

ORDER

It has come to the notice of this office that the managing committees of the Cooperative Group Housing, House Building or Maintenance societies etc. are charging heavy amount in the shape of entry fee/transfer fee for transfer of flats/land from new inducted members and there is no uniformity in the cooperative societies in the Haryana state. The managing committees enjoy on the funds deposited through such transfers which is not as per the Bye-laws, Rules and Haryana Cooperative Societies Act, 1984. It is sheer exploitation of Act and needs corrective steps.

The basic idea/objective of cooperative group housing societies is to provide the houses/flats to its members at the cheapest cost. By the act of managing committees of the different housing societies, the objective of the societies is totally defeated when they charge hefty amount from members who are inducting into society and it is purely a violation of Model Bye-law 30 and 54 approved by the Registrar, Cooperative Societies, Haryana.

Various litigations/complaints regarding taking huge amount in the name of transfer fee etc. taken by these societies are pending before the Registrar, Cooperative Societies, Haryana and in the other courts. The Chief Justice of Delhi High Court has also held in 28 similar type of cases by passing common order dated 29-01-2007, the operative part of which is reproduced as under:-

“Be that as it may, we find no reason to take a different view than what was taken in the earlier decisions of this court even after taking notice of the provisions of Rule 77 of the Delhi Cooperative Societies Rules, 1973. In our considered opinion, the submission of the counsel for the respondent societies that no directive could be issued by the Registrar of Cooperative Societies under Rule 77, is misconceived and unjustified. The respondent societies could not have demanded or levied a heavy amount of rupees one lac and above from those transferees. Accordingly, we direct that Rs.10,000/- shall be paid by each of the transferees towards transfer fee as agreed to by all of them and the balance amount, if any, standing in the credit of the members of the society shall be appropriated towards any present or future dues payable to the society and the remaining amount, of any, shall be refunded by the concerned societies to the individual members within a period of two months from today failing which, interest @ 9% shall be payable on the said amount from the date of default.”

Charging of heavy amounts is not correct as in any case, the transferee has to get his flat transferred in his name through revenue agency after paying the requisite fee as prescribed by the Revenue Authorities so it is double burden on the shoulders of the purchaser.

Therefore, keeping of this in mind and it is also clear from the judgement delivered by Delhi High Court that charging such kind of amounts from the members would be sufficient if charges below Rs.10,000/- in each case. Hence, it is considered whether the housing societies should charge any transfer fee from the bonafide purchasers, who had purchased the flats from the original members of the societies. Almost all the societies have been charging from the members at its will who have purchased the flats from the original members of the societies. Charges of the afore-said nature amounting lacs of rupees have been taken from each of the purchaser of the flats.

Various societies have been charging the transfer fee at different rates. In these circumstances, it has been decided that to avoid this kind of unnecessary litigation and make the system transparent, affairs for change of members/transfer of shares, there should be a uniform policy.

It is therefore, ordered to stop this practice immediately and all the Cooperative house building, group housing and maintenance societies etc. shall not charge more than Rs.10,000/- as transfer fee. The Bye-laws of the societies be suitably amended immediately and the compliance report be sent to this office. Any society demanding more money as prescribed above should be viewed seriously and suitable action against the management would also be initiated under the various provisions of the Act. The concerned competent field officers should immediately redress the grievance of the members in this context.

All the concerned societies shall pass a resolution in this behalf within 30 days and in the event of failure, the concerned Assistant Registrar, Cooperative Societies shall be competent to allow the transfer of shares of new members against the payment as ordered above and this amount shall be deposited in the account of the society.

Compliance of above orders be ensured.

Panchkula,
Dated 09-05-2008.

(RR Jowel), IAS.
Registrar,
Cooperative Societies, Haryana.

Dated 09-05-2008

Endst.No. GA-I/4370-4443

A copy of the above is forwarded to :-

- 1.All the Deputy Registrars, Cooperative Societies in Haryana;
 - 2.All the Assistant Registrars, Cooperative Societies in Haryana;
 - 3.All the Audit Officers, Cooperative Societies in Haryana;
 - 4.All the Managing Directors, Central Cooperative Banks in Haryana;
 - 5.All the Apex Cooperative Institutes in Haryana;
 - 6.Principal, CCM, Rohtak;
- for information and strict compliance.

INTERNAL DISTRIBUTION

All Branch Officers in H.O. for information and necessary action.

Joint Registrar 9/5/08
For Registrar cooperative Societies
Haryana, Panchkula.