

BEHIND THE CURTAIN: INVESTOR BATTLES AND POLICY GAPS IN THE SAHARA REFUND PROCESS

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ABSTRACT

Sahara India refund case is one of the longest cases ever in Indian legal and financial history where investors interest was required to be protected. The Supreme Court of India in March 2023 mandated the funds of ₹5,000 crore from the Sahara-SEBI Refund Account was transferred to the Central Registrar of Cooperative. The societies (CRCS) were established for repayment to the depositors. The CRCS-Sahara Refund Portal was launched on 18 July 2023 to enable the processing of refunds in a systematic way through the UIDAI-Aadhaar linked manner. However, as of December 2025, only ₹6,841.86 crore has been disbursed to 35.44 lakh verified depositors who had applied for 1.41 crore times. The investor base is more than 54.2 lakh and the total estimates deposits are at ₹1,13,504 crore. To achieve this disbursement rate of ₹115 crore per month, it will take over 77 years to complete. This paper points to systemic, institutional and structural barriers that underline the issue of repayment to the depositors. Mandatory Aadhaar verification put on the backs of pre-digital depositors, weak administrative structure, capacity of CRCS, failure of local Sahara agents and deep rural digital divide are the main obstacles that hinder the adoption of the new technology. This paper suggests a blended model of redress based on practicalities and legal analysis of the Companies Act 2013, SEBI Act 1992, Multi- State Cooperative Societies Act 2002 and Bhartiya Nyaya Sanhita 2023, which calls for the Incorporation of hybrid system including Infrastructure, nodal officer and a monthly progress audit (localised physical presence) and digital verification. If such measures had been adopted the Supreme Court's role as a protector of investors could continue to be as much a fantasy as a reality.

Keywords: *Sahara Refund Portal; CRCS; Supreme Court of India; Investor Grievance; Aadhaar Mismatch; Financial Justice; SEBI; Cooperative Societies; Digital Divide; Nodal Officers; Local Infrastructure; Public Policy; Refund Deficiencies; OFCD; Multi-State Cooperative Societies Act.*

1. INTRODUCTION

The failure of the mobilisation scheme for the deposits of the Sahara Group was not a trial and tribulation in court. It began in villages and small towns and working class neighbourhoods around India where millions of low- and middle-income families, many having no experience of formal financial institutions, handed over their savings to local agents from the Sahara group. The agents were trusted persons. They came to homes, issued passbooks and opened Sahara deposits accounts. They offered small yet steady profits. What they were really conducting, it would later be revealed, was an illegal public offering, without any of the regulations in the book being followed.

By 2012, Sahara India Parivar, based in Lucknow, was one of India's most diversified conglomerates, with business in the financial, infrastructure, media, hospitality, healthcare

and real estate sectors (Jog, 2014). The group's workforce peaked at more than one million and claimed more than ten million depositors at its height. The subjects were phenomenal. The unpalatable legality was that it was funded using Optionally Fully Convertible Debentures (OFCDs) which never had to be registered with the Securities and Exchange Board of India (SEBI) or disclosed risk to investors or meet the capital-raising requirements outlined in the Securities Contracts (Regulation) Act, 1956, and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. In *Sahara India Real Estate Corporation Ltd. vs. SEBI* (2012), the Supreme Court mandated Sahara to pay back investors an amount of ₹24,000 crore or so. The process of the group trying to stall, challenge, and partially comply with the order and the court trying to force them to comply was a long one that lasted for the next ten years. The court had directed for the transfer of ₹5,000 crore to the CRCS and setting up of a digital refund portal that was built and launched in March 2023. The CRCS-Sahara Refund Portal was launched with great fanfare and political visibility by the union Home minister on 18 July 2023 and had received more than 18 lakh registrations in its first few weeks (Press Information Bureau, 2023).

The situation is much less rosy 30 months later. This paper outlines the increasing discrepancy between the formal structure of investor redress and that in practice. Section 2 discusses the regulatory and statutory errors that led to the creation of this case. The CRCS refund mechanism is analyzed in detail, along with the structural limitations of the mechanism, in Section 3. Section 4 uses quantitative data, along with tables and visual analysis, to present information on the disbursement record to date. Section 5 will focus on the particular challenges faced by rural and poor customers. In Section 6, a hybrid redress system is outlined. The last part of Section 7 addresses the implications of this case for cooperative regulation and investor protection policy in India generally.

2. REGULATORY AND LEGAL FRAMEWORK: THE VIOLATIONS THAT CREATED THE CRISIS

2.1 The Companies Act, 2013

Multiple provisions of the Companies Act were implicated in Sahara's fundraising via the OFCDs. The threshold for an offer to subscribe securities to become a 'public offer' is established by Section 67(3) — fifty persons. This is of course a very small level of investor participation by comparison to the court's estimate of 2.96 crore investors in the two OFCD issuing entities, Sahara. However, the group did not file the prospectus mentioned under Section 60B, which provides that any company making a public offer has to file a full disclosure prospectus with the Registrar of Companies as well as SEBI.

The failure to provide investors with the most basic protection for which securities regulation exists: to get material information before investing. Under the requirements of Schedule II of the Act, Company Directors had to certify their compliance with the law when submitting a Draft Red Herring Prospectus. This was never confirmed. So Section 55A, which extends the jurisdiction of the Securities and Exchange Board of India to public issue securities, was called into play — and its obligations fully neglected. Section 73(4) refers to penalties for contraventions in public offerings; Section 76(2) sets out disclosure requirements and Section 219 was ultimately used to grant powers for the investigation of Sahara's finances by the Serious Fraud Investigation Office (SFIO). Combined, these violations do not mean carelessness of the regulators. They outline a conscious effort to hide.

2.2 The SEBI Act, 1992 and ICDR Regulations, 2009

It falls under Section 12 of the SEBI Act that anyone offering investment advice or dealing in securities needs registration. Not so with Sahara. Governing how companies raise money publicly - covering disclosures, approvals, and procedures - are specific clauses from the ICDR Rules 2009: 4(2), 5(1), 6, 7, 16(1), 20(1), 25, 26, 36, 37, and 57. There were some serious violations of the main rules here with offerings. There was no published prospectus. Approval had not been granted. There was no reference to risks. Investor details weren't kept in a depository linked registry. Because of this, it was when sorting time came around, in the case of refunds, no one could be found to take responsibility for the actual investment.

2.3 Bhartiya Nyaya Sanhita (formerly the Indian Penal Code)

When the actions aren't in line with rules issued by regulators, they are subject to criminal charges. Under Section 318 of the Bhartiya Nyaya Sanhita (BNS) 2023 - once known as Section 420 IPC - Sahara group becomes an accomplice to the crime of deception through false promises. Leaders of the Sahara group falsely claimed to be in good financial condition when pitching investors and brokers, also concealing threats associated with OFCD offerings. As far as money placed is concerned, in trust, Section 316 BNS - previously called Section 409 IPC - comes into play; this applies as the amounts diverted from depositors were large. Proof shows that these funds were never held in protected or obviously marked accounts, so that there was an easier opportunity to misuse them.

2.4 The Multi-State Cooperative Societies Act, 2002

Right there near the start of the CRCS repayments stood four co-ops: Sahara Credit Cooperative Society, Saharayan Universal Multipurpose Society, Humara India Credit Cooperative Society, then Stars Multipurpose Cooperative Society - each one brought into being through the Multi-State Cooperative Societies Act, 2002. Buried inside is Section 5, which insists on openness. This means the group's principles, beliefs, and actions should mirror the values of the organization or community it seeks to join. This alignment fosters trust, credibility, and mutual respect, which are crucial for gaining official recognition.

When it comes to following rules inside organizations, Section 10 sets the stage - yet doubts remain about whether groups actually stuck to their own guidelines when investing in companies like Ambey Valley Limited. Power held by director boards falls under Section 49, though how that power was used has drawn attention. Management responsibilities come into play through Section 52, where expectations meet real-world actions. Profits pulled from cooperative money cannot be handed out, thanks to Section 62 standing in the way. Oversight authority lands with the Central Registrar because Section 86 allows intervention when cooperatives step off course. Each of these areas showed breaches during official reviews conducted by the registrar.

Table 2.4: Key Legal Provisions and Their Relevance to the Sahara Case

Statute	Section(s)	Subject Matter	Relevance to Sahara
Companies Act, 2013	S.67(3)	Public offer threshold (>50 persons)	Sahara solicited ~3 crore investors — far above the 50-person ceiling
Companies Act, 2013	S.60B	Prospectus filing with SEBI & RoC	No prospectus filed; investors denied material financial information
Companies Act, 2013	S.55A	SEBI jurisdiction over	SEBI authority to investigate

Act, 2013		public securities	invoked; compliance obligations ignored
Companies Act, 2013	S.212, S.219	SFIO investigations	SFIO authorised to probe Sahara's financial practices
SEBI Act, 1992	S.12	Mandatory registration with SEBI	Sahara operated without SEBI registration
SEBI ICDR Regs, 2009	Regs. 4-57	Public issue disclosure standards	All material disclosure norms violated
BNS, 2023	S.316, S.318	Criminal breach of trust; cheating	Misrepresentation to depositors; diversion of investor funds
MSCS Act, 2002	S.5, S.10, S.49, S.52, S.62, S.86	Registration, bye-laws, board powers, management, profit distribution, Central Registrar directions	Cooperatives violated registration norms, bye-laws, and failed to follow Central Registrar directions

3. THE CRCS-SAHARA REFUND PORTAL: DESIGN, IMPLEMENTATION, AND STRUCTURAL LIMITATIONS

3.1 Architecture of the Refund Mechanism

On 29 March 2023, the Supreme Court ordered that ₹5,000 crore be moved from the long-building Sahara-SEBI Refund Account - formed through incomplete past actions - straight into the CRCS for returning money to depositors. Launched under the Ministry of Cooperation on 18 July 2023, the CRCS-Sahara Refund Portal (<https://mocrefund.crccs.gov.in>) opened access for claimants. To test functionality, an early trial sent ₹10,000 apiece to just 112 individuals before wider rollout began. Instead of paper forms, people needed to file requests online by sharing Aadhaar data, phone numbers tied to those IDs, banking information, plus documents showing they belonged to any of four named cooperatives. Verification fell to CRCS staff who had six weeks and nine days to check submissions; updates on approval came later by text message. (Ministry of Cooperation, 2023).

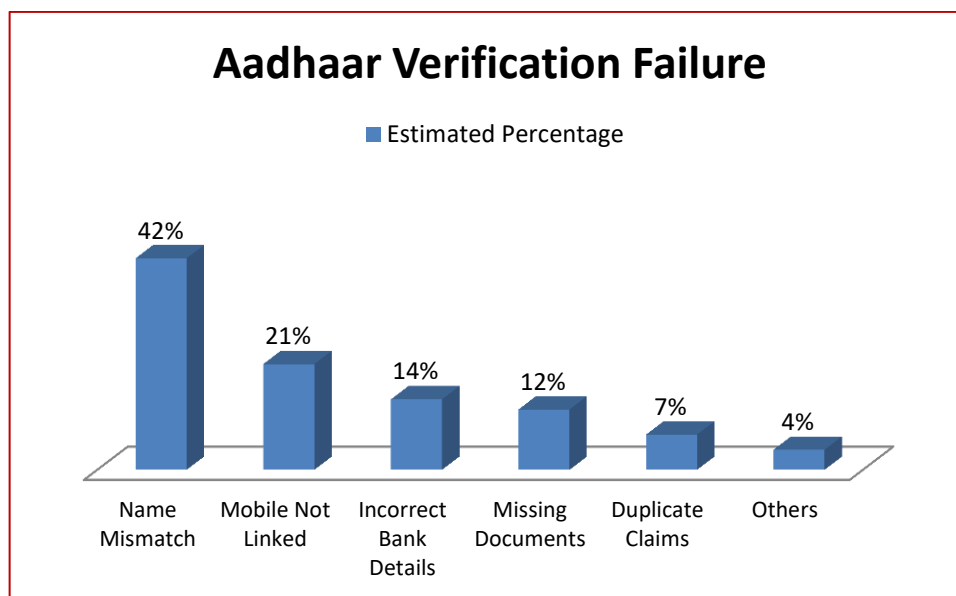
In 2024, another payment of ₹1,158 crore reached CRCS, building on the earlier ₹5,000 crore. Still, when combined, the money sent so far - totaling ₹6,158 crore - falls way short of what is needed. By late 2025, even if every rupee in the Sahara-SEBI Refund Account were used - around ₹18,158 crore - it would clear just over 17% of the massive ₹1,13,504 crore debt to investors.

3.2 The Aadhaar Problem

One big reason claims get turned down? Mismatched Aadhaar details. Back when many investors put money into Sahara - between 2008 and 2013 - Aadhaar sign-up wasn't Necessary, particularly throughout villages of India. Sometimes paper records were kept by Sahara. Names are referred to by different names, based on how they were heard or spelled in the local language(s) by the field staff. Such versions may not be accurate with respect to the version that UIDAI later recorded. Wrote names differently, depending on how field staff heard or spelled them from local languages. Those versions might not match what UIDAI later stored. So someone listed as 'Ramkali Devi' in a savings booklet could show up as 'Ram Kali', just 'Ramkali', or even 'Ram Kalidebi' online. To the system checking identities, each variation looks like another person.

Table 3.2: Aadhaar Verification Failure Analysis

Reason for Rejection	Estimated Percentage
Name Mismatch	42%
Mobile Not Linked	21%
Incorrect Bank Details	14%
Missing Documents	12%
Duplicate Claims	7%
Others	4%



What comes up here isn't really about technology, even if it sounds like it. Instead, it points to a matter of rules: why must people who put money in before Aadhaar existed now meet an Aadhaar-linked ID rule just to get their funds returned? The repayment website has quietly added a backward-looking condition. Some savers can't fulfill it - not due to missing rights, but because systems used when they first invested don't line up with how identities are checked today.

3.3 CRCS Institutional Capacity

A small team runs the Central Registrar of Cooperative Societies, unlike bigger regulators such as SEBI or the RBI. Built for lighter workloads, it never anticipated handling something like the Sahara case. More than two years in, just 35.44 lakh out of 1.41 crore claims are cleared - this isn't delay by choice, rather a gap between what the system can do and what it must now face. Without branch networks like banks have, lacking ties to local investor groups, missing tools to confirm identities on the ground - it struggles most where people live far from cities and cannot use online systems easily.

3.4 The Agent Network Collapse

What often gets overlooked stems from how Sahara gathered money. Its reach stretched far into villages and small towns using local agents and offices across the country. As court actions grew stronger, those operations shut down without warning. That entire web of representatives simply vanished. These were the people who handled every conversation

between savers and the firm. Obviously, they would have been the first to help with the repayment of money. Many investors were marooned when these were taken off. Prior to this, most had not ever used an online state system. They stood alone, no one said a word, nothing.

It is so bizarre that there is a system in place that allows scam to emerge in Sahara where it is possible to make a loan based on personal faith and face-to-face. Now there is no - when paying back. Instead, it's only one place online to gain access to those intimate connections — Run away, not able to replicate. What's a mere inconvenience to What seems impossible to some, is possible to others.

4. QUANTITATIVE ANALYSIS OF REFUND PROGRESS

4.1 Scale of Deposits and Depositor Base

Most of the depositions to the four Sahara cooperative groups came between 2008 and 2013. The court documents and the information provided to the Ministry of Cooperation indicates these groups mobilised funds from approximately 54.2 lakh individual investors of an amount of ₹1,13,504 crore. That figure is equal to the combined annual expenditure of the Indian states on health and education. Money was flowing through an unstructured network of agents and they were taking advantage of the lax regulation designed for cooperatives.

Table 4.1: Year-wise Refund Progress

Year	Claims Received	Claims Verified	Amount Refunded (₹ Crore)
2023	40 lakh	8 lakh	500
2024	85 lakh	22 lakh	3,100
2025	1.41 crore	35.44 lakh	6,841.86
Total	1.41 crore	35.44 lakh	6,841.86

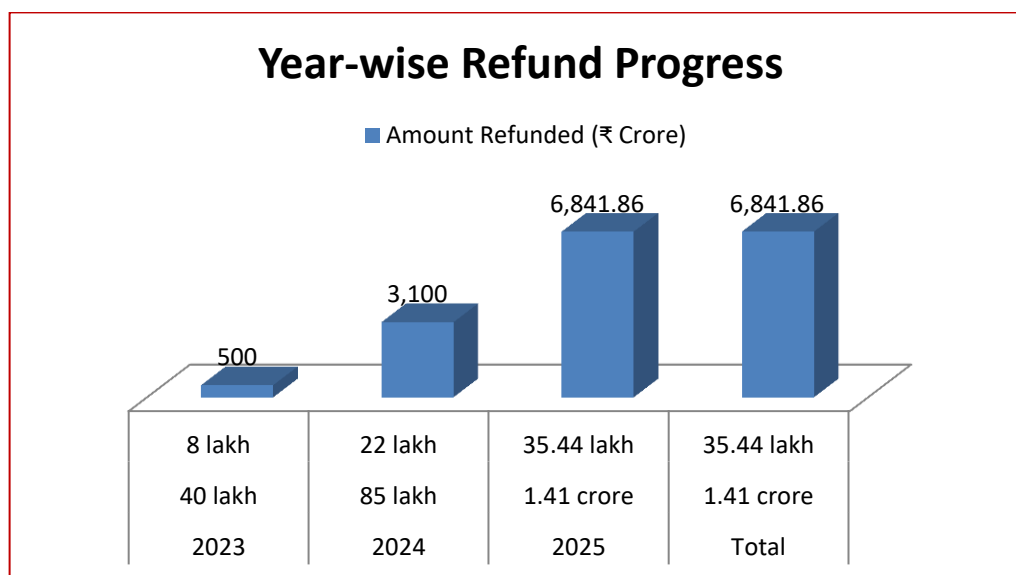


Table 4.1-A: Sahara Refund Progress as of December 2025

Metric	Value	Notes
Total Deposits	Estimated ₹1,13,504 crore	Raised across four cooperative societies, 2008–2013
Unique Depositors	~54.2 lakh	Individual persons; many held multiple

(Estimated)		accounts
Total Applications Received	1.41 crore	Includes multiple claims by the same depositor
Applications Verified & Refunded	35.44 lakh	25.1% of total applications filed
Total Amount Disbursed	₹6,841.86 crore	6.0% of total estimated deposits
Amount Pending Disbursement	~₹1,06,662 crore	94.0% of total estimated deposits
Total Funds Released to CRCS	₹6,158 crore	₹5,000 cr (2023) + ₹1,158 cr (2024)
Remaining SEBI Refund Account Balance	~₹18,158 crore	After CRCS transfers; covers ~17% of pending liability
Structurally Unrecoverable Funds	~₹82,347 crore	After full SEBI balance + recovery estimates
Supreme Court Deadline (Extended)	31 December 2026	Extended from original 2025 deadline
Average Monthly Disbursement	~₹115 crore	₹6,842 crore over ~28 months since July 2023
Estimated Time to Full Resolution (Current Rate)	~77+ years	Based on ₹1,06,662 crore pending at ₹115 cr/month

4.2 The Application Multiplicity Problem

It's interesting to ponder why one had so many applications (1.41 crore) and 54.2 lakh depositors single-handed. Often, one person had money in more than one of the four co-op banks. If there were issues - like people had a mismatch in their Aadhaar and documents or Aadhaar was missing - then people submitted their forms again and again. These multiple filings mean the number of people who are actually receiving refunds is likely much smaller than first appears.

Table 4.2: Comparative Disbursement Scenarios and Projected Timelines

Disbursement Scenario	Monthly Rate (₹ crore)	Pending Amount (₹ crore)	Projected Completion
Current rate (as of Dec 2025)	115	1,06,662	~77+ years
Accelerated (5× current)	575	1,06,662	~15 years
Target rate (per authors' recommendation)	600–700	1,06,662	~13–14 years
With full SEBI balance release (₹18,158 crore)	575	88,504	~13 years
Optimistic (asset recovery + restructuring)	1,000+	1,06,662	~9 years

4.3 The Resource Gap

Just handing out what is left in the Sahara-SEBI Refund Account - around ₹18,158 crore - covers less than one-fifth of the outstanding dues, which stand at ₹1,06,662 crore. On top of that, all money traced via SEBI, along with the ₹6,158 crore already moved to CRCS, adds up close to ₹24,000 crore altogether. Still, roughly ₹82,347 crore remains stuck - a gap equal to almost 75% of what people deposited - unable to be returned under today's rules unless new assets are found, courts step in, or public funds fill the hole.

Table 4.3: Resource Availability vs. Total Liability

Fund Source	Amount (₹ crore)	% of Total Liability
Already disbursed via CRCS portal	6,842	6.0%
Remaining CRCS balance (approx.)	~1,316	~1.2%
Remaining SEBI Refund Account balance	~18,158	~16.0%
Total Available (SEBI + CRCS)	~24,000	~21.2%
Total Estimated Deposits (Liability)	1,13,504	100.0%
Structural Funding Gap	~82,347 (min.)	~72.6% unaccounted for
Overseas / Real-Estate Assets (est.)	Unknown	Subject to ongoing judicial recovery

5. BARRIERS TO ACCESS: THE DIGITAL DIVIDE AND RURAL EXCLUSION

5.1 Digital Literacy and Infrastructure Constraints

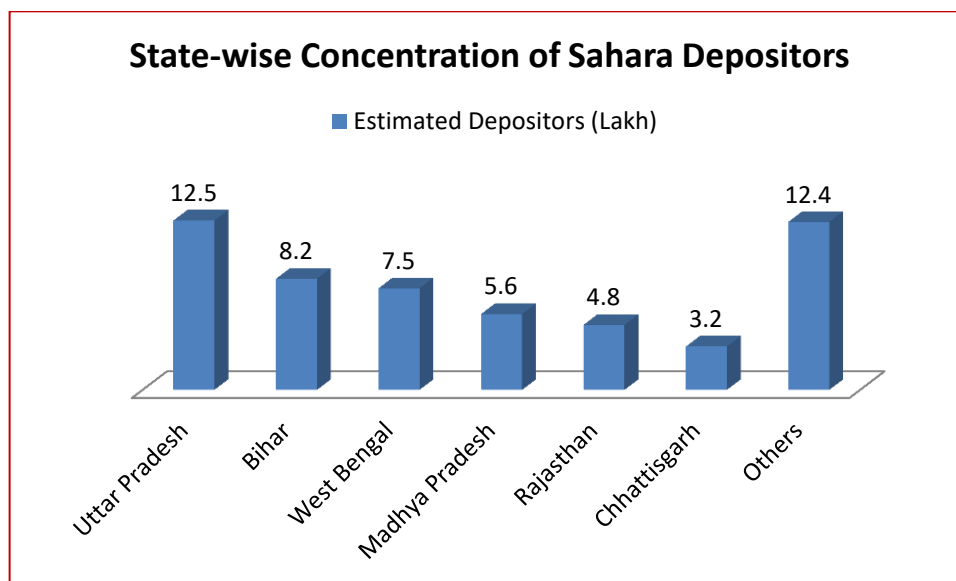
Last comes the need to type in just four numbers from an Aadhaar ID, along with a phone tied to that account and some scrambled letters shown online. Following that, a one-time password gets sent to the mobile linked with the Aadhaar. People living in cities who know how to handle digital tools and have steady web access usually get through - still many complain about errors popping up, screens freezing halfway, or trouble reading those distorted letters. Yet someone out in a village area of Bihar or Chhattisgarh who gave cash long ago to a nearby helper now faces hurdles too steep to cross.

Even though more people in India's countryside are going online, less than four in ten had access in several areas where most Sahara investors live - that was still true by 2023 (Press Information Bureau, 2025). In those hardest-hit regions, mobile service tends to be stuck on older 2G systems, if it works at all. Owning a smartphone isn't common among these savers. For some who own one, navigating menus written only in English brings confusion. There is no way around the website when connectivity fails, phone support falls short due to overload, paper forms remain absent.

Table 5.1: State-wise Concentration of Sahara Depositors

State	Estimated Depositors (Lakh)
Uttar Pradesh	12.5
Bihar	8.2
West Bengal	7.5
Madhya Pradesh	5.6
Rajasthan	4.8

Chhattisgarh	3.2
Others	12.4



5.2 The Cyber Café Phenomenon

Some people turn to internet shops just to submit their claims, paying staff there to do it for them along with getting paper receipts. Wrong info gets typed sometimes because someone else handles the form. Fees pile up each time help is needed. Personal details like Aadhaar and account numbers pass into unfamiliar hands. No one answers when a claim fails after being sent that way. Errors happen without warning since messages go to old phone numbers. Text alerts arrive full of confusing terms nobody explains.

5.3 Socio-Economic Profile of Affected Depositors

Out there beyond big cities, most who trusted Sahara came from villages or smaller towns. These people often knew little about banks or finance before joining. Women made up a large share, alongside farm workers, street vendors, old clerks on small pensions. Their understanding of money matters? How well do they know about finance? An agent never gave a clear explanation of what an OFCD is, never an honest explanation of what an OFCD is, never an explanation following any rulebook. Investing in Sahara was not a game of investment or strategy for them. Built on trust in a man they've known for years - the same voice, the same village street, the same promises. This was a bond that was more important than forms or fine print.

Table 5.3-A: Depositor Category-wise Impact

Category	Estimated Share (%)	Major Issue
Farmers	35%	Digital literacy
Small Traders	25%	Aadhaar mismatch
Women Investors	20%	Documentation gaps
Senior Citizens	12%	Mobility constraints
Others	8%	Multiple account issues

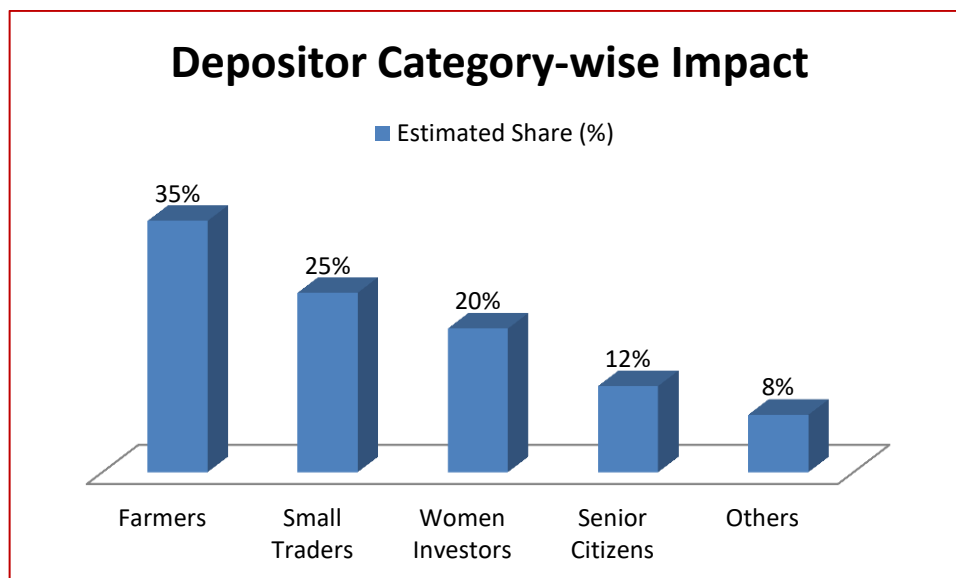


Table 5.3-B: Barriers to Refund Access — Categorisation and Frequency of Occurrence

Barrier Type	Description	Estimated Prevalence Among Pending Claimants	Recommended Intervention
Aadhaar Name Mismatch	Discrepancy between passbook name and UIDAI database entry	Very High (>50% of deficiencies)	Manual verification option; human override by nodal officer
No Aadhaar or Non-Linked Mobile	Depositor has no Aadhaar or registered mobile	High (esp. elderly, rural)	Alternate ID verification; CRCS field visit mechanism
Lost or Damaged Passbook	Original deposit passbook unavailable	Moderate	Cross-verification via society records; affidavit option
Low Digital Literacy	Cannot operate online portal independently	Very High (rural/elderly)	Local facilitation centres; agent-assisted filing
No Internet Access	No smartphone or reliable connectivity	High (rural)	Offline application mechanism; kiosk network
Bank Account Mismatch / Closure	Bank account no longer active or name mismatch	Moderate	Bank liaison mechanism; account update facility
Deceased Depositor	Original depositor deceased; family claims pending	Moderate	Streamlined succession documentation process
Multiple Society Memberships	Depositor had accounts in more than one society	Moderate	Consolidated claim mechanism; deduplication support

6. POLICY RECOMMENDATIONS: TOWARD A HYBRID REDRESS FRAMEWORK

6.1 Establish a Localised Physical Support Network

The most direct answer to the access barriers identified in Section 5 is the creation of local facilitation centres that are associated with the CRCS in districts that have a high concentration of depositors. Such facilities are not necessarily specially constructed. The district magistrates' offices, Common Service Centres (CSCs) and Jan Seva Kendaras are already present in most of the districts and could serve as Sahara Refund Facilitation Points at low additional cost. A Nodal Officer in each centre should be assigned to review and escalate deficiency notices, confirm alternative documents and communicate the status of claims in the local language.

Something similar happened before. Back then, Sahara collected deposits directly from people using local agents. To get refunds to those same folks, the government must go just as far into communities. Without physical access, digital tools fall short. Reach matters most when serving everyday citizens.

6.2 Rationalise Aadhaar Verification Requirements

For checking identity, Aadhaar works best when combined with other methods, never standing alone as the only rule for getting refunds. People who show proof like old passbooks, housing society documents, payment slips, or support from someone else who knows their status must get another way in - clear and straightforward.

Guidelines listing accepted alternatives must come from the CRCS, shared in local tongues via district offices. When small name differences appear on Aadhaar - like spelling shifts or short forms - a fix by affidavit ought to work, skipping fresh enrolment entirely.

6.3 Increase Monthly Disbursement Rate

Monthly payments of ₹600–700 crore would be needed to settle about 35% of claims - those simplest to verify - over five years, according to the study's findings.

This is five or six times more than it is being paid today. There has to be greater money flow from the SEBI Refund Account, and better handling at CRCS. A special team within CRCS dedicated to Sahara refunds may help increase speed, while reducing errors. Additional staff, automated claim sorting software, and automated document verification using AI can accelerate the process for claims to flow through.

6.4 Prioritise Asset Recovery

Today, just over 20% of the money owed is in the repayment fund. The remaining amount - not less than ₹82,347 crore - has to come from the property seized: buildings in other countries, debt trap in other companies, stakes in other companies, land in India. Armed forces such as SEBI, ED and SFIO have already taken up investigations in this case but they have so far not come up with anything significant. A clear-cut timetable, set by the Supreme Court, might help; periodic review every six months could help build pressure on the results. These are the times when money is withdrawn from this? It should be returned to the lender.

6.5 Develop a Public Dashboard and update monthly

Policy is important, but it's information that flows to people that makes things work. A monthly update will be based on the number of claims received and what were the treated/Received/Rejected. List some of the common problems that can slow down cases.

Those factors are important as well. The total value of the coins sent out in that time is in there, along with the totals that have been released. The Clarifying numbers of requests that have not been solved, in the area of the request. Seeing these numbers Supplies tracking and help to independent analysts, community advocates and impacted savers. The Internal Reports are a sub-problem of Data. Sticking Points emerges when Data goes beyond the Internal Reports. Pressure mounts obviously when results are open for review. Don't cover up gaps, they will find you - reveal them correction.

Table 6.5: Proposed Hybrid Redress Framework — Summary of Interventions

Intervention	Lead Agency	Timeline	Expected Impact
Designate district-level Sahara Refund Facilitation Points at CSCs	Ministry of Cooperation + State Govts	0–6 months	Significantly reduces digital access barrier for rural depositors
Appoint District Nodal Officers with manual override authority	CRCS / State Registrar	0–6 months	Resolves Aadhaar mismatch cases without full re-enrolment
Introduce alternative documentation pathways (passbook, affidavit, witness)	CRCS	0–3 months	Opens refund access for pre-Aadhaar depositor cohort
Deploy AI-assisted document matching and claim triage	CRCS (with NIC/technology partner)	6–12 months	Increases processing throughput 3–5×
Increase monthly disbursement to ₹600–700 crore	Ministry of Finance + SEBI	3–6 months	Reduces projected resolution timeline to 13–14 years (for available funds)
Release full SEBI Refund Account balance to CRCS in tranches tied to milestones	SEBI + Supreme Court oversight	6–12 months	Adds ₹18,158 crore to refund pool
Launch time-bound asset recovery proceedings with SC oversight	SEBI / ED / SFIO	Ongoing	Addresses the structural funding gap of ₹82,347+ crore
Publish monthly public dashboard	CRCS / Ministry of Cooperation	0–3 months	Restores accountability; enables civil society monitoring
Introduce multilingual portal interface and offline application option	NIC / Ministry of Cooperation	6–12 months	Reduces digital literacy barrier
Create successor claim fast-track for deceased depositors	CRCS	3–6 months	Addresses hardship cases; reduces claim backlog

7. IMPLICATIONS FOR COOPERATIVE REGULATION AND FINANCIAL INCLUSION POLICY

The downfall of Sahara is not a matter of one big company going wrong. It shows More serious: Cracks between co-ops and the stock market in India. The Multi-State Cooperative Societies Act is one such law of which the original intention was to have some real cooperatives. These were membership-led groups voted on locally that were place-based. Never meant to capture the attention of average citizens in the fundraising process. By no means by companies labeled "counterfeit" or "pirate. Functioning as banks or financial institutions, co-ops. The operations were swift and the returns had been guaranteed, but deposits were piling up rapidly through Sahara's co-ops. Functioned as an arm of a bank, rather than member organizations. Not much stood in the way - rules relied on self-regulation; disregarded protection measures for those investing money.

Laws meant for banks? No minimum funds, no safety net for deposits, no central watch - it disappears entirely. Regulation by the markets authority? It is not indicated (no public information, no clear) rights for investors. The co-op structure itself was all that was left undamaged, and provided no backup, everything exposed. Closing this gap is important more than Sahara. If a co-op receives funds from numerous parties If it is in homes outside, it will have to register with a market watchdog if it is not limited in total savings. - Either SEBI or RBI. Basic rules of transparency, access for depositors and flow of funds – compliance is not an option. The rights and grievance procedures should be applicable. What are the repercussions if such actions are not taken? It's not to the harder side of the finance regulators it's to the harder side of the local registrars.

Most people living far from cities still struggle to reach proper banking services. Those hit hardest by the Sahara program lacked ties to official money systems. Postal savings exist, so do small local banks, yet gaps remain - especially when it comes to comfort, convenience, because proximity matters more than paperwork. Even now, trusted faces within villages often mean more than distant offices. Without stronger presence on the ground, real banks risk losing space to half-official options. Where trust runs thin, rules alone won't shield ordinary savers. Real safety grows where access exists first.

8. CONCLUSION

One thirty-month stretch has passed since the CRCS-Sahara Refund Portal opened. Just a sliver of every hundred rupees paid by cooperative members has returned to their hands. If things keep moving like this now, repayment will drag past when most officers retire. It'll outlast the people who handed over their savings hoping for returns. Even records kept about the whole event might fade before money finishes flowing back.

It's not actually a story of dishonesty, although it began with a devious twist. What matters here That is the extent of the backbones of the system. Imagine online picture checks for the cityscape, All have high speed internet - otherwise. Think when you pledge money, you need to have the money. behind them. The support guaranteed was not what was deserved. According to the current law, Sahara was guilty of wrongdoing – the Companies Act, SEBI Norms, collaborative laws, even criminal laws. However, no one of these tools constructed a way to actually, return money where it belongs. Policy has not progressed any further here either. Reaching 54.2 lakh Within villages where depositors are spread out, an online system that is designed for them is insufficient. already connected. Assume Aadhaar linked access, consistency of networks, easy interaction with screens - That arrangement does not provide any refunds. Filters do not lure people in, they keep them out.

Some ideas here – local help center, easier paperwork routes, fixing Aadhaar – have been shared. make errors through assigned staff, quicker payment, monitoring stolen property, live public tracker - Things aren't new or difficult to build, they're already known.

One thing is required to get them running: A set of leaders with a caring passion to act, and agencies that make it count. The Supreme Court has extended the deadline line till 2026. It's not just pressure... it's a chance to think about how to get aid to people. Now instead of running the system as it has been over these years with more volume, think about making the system better. It could be constructed of more than just forms; trust could traverse it as well. However the situation of the Sahara refunds, if managed properly, could serve as an example for India to manage their refunds. big investor repayments. Rather, if left unaltered, it can unveil the area of court successes withering away and bring about real results. Many people who need relief are not as strong to push through complex to guide them, paths were created.

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