

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI K.C. VENUGOPAL): (a) to (c) The operation of A-380 aircraft to India was not permitted earlier. However, the Government has recently allowed operation of A-380 aircraft to India at Delhi International Airport (Pvt.) Ltd. (DIAL), Mumbai International Airport (Pvt.) Ltd. (MIAL), Hyderabad International Airport (Pvt.) Ltd. (HIAL) and Bengaluru International Airport (Pvt.) Ltd. (BIAL) which are equipped to handle A-380 operation subject to the overall traffic entitlements within the bilateral Air Services Agreement with various countries.

(d) Does not arise as no Indian carrier currently possess A-380 aircraft.

Action against Saradha group of companies

†2501. SHRI NARESH AGRAWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Securities and Exchange Board of India (SEBI) was aware since 2010 of the companies like 'SARADHA' which was operating from 2008 but the order was issued against the company after it had collapsed;

(b) if so, the reasons for such a delay in issuing an order against the company and the persons responsible of the same; and

(c) the action being taken against guilty officers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) Securities and Exchange Board of India (hereinafter referred to as 'SEBI') received letter no. 221/D/EOI dated 23.04.2010 from Director, Economic Offences Investigation Cell (EOIC), Government of West Bengal, informing that 'SARADHA' Realty India Limited is collecting contributions from the public.

After examining the above reference, SEBI undertook inquiry into the operations and activities of the company. In order to examine whether the activities of the company would fall within the ambit of the SEBI (Collective Investment Schemes) Regulations, 1999 ('CIS Regulations'), SEBI *vide* its letters dated June 3, 2010; July 14, 2010; August 13, 2010; October 12, 2010 and November 3, 2010 advised the company to submit certain documents and information with respect to its schemes, details of funds mobilized from investors under the said schemes and manner of utilization thereof, etc. The company, however, did not furnish the desired information

†Original notice of the question was received in Hindi.

in terms of the notice issued to it. The company had furnished voluminous and irrelevant information.

After examination of the information furnished by the company and information received from the Government of West Bengal, SEBI was of the *prima facie* view that the company has launched Collective Investment Schemes as defined in Section 11AA of the SEBI Act, 1992 without obtaining a certificate of registration as required by Section 12(1)(B) of SEBI Act, 1992 and Regulation 3 of SEBI (Collective Investment Schemes) Regulations, 1999. Accordingly, a Show Cause Notice dated December 15, 2011 was issued to the company. The company submitted its reply to the Show Cause Notice *vide* its letter dated January 3, 2012. The company had denied the allegations and challenged SEBI's jurisdiction over its activities. Therefore, a fair and reasonable opportunity of being heard was required to be given to the company to defend its case in accordance with the principles of natural justice and to explain circumstances appearing against it. In the course of hearing, the company had filed several cartons of documents which were required to be examined. During the course of hearing, several directions were issued to the company for submission of information with regard to its projects undertaken, projects completed, status of pending projects, list of investors etc. The company failed to depute its officers to SEBI for physical verification of documents despite prior notice. The company *vide* its letter dated April 1, 2013 claimed that its agents have adopted fraudulent practices and that the servers at Boston USA are under the control of brokers and staff members. As the company avoided furnishing of documents and failed to attend the document verification exercise and did not cooperate in the proceedings, an order was passed on April 23, 2013 based on the material available on record.

As per procedure in quasi-judicial proceedings, any party to be proceeded against has to be served with a Show Cause Notice and be given a fair and reasonable opportunity before an adverse order is passed in accordance with the principles of natural justice since the orders of SEBI are subject to Judicial Review.

(c) Does not arise in view of the reply of (a) and (b) above.

Restriction on import of gold

2502. SHRI THAAWAR CHAND GEHLOT: Will the Minister of FINANCE be pleased to state: