

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
STARRED QUESTION NO. 114
TO BE ANSWERED ON 30/07/2024**

Refund Status of Investors in Sahara Cooperatives

***114 SHRI RAJEEV RAI:
SHRI SUDAMA PRASAD:**

Will the Minister of COOPERATION (सहकारिता मंत्री) be pleased to state:

- (a) whether the Government is aware that lakhs of investors who deposited their hard earning to Sahara Cooperatives are waiting for return of their investments for the last 4-5 years, if so, the details of number of people/investors and amount held by these societies thereof, State-wise;
- (b) whether the Government has initiated refund to small investors only up to Rs. 10,000/ through Sahara Refund Portal since July, 2023 and if so, the reasons for applying this cap;
- (c) whether refund upto Rs. 10,000/- has been made to all investors, if so, the number of investors who have received their money so far and if not, the reasons therefor;
- (d) whether the Government/SEBI is contemplating fixing of any timeline to enable full refund to all these investors in a fair and transparent manner and if so, the details thereof and if not, the reasons therefor; and
- (e) whether the Government has any plan/policy to avoid such financial irregularities in the future and if so, the details thereof?

ANSWER

**THE MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)**

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) IN RESPECT OF LOK SABHA STARRED QUESTION NO. 114 “REFUND STATUS OF INVESTORS IN SAHARA COOPERATIVES” ASKED BY SHRI RAJEEV RAI AND SHRI SUDAMA PRASAD, HON’BLE MEMBERS OF PARLIAMENT DUE FOR REPLY ON 30TH JULY, 2024

(a) to (d): A cooperative society registered under the provisions of Multi-State Cooperative Societies (MSCS) Act, 2002 and rules framed thereunder, functions as an autonomous cooperative organisation and is accountable to their members. As per the provisions of Section 49 of the MSCS Act, 2002, the business matters such as to admit members, to accept the deposits and investing the same and staff matters including payment of salary to them, etc. fall under the powers and functions of the board of the Society and the day-to-day management of the Society fall under the powers and functions of the Chief Executive of the Society as per the provisions of Section 52 of the MSCS Act, 2002.

A very large number of complaints were received from the depositors of 4 Sahara Group of Cooperative Societies namely, Sahara Credit Cooperative Society Ltd., Lucknow, Saharayan Universal Multipurpose Society Ltd., Bhopal, Humara India Credit Cooperative Society Ltd., Kolkata and Stars Multipurpose Cooperative Society Ltd., Hyderabad. Further, details of number of people/investors and amount held by these societies are not required to be maintained by the Ministry of Cooperation and also not available in the Ministry.

On an Interlocutory Application No. 56308/2023, filed by the Ministry of Cooperation in the matter of WP (C) No. 191/2022 –Pinak Pani Mohanty vs UoI & ors., the Hon’ble Supreme Court vide order dated 29.03.2023, inter alia, ordered that:

“(i) Out of the total amount of Rs. 24,979.67 Crores lying in the “Sahara-SEBI Refund Account”, Rs. 5000 Crores be transferred to the Central Registrar of Cooperative Societies, who, in turn, shall disburse the same against the legitimate dues of the depositors of the Sahara Group of Cooperative Societies, which shall be paid to the genuine depositors in the most transparent manner and on proper identification and on submitting proof of their deposits and proof of their claims and to be deposited in their respective bank accounts directly.

(ii) The disbursement shall be supervised and monitored by Justice R. Subhash Reddy, Former Judge of this Court with the able assistance of Shri Gaurav Agarwal, learned Advocate, who is appointed as Amicus Curiae to assist Justice R. Subhash Reddy as well as the Central Registrar of Cooperative Societies in disbursing the amount to the genuine depositors of the Sahara Group of Cooperative Societies. The manner and modalities for making the payment is to be worked out by the Central Registrar of Cooperative Societies in consultation with Justice R. Subhash Reddy, Former Judge of this Court and Shri Gaurav Agarwal, learned Advocate.”

In compliance of the Hon’ble Supreme Court’s Order dated 29.03.2023, an Online Portal “CRCS-Sahara refund portal” <https://mocrefund.crcs.gov.in> has been launched on 18.07.2023 for submission of claims by the genuine depositors of four Multi-State Cooperative

Societies of Sahara Group, namely; Sahara Credit Cooperative Society Ltd., Lucknow, Saharayn Universal Multipurpose Society Ltd., Bhopal, Humara India Credit Cooperative Society Ltd., Kolkata and Stars Multipurpose Cooperative Society Ltd., Hyderabad for refund of their legitimate deposits. Entire process of disbursement is digital and paperless and is being carried out under the supervision and monitoring of Justice R. Subhash Reddy, Former Judge of Hon'ble Supreme Court with the assistance of Shri Gaurav Agrawal, Amicus Curiae.

Applications received on the Portal are being processed in transparent manner, on proper identification and on submitting proof of their identity and deposits. The payment is being deposited directly in Aadhaar seeded bank account of the genuine depositors. Presently, payment upto Rs.10,000/- is being disbursed to each genuine depositor of the Sahara Group of Cooperative Societies against all his verified claims through Aadhaar seeded Bank account after submitting proof of deposits and proof of claims. In case of deficiencies found in the application, opportunity is given to the applicant for resubmitting the application after rectifying the deficiencies on the resubmission portal (<https://mocresubmit.crcs.gov.in>)

So far, an amount of Rs. 369.91 Crore has been released to 4,29,166 depositors of Sahara Group of Cooperative Societies through the portal.

Hon'ble Supreme Court has granted extension till 31.12.2024 for implementation of Supreme Court order dated 29.03.2023.

(e): The Multi-State Cooperative Societies (MSCS) Act, 2002 has been amended and implemented with effect from 03.08.2023 to bring the Act in conformity with the 97th Constitutional Amendment and also to make reforms to strengthen democratic member control, protect members' interest, improve governance and enhance transparency. The office of Central Registrar is also computerized to strengthen the monitoring of multi-State cooperative societies.
