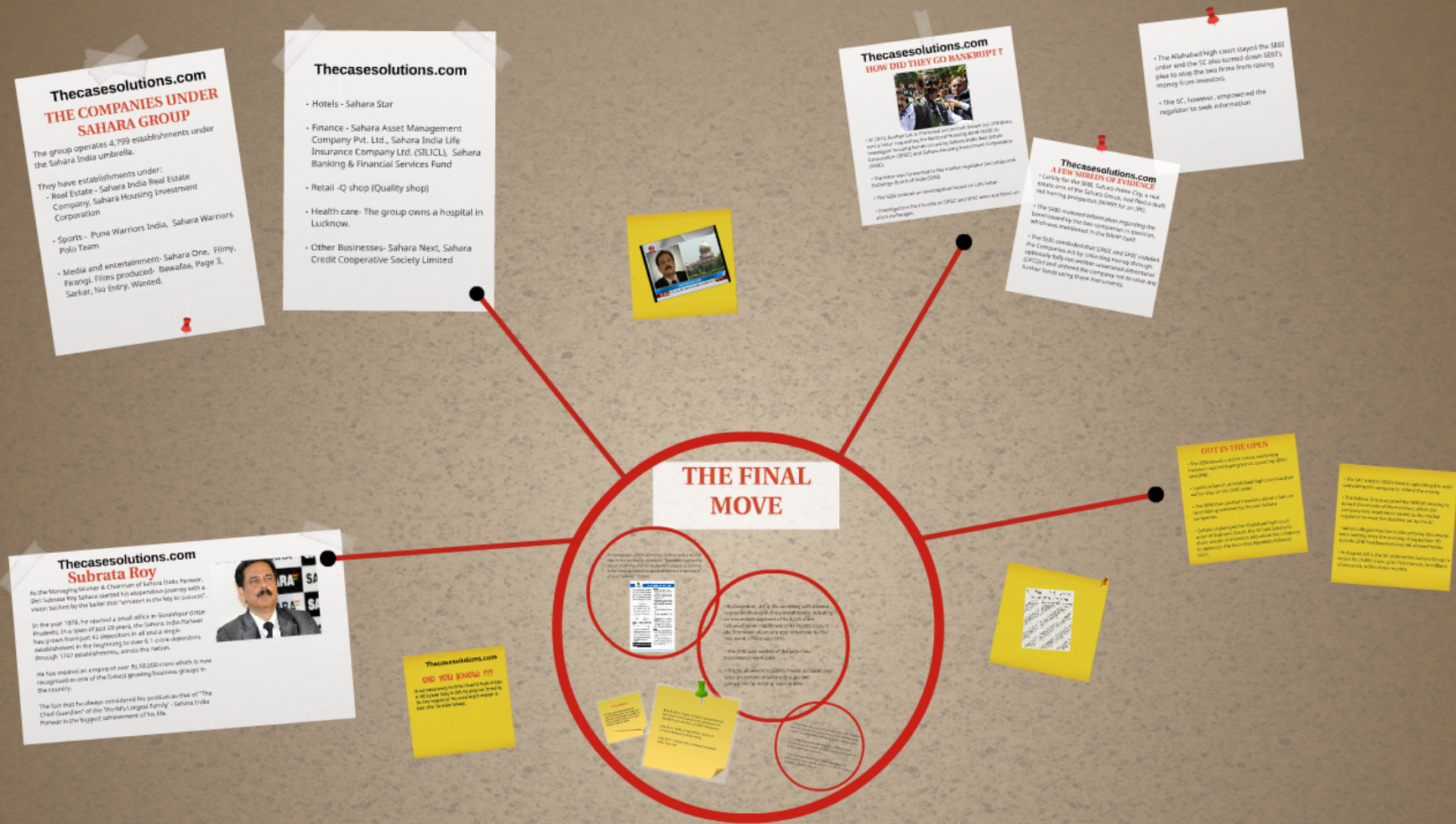


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The Delhi Land and Finance IPO: To Be or Not to Be?

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Subrata Roy

As the Managing Worker & Chairman of Sahara India Pariwar, Shri Subrata Roy Sahara started his stupendous journey with a vision backed by the belief that "emotion is the key to success".

In the year 1978, he opened a small office in Gorakhpur (Uttar Pradesh). In a span of just 29 years, the Sahara India Pariwar has grown from just 42 depositors in all and a single establishment in the beginning to over 6.1 crore depositors through 1707 establishments, across the nation.

He has created an empire of over Rs.50,000 crore which is now recognized as one of the fastest growing business groups in the country.

The fact that he always considered his position as that of "The Chief Guardian" of the 'World's Largest Family' - Sahara India Pariwar is the biggest achievement of his life.



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DID YOU KNOW ???

He was named among the 10 Most Powerful People of India in 2012 by India Today. In 2004, the group was termed by the Time magazine as 'the second largest employer in India' after the Indian Railways.

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THE COMPANIES UNDER SAHARA GROUP

The group operates 4,799 establishments under the Sahara India umbrella.

They have establishments under:

- Real Estate - Sahara India Real Estate Company, Sahara Housing Investment Corporation
- Sports - Pune Warriors India, Sahara Warriors Polo Team
- Media and entertainment- Sahara One, Filmy, Firangi. Films produced- Bewafaa, Page 3, Sarkar, No Entry, Wanted.



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- Hotels - Sahara Star
- Finance - Sahara Asset Management Company Pvt. Ltd., Sahara India Life Insurance Company Ltd. (SILICL), Sahara Banking & Financial Services Fund
- Retail -Q shop (Quality shop)
- Health care- The group owns a hospital in Lucknow.
- Other Businesses- Sahara Next, Sahara Credit Cooperative Society Limited

DID YOU KNOW ?

- Sahara India Pariwar's Sahara Q Shop entered into the Guinness World Records when it opened a record 315 outlets in 10 states of India, just at one time on 1 April 2013
- The group owned an airline, Air Sahara, which it sold to Jet Airways in 2007.

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HOW DID THEY GO BANKRUPT ?



- In 2010, Roshan Lal, a chartered accountant based out of Indore, sent a letter requesting the National Housing Bank (NHB) to investigate housing bonds issued by Sahara India Real Estate Corporation (SIREC) and Sahara Housing Investment Corporation (SHIC).
- The letter was forwarded to the market regulator Securities and Exchange Board of India (SEBI).
- The SEBI ordered an investigation based on Lal's letter.
- Investigations hit a hurdle as SIREC and SHIC were not listed on stock exchanges.

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A FEW SHREDS OF EVIDENCE

- Luckily for the SEBI, Sahara Prime City, a real estate arm of the Sahara Group, had filed a draft red herring prospectus (DHRP) for an IPO.
- The SEBI reviewed information regarding the bond issued by the two companies in question, which was mentioned in the DRHP itself.
- The SEBI concluded that SIREC and SHIC violated the Companies Act by collecting money through optionally fully convertible unsecured debentures (OFCDs) and ordered the company not to raise any further funds using these instruments.