GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 2517
ANSWERED ON MONDAY, AUGUST 03, 2026

Refund of depositors' money

2517. Shri Bajrang Manohar Sonwane:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government is aware that large amounts invested by citizens in cooperative credit societies, investment companies and other financial institutions have remained blocked for several years due to closure of such institutions or ongoing liquidation proceedings;

(b) if so, the measures taken by the Government to ensure refund of depositors' money and the policy regarding attachment and sale of assets of such institutions for repayment to investors;

(c) whether many investors have received only partial payments, if so, the time-bound plan for payment of the remaining amount;

(d) the steps being taken by the Government to prevent delays by Liquidators and ensure timely justice to depositors; and

(e) whether the Government proposes to establish Fast Track Courts or Special Courts for day-to-day hearing and speedy disposal of such cases in coordination with State Governments, including Maharashtra, to ensure early recovery of investors' dues and if so, the details thereof?

ANSWER

Minister of State in the Ministry of Corporate Affairs and Minister of State in the Ministry of Road Transport and Highways.

(Shri Harsh Malhotra)

(a) to (d): (i) The Ministry of Corporate Affairs is responsible for the administration of Companies Act, 2013 (the Act) and the Insolvency and Bankruptcy Code, 2016 (the IBC). The Act provides the legal framework for acceptance of deposits, protection of depositors' interests and enforcement against defaults. Companies accepting deposits are

required to comply with the provisions of Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. In cases of non-compliance, appropriate action is taken under the provisions of the Companies Act, 2013, wherever warranted.

(ii) Official Liquidators (OLs) are appointed under Section 448(1) of the Companies Act, 1956 for performance of duties as Liquidators of the companies ordered to be compulsorily wound up as per the orders of the Hon'ble High Court. As OL is an officer of the Hon'ble High Court, all activities including disbursement of money to the deposit holders, eventually leading towards dissolution of the company are carried out by OL, under the supervision of the Hon'ble High Court.

(iii) IBC provides a consolidated framework for reorganization, insolvency resolution and liquidation of corporate persons. Under Section 227, the IBC enables the Central Government to notify Financial Service Providers (FSPs) and categories of FSPs for the purpose of insolvency and liquidation proceedings.

Till now, CIRPs of four FSPs have yielded resolutions under the IBC and one FSP is ongoing under the IBC. No liquidation has been ordered under the IBC in respect of any Financial Service Provider (FSP).

(iv) As per inputs received from Ministry of Cooperation, Cooperative societies registered under the provisions of the Multi-State Cooperative Societies (MSCS) Act, 2002 function as autonomous cooperative organisations and are accountable to their members. The affairs of such societies are governed by the provisions of the MSCS Act, 2002, the rules made thereunder and their approved bye-laws.

The details of cooperative societies under Liquidation, powers of Liquidators and the details of repayments are provided as Annexure A.

(e) In view of the reply above, no such proposal is under consideration of this Ministry.

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Annexure A

Annexure referred in reply to Part (a to d) of the unstarred Question No. 2517 for answer in Lok Sabha on 03.08.2026.

The details of cooperative societies under Liquidation, powers of Liquidators and the details of repayments:

Presently, 115 Multi-State Cooperative Societies are under liquidation. Under Section 90 of the MSCS Act, 2002, the Liquidator is empowered to refund the deposited amounts to depositors after realization of the assets of the society, settlement of liabilities and distribution of the assets among eligible depositors/members and other stakeholders.

Further, in respect of the Sahara Group of Cooperative Societies, pursuant to the Hon'ble Supreme Court's order dated 29.03.2023, out of the amount of ₹24,979.67 crore lying in the "Sahara-SEBI Refund Account", ₹10,000 crore has been transferred to the Central Registrar of Cooperative Societies (CRCS) for disbursement to genuine depositors. The CRCS-Sahara Refund Portal was launched on 18.07.2023 to facilitate online submission of refund claims by genuine depositors. Till 28th July, 2026, approximately ₹9,265 crore has been disbursed to around 41.50 lakh depositors of the four Sahara Cooperative Societies.