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29/8/17

Commission to resolve issues of
The Saraswati Kunj Co-op.
House Building Society Ltd.
Wazirabad, Gurgaon (Haryana)

Phone : 09953914677
E-mail : svayam@gmail.com

D.O. No. 107

Dated : 05-August-2017

Hon'ble Chief Minister, Haryana

It gives me immense pleasure and satisfaction to present the final report of the Saraswati Kunj Commission, constituted by the Govt. of Haryana vide its notification of 6th June 2016 to resolve the long outstanding issues of The Saraswati Kunj Cooperative House Building Society Ltd. Wazirabad, Gurgaon.

I am thankful to the Govt. of Haryana for all the help and support extended to the Commission.

I hope this report of the Commission will serve the purpose for which it was constituted.

With Warm Regards.

CA to examine the report and he may associate anybody. One copy of the report had been sealed under the signature of CA, Smt. Kavita Dhanraj S.P. Sharma, IAS (Retd) Sh. M.S. Malik Dy. Super and same Chairman, The Saraswati Kunj Commission is to be kept in the custody Gen. Branch Sh. M.S. Malik will keep its custody. 30/8

राज्य मंत्री सहकारिका
आवरी नं 5636
दिनांक 23/08/2017

EA
Addl. PSCM to CM, Haryana
Diary No. (F.R.) 37210
Date 17-8-2017

RCS, HARYANA
C.F.M.S. No. 6869
DATE 30/08/2017

Shri S.P.Sharma, IAS (Retd.) has handed over 2 copies of the Final Report of The Saraswati Kunj Commission to CM. He has desired that the department should take all steps to resolve all outstanding issues relating to the Saraswati Kunj Cooperative House Building Society Ltd., Wazirabad, Gurgaon in a time bound manner.

(Dr. Rakesh Gupta)
Addl. PSCM
17.08.2017

M.Coop.

RCS

ACS Copy

M.S. Malik
24/8/17

The report was received in 10 envelopes and after sealing they were compared with the other copies which have been handed over to Sh. Rajinder Singh, Chief Auditor. It was found that the brief of Index of annexures have been sealed but there was one spare copy which was left of annexures and the same was photocopy and handed over to Sh. Rajinder Singh, CA and the original have been sealed. Worthy RCS may kindly see for information.

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MOK
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Rajinder CA
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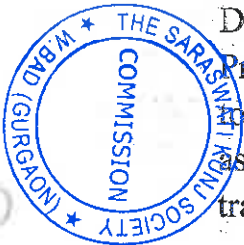
REPORT

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The Government of Haryana vide its notification no.3266-C-6-2016/6538 notified in the Haryana Government Gazette Extraordinary of Chandigarh, Monday, June 6, 2016 (Jyaistha 16, 1938 Saka) constituted this Commission consisting of the following members to resolve the long outstanding issues pertaining to the membership and assets of the Saraswati Kunj Cooperative House Building Society Ltd. Wazirabad, Gurgaon.

- | | |
|--|----------|
| 1 Sh. S. P. Sharma IAS(Retd) | Chairman |
| 2 Additional Deputy Commissioner, Gurgaon | Member |
| 3 District Town Planner, Gurgaon | Member |
| 4 Deputy Registrar, Cooperative Societies, Gurgaon | Member |

Two of the members of the Commission were, at the time of notification, members of the Board of Administrators, the Additional Deputy Commissioner and the Deputy Registrar Cooperative Societies, Gurgaon. They would thus be able to bring their knowledge of the day to day working of the Society to the Commission. In between the then Deputy Registrar Sh. Virender Dahiya was promoted and transferred out in December 2016 and S. Mahesh Sharma took over in his place. Sh. Vinay Pratap Singh, the ADC was promoted as Deputy Commissioner, Gurgaon towards the end of July 2017 and in his place Sh. Pradeep Kumar joined as ADC and the then District Town Planner Sh. Mohan Singh was transferred in July and in his place Sh. R.S. Bath took over.



The terms of reference of the Commission, so notified, are given in annexure A.

The initial tenure of the Commission was for three months, which was extended twice, once in September 2016 up to March 15, 2017 and then again for a further period of six months up to September 15, 2017.

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The Commission so notified was required to do the following:

- (a) To sort out the issues related to membership and plots of aggrieved persons who are claiming their right of plot/ membership by deciding their eligibility under the provisions of the relevant act/ rules and bye laws.
- (b) To reconcile and ascertain the authenticity of the assets i.e. total land of the Society at various places and total deposits of the Society in various banks etc. as well as confirmation of the liability i.e., amounts deposited by the applicants/claimants/members in the Society. It will be the duty of the Commission to assess the assets and the liabilities of the said Society.
- (c) To submit a fact finding report consisting of genuineness of membership/plots/deposits and actual claims of aggrieved persons to the Government for approval so that the claims can be settled and justice done to genuine member.



(d) While doing so the Commission was required to provide opportunity to any genuine applicant/ member (if left out by chance) by giving wide publicity through newspapers and invite claims/ representations within stipulated period.

Pursuant to the above notification the Chairman joined his duties on June 16th 2016 and the Commission started its work.

Office space for the Commission was requisitioned by the Deputy Commissioner, Gurgaon vide his order dated 27- 6- 2016.

Partitioning work and orders for office furniture were placed by the Society and once the office was ready, the Chairman started sitting on a regular basis in the Office and meeting people.

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Sh. Pooran was deputed by the Society to the Commission as office help, and after the initial three months, in October, 2016, the Society provided Ms Seema as Secretarial help on a whole time basis.

The services of two officials of the Cooperative Department from the district of Rewari were also placed at the disposal of the Commission by the Registrar Cooperative Societies, Haryana vide his orders dated 4th August, 2016.

Senior Auditor Cooperative Societies, Rewari, Sh. Sumit Aggarwai Auditor, Cooperative Societies, Rewari, and Sh. Mahesh Kumar, were deputed to the Commission on a temporary basis, in addition to their normal duties at Rewari, to help in identifying genuine members as well as looking into the account details of the members. They joined the Commission on 10th August 2016.

Once the Chairman started sitting in the office on a regular basis, people began visiting the Commission office in large numbers. They submitted letters and representations with regard to their claims, some made suggestions, but the majority just demanded that since they had made payment for the plots, the plots should be allotted to them.

To attend to and manage such a large number of visitors as well as to maintain the papers and files of the claims so submitted, and to also oversee and interface with the Chartered Accountant Firm in the matter of updating and correcting individual accounts of members and others, and to help in the preparation of lists of members according to the date of their deposits etc., Sh. Ved Prakash, who had resigned from the Society as its Manager, and who had retired as the Chief Executive Officer of the Gurgaon Central Co-operative Bank, in view of his knowledge of the working of the Society and his overall experience, was taken on a full time basis as office manager to assist the Commission from 20th October, 2016.



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During the initial informal meetings of the Commission, it was agreed that since the Chairman is a full time appointee and the other members also have to attend to the normal duties of their respective offices, he should take on bulk of the responsibility of the work of the Commission such as that of meeting with people and hearing them, receiving their applications, overseeing the work of updating the accounts of individual members, preparing lists of genuine members, and seniority lists of members for allotment etc., and the others could be associated as and when required.

It is worth mentioning that the Commission started its work at a time of transition, when there was change taking place in the Management structure of the Society.

The Board of Administrators appointed by the Government consisting of Government officials was about to be replaced by an elected body elected by the members of the Society under the supervision of the Assistant Registrar of Co-operative Societies, Gurgaon.

Elections for the Management Committee of the Society took place on June 12, 2016 where a seven member Managing Committee was elected by members of the Society:

Further election to elect the President and Vice President was held on 8th July, and that of the other office bearers of the Society was held on 29th July 2016, and the following were elected:

1. President-----Sh Rajpal Madan
2. Vice president-----Sh. Uma Dutt Kaushik
3. Secretary-----Sh. Sudhir Yadav
4. Treasurer-----Smt. Meena Sood

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From 12th June 2016 to 29th July, when all the office bearers of the Managing Committee were elected, for almost a month and a half there was a vacuum in top management structure of the society and therefore, apart from the Manager of the society, the Commission had nobody from top Management of the Society to interact with.

The Government appointed Board of Administrators was out and for this period there was no Managing Committee in position.

These elections of the President, Vice President and other office bearers of the Society were immediately challenged in appeal by some members of the Society.

The Department of Cooperation curtailed the power of the elected Management Committee in their day to day operations.

Complaints alleging misdoings were also filed against the newly elected office bearers with the Department of Cooperation.



The newly elected body was not even given custody of the Society record, which was placed in the custody of an Inspector of the Cooperative Department.

This was the environment in which the Commission began going about its work.

In one of its initial meetings to take stock of the status of the Society especially with regard to the financial aspects such as the deposits of members towards land cost etc., which was attended by the then Manager of the Society, Sh Ved Prakash Yadav, the Commission was apprised of the fact that the Registrar, Cooperative Societies, Haryana had appointed M/S AKG and Associates to audit the Records of the Society right from its inception in 1983 up to March 2012, and that the said Auditors had since submitted their report to the RCS. This report was available with the ADC in his capacity as a member of the Board of Administrators.

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It was felt that the Commission should study this report and see if it could be of any use to them.

A brief note about the Society and its working was also put up for information of the Commission by the manager of the society.

The Commission was apprised by the then manager that there were a large number of cheques of members that had bounced, and though the members concerned had been given credit for these cheques, but after these cheques had bounced, these had not been debited to the accounts of the respective members, thus showing inflated credit in the balances of such members, credit which actually did not exist.

It was estimated that the number of such cheques which were physically available in the Society were about nine hundred to one thousand or so, dating to as far back as 1988.

In addition, it was pointed out that the Departmental Auditors had also, in previous years, prepared a list of bounced cheques which also needed to be incorporated into the accounts of those members. In view of this, it could not be said with any authority, that the personal accounts of members with the Society were accurate and could be relied upon.

Further it was learnt that there was no organized data or lists with regard to the number of people who had applied for different sizes of plots such as 100 sq. yds, 250 sq. yds. 500 sq. yds etc., and there was also no organized data about the relative merits of each member, indicating the dates on which a member had made his payments entitling

him to allotment of the category of plot he had applied for. Such data would help in understanding how the allotments were actually made by the Society and indicate if any system was followed while making allotments of plots and registering those plots.



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It was informed that the Society has maintained Registers of members. There were ten such registers of members where names of members up to serial number 9200 had been entered.

The Society also maintained Personal Ledger Accounts of all the members who had deposited money with it from time to time.

A copy of the Summary of the report of AKG was made available to the Commission.

Some of the important observations of the AKG report are reproduced below:

Under the Heading "Opinion", the Auditor has recorded:

i. In our opinion and to the best of our information and according to the explanations given to us, available financial statements DO NOT (the Auditor had put this in highlighted letters, we have put it in capitals. We have used capital letters wherever the Auditor had used highlighted letters.) give the information required by the Punjab Cooperative Societies Act and Haryana Cooperative Societies Acts as far as applicable in the manner so required and DO NOT give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2012 and those of previous years;
- b) In the case of Receipts and Disbursement Account, of the receipts and disbursements of the Society for the period ending on different years till March 31, 2012; and
- c) In the case of Income and Expenditure Account, of the income and expenses for the period ending on different years till March 31, 2012.
- d) In our opinion, proper books of accounts as required by law, have NOT been kept by the Society so far as appears from our examination of the books;



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- e) We have prepared the registers/Personal Registers along with relevant lists by compiling the data from incomplete/ manipulated records provided by the Society. But we are of the strong opinion that the said Registers/ Personal Registers are NOT free from material defects;
- f) The Society's Balance Sheets dealt with by this report are not in agreement with the books of account.
- g) In our opinion and as per our knowledge and belief, it is a case of fraud and is a subject matter of investigation.

In view of the clear and categorical opinion of the Auditor that the Balance Sheet of the Society does not give a true and fair view of the state of affairs of the Society for the period since the inception of the Society in 1983 right up to 2012, and that the receipts and disbursements Account of the Society for the said period, as also the income and expenses of the Society during the same period also do not give a true and fair picture of the Society, this clearly shows that the Accounts of the Society and that of individual members and applicants, as they are available in the Society records, cannot be relied upon for further forward movement.

The Auditor has also very clearly stated that the Registers/Personal Registers prepared by them are also not free from material defect.

Therefore these also could not be of much use to the Commission.

In view of the above, it is clear that the Auditor's report is of no use since it does not contain any useful information either with regard to members' financial contribution or with regard to genuineness of members, the two main issues which the Commission is to decide. The main refrain in the report of the Auditors is about incomplete, tampered, and manipulated record.

Not finding any use for the report of the Auditor, the Registrar Cooperative Societies Haryana finally, vide his order dated 17th October, 2016 rejected this report of AKG and Associates.

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A copy of the order passed by the Registrar is annexed as annexure B.

In view of the above, this report of the Auditors was of no use at all either to the Society or to the Commission.

The Commission would, therefore, have to first create a reliable data base of the relevant parameters such as:

Who are the genuine members of society?

What is the status of their payment details?

Who are the other people from whom the society has accepted money and who are also claiming their right to a plot in the society?

Do such people have a right to a plot in the society?

Who are the people who have actually been allotted a plot by the Society and whether the allotment so made to them is valid and proper in the eyes of law?

Who are the people whose plots have been registered?

Are all such people genuine members of the Society?

It is questions like these that have to be answered based on the data which has to be constructed from the available record of the society, with help from members and others, no matter in what condition that record is.

The Commission would have to find solutions from available record of the society with help from members and such others who had deposited money in the society and not give up as M/S AKG and Associates appear to have done.

The Commission was further informed that all the work of the Society such as that of admitting members, such as that of receipt of money from the members so admitted and from others, and the work of allotment of plots to members and others, and registration of all such plots, all this work was done



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during the period March 1983, when the Society was registered, up to November/December 2004, when the then elected Management Committee of the Society was suspended, and a stop was put to the activities of the Society such as allotment and registration of plots etc., and a Board of Administrators, consisting of serving government officers, was appointed.

This was the period during which all the transactions and all the actions which have resulted in the problems that the Society and its members are facing today, took place. Therefore, this was the period that would be required to be studied in detail.

After reviewing the situation, it was concluded that though the Society would be having data on all the different aspects of its working, all that data would be scattered in the various ledgers, cash books and other record of the Society, and has not been organized in any manner that it could be of use in decision making.

Moreover, the data, as available, would also need to be updated, the accounts of all such persons whose cheques have bounced would have to be debited, since presently all such accounts continue to show those cheques as having been credited to their accounts, refunds would have to be incorporated into the accounts of all those members/ persons who had taken such refunds, their balances would have to be reworked and, and other mistakes and aberrations, such as amounts being credited into wrong accounts etc. all these would have to be corrected.

All these, as also other mistakes, that would come to notice, or that would be brought to the notice of the Commission would have to be corrected and updated, as of November/ December 2004, and relative seniority lists drawn up on the basis of genuineness of membership, and also of others to get a true picture of the events as they took place.

And without a reliable and organized data base to work on, it would not be possible for the Commission, or for that matter, for anyone, including the Government of Haryana or the Society itself, to address the issues of the society and do find solutions to its many problems.

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A proper data base would help in constructing lists of members in the order that they deposited money with the Society, for the category of plot they applied for, it would help in determining how these plots were actually allotted and how the registration of plots so allotted was done, what pattern, if any, was followed, in making these allotments/ registering these plots etc. This would help in understanding what went wrong with the working of the Society and how that wrong could be corrected.

It was, therefore, decided to prepare such a data base of the genuine members of the society, deposits of such genuine members and also of all the others, whether they were genuine members of the society or not, who had deposited money with the society, under the supervision of the Commission, taking help from the available Membership Registers, cash books, Personal ledgers, day books, counterfoils of cash receipts issued to members, Personal files/ claims forms received from members /Applicants during the year 2005 or any time thereafter,(there are over 6000 such files which were received in the year 2005), bounced cheques, Audit reports of the departmental Auditors, Bank statements, where ever available, and also the representations which the Commission was likely to receive in future once it puts out advertisement in leading Newspapers inviting representations from those genuine members/ applicants of the Society who have been left out by chance, in keeping with the terms of reference of the Commission, or any other source of information that would become available.

Whenever the members of the Managing Committee of the Society visited the office of the Commission and met the Chairman, they were asked to encourage the members and all the people who had deposited money into the society during the period from March, 1983 up to November/December 2004, to come and confirm their balances during this process and help in correcting mistakes in their accounts by producing original vouchers/receipts/ proof of such deposits etc.

Since all the actions of the Society leading to its present problems took place during the period March, 1983 to November/December, 2004, the Commission decided that this was the relevant period for which the data should be organized and prepared under the supervision of the Commission and asked the

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then Manager of the Society to take action accordingly. Once this was done then data for the remaining period could be prepared by the society itself since transactions after this date would not be large in view of the restrictions imposed by the Government.

Acting on the advice of the Commission, the manager of the society took action on this and informed that this work of preparation of accounts, year wise from 1983, the year of the inception of the Society, up to December 2004, when a stop was put to its activities of accepting money, allotting and registering plots, and also the work of updating the personal ledger accounts of members was entrusted to the Chartered Accountant Firm of M/S Pawan Goyal and Co. who were expected to complete the work within three to four months.

However, in view of operational problems, such as the original record being summoned in different departmental proceedings in Chandigarh, and the reservations of the newly elected Chairman of the society to the preparation of accounts afresh since according to him, M/S AKG and Associates had already done this work, and the complexity of the work involved, this work took much longer to complete.

Till then the report of the auditors M/S AKG and Associates was still under examination of the Cooperation Department and had not yet been rejected by the Registrar, so at that point of time the reservation of the then Chairman was not totally unfounded.

Individual transactions of all who had deposited money into the society, whether they were members of the society or not, spread over a period of over twenty years were to be looked at. And given the state of the records, it was going to be a stupendous task.

The Management Committee took a long time to approve payments to the CA Firm doing the work and this caused delay in finalizing the work.

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Brief History of the Society :

It would be worthwhile to recount the brief history of the Society.

The Society was registered with 20 members, initially as The Saraswati Kunj Group Housing Society Ltd, vide registration number 535 (G) dated 31-3-1983, by the Assistant Registrar Cooperative Societies, Gurgaon, as a Housing Society for building tenements/flats for its members.

But after being in existence for over seven years and without actually building any tenement or flat during this period, the Society decided to transform itself from a Housing Society to a House Building Society which it did through a General Body resolution of 1989, and from 18th June 1990, after approval of the Assistant Registrar Cooperative Societies, the Society became a House Building Society that would carve out plots and allot them to its members.

The Bye laws of the Society were also changed with the approval of the Assistant Registrar, Cooperative Societies, Gurgaon.

By the time the Society got permission to change its mandate from that of Housing Society that would make flats for its members, to one that would allot plots to its members, on 18th June 1990, a period of seven years had elapsed and the Society had already enrolled 3400 members without building a single flat or tenement. During this period the Society just went on making members and collecting money from them without making any flats. It is obvious that the Society never intended to build flats.

After it became a House Building Society, the society increased its speed of admitting members till the number of members it had admitted reached serial number 9200 on 23-11-1995 as recorded in the Members Register.

For the first over seven years the society admitted 3400 members, over the next over five years it admitted another 5800 members, the last 3800 members were admitted in one year, in 1995. In addition the society took money from many more thousands.



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As is clear from the above, the society seemed to be under a lot of pressure to admit more and more members. Property dealers appear to have sensed that the society was about to get a license to develop plots, which it did, when it obtained its first licence to develop 950 plots on 30th June 1995. These property dealers appear to have started advertising in newspapers offering membership in the society to people which in turn appears to have put pressure on the society.

This appears to have forced the then Chairman of the society to put out a public notice in the newspapers saying that there was no vacancy of membership in the society.

On 23-11-1995 the Chairman of the Society issued a Public notice in the Hindustan Times New Delhi to the effect that:

“Some property agents/ dealers are advertising for membership in the Society. This society has nothing to do with these advertisements as it has not authorized any agent/ person to enrol members. The Society has no vacancy, any person dealing with such agents/person is doing so at his own cost and risk and the society is not responsible for it.” Annexure C

This is a clear public declaration by the Chairman of the society that there is no vacancy of membership in the society.

They would explain why after 23rd November, 1995, the date when its Public notice appeared in the Hindustan Times, no names were written in the members Register.

The last entry of a member, in the register of members, is that at serial number 9,200 and bears the date 23rd November 1995, which is the date the public notice appeared in the Hindustan Times.

The Assistant Registrar Co-operative Societies, Gurgaon too, post 1995, over the years has also put out at least four public notices that that there was no vacancy of membership in the society and those who seek to become members in the society so do so at their own risk and cost.

The then Secretary of the Department of Cooperation and the then Registrar of Cooperative Societies, Haryana, also seemed to be seized of the problem of uncontrolled membership of Cooperative societies and put a ban on accepting

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money from new members post February 1997 based on a meeting to discuss this issue held with departmental officers in Gurgaon.

Having put out a notice that there was no vacancy in the Society, which notice appeared on 23rd November, 1995, the society could not be seen to be openly admitting more members after that date.

It seemed to have, therefore, adopted the surreptitious and illegal mode of accepting money from people without making them members, without recording their names anywhere in the books of the society.

Post June 1990, the society now also speeded up the process of acquiring land.

The society was able to buy land in Village Wazirabad, and in 1993, it applied to the Director, Town and Country Planning Department, Haryana for its first licence to develop plots for allotment to its members.

On the basis of this application of the Society, the Director Town and Country Planning, Haryana granted the Society its first licence, Licence Number 3, dated June 30th, 1995 for the development of 950 plots of sizes ranging from 72 sq. Yds for the Economically Weaker Sections, to sizes of 100 sq yds, 250 sq. Yds, 500, sq. Yds, 700 sq. Yds, and 1000/1250 sq. Yds on about 116 acres of their land in Wazirabad village of Gurgaon for allotment to the members of the society.

But before the Society had license to develop plots, in anticipation of the license, it held a draw of lots for allotment of plots, on 11th November 1991 and 12th April 1992 in Pearey Lal Bhavan, Connought Place, New Delhi and based on this draw, a priority list of members was drawn up for allotment of the 950 plots of its first licence. This list was sent by the Chairman of the Society vide his letter dated 13-03-1996 to the Director, Town and Country Planning, Haryana.

The Director Town and Country Planning, Haryana in turn issued public notice in four newspapers, The Hindustan Times and the Times of India, Delhi Editions and the Tribune, Chandigarh edition and the Punjab Kesri Jalandher and Delhi Editions in which he informed the General Public that the society has submitted lists of its 950 successful members who will be allotted plots by

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the Society in its licensed area of licence number 3 of 1995 falling in village Wazirabad and that the said list has been displayed on the notice boards in the offices of the Deputy Commissioner, Gurgaon, the Senior Town Planner, Gurgaon, and the District Town Planner, Gurgaon.

This list, therefore, had the approval of the Government of Haryana.

However on going through this list it was noticed that this list, which was supposed to be based on the draw of lots held in 1991 and 1992, had the names of persons who became members of the society only in the years 1993, 1994, and 1995, much after the draw of lots had been held. When these persons were not even members of the society at the time of the draw of lots, how could their names be included in this list? There is no explanation of this in the records of the society.

In view of the above, this list becomes suspect, and therefore, the Commission does not give any importance to this list and it cannot be used to give priority in allotment of plots.

In fact the Society itself did not make allotments to members according to this

list. What criteria were followed by the society in making allotments and in registering plots is not clear. Everything appears to have been done in an absolutely arbitrary and whimsical manner, which has the whiff of corruption as well.

In the January 2000, on the basis of another application made by the Society in the year 1997, the Director, Town and Country Planning, Haryana granted another licence, Licence number no 1 of 2000 to the society for the development of 873 plots in village Wazirabad, Gurgaon on about 100 acres of land it owned in that village.

These are the only two licences that the Society got for carving out plots from the Department of Town and Country Planning, Haryana.

Thus the Society had, on the basis of these two licenses, permission to carve out a total of 1873 plots on about 216 acres of the land it had purchased in

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village Wazirabad, for allotment to its members as well as to economically weaker Sections.

The total number of plots got marginally reduced by two plots from 1873 plots to 1871 plots on the basis of the approval of the Layout plan by the Director Town and country Planning department, Haryana vide approved layout plan issued vide no. 5920 dated 4-7-2003.

And it is on the strength of these 1871 plots, that the Society, since its inception in March 1983, and up to November/ December 2004, accepted money from over 14,500 people. These included members as well non members, and also those who had resigned and left the society and took refunds of the money deposited by them with the society.

After accounting for the number of people who resigned during this period, the number of people who had a credit balance with the Society, as of November/ December 2004, is over 11,000.

The credit balances of such people ranges from a meagre 100 Rupees to huge amounts of over thirty lakh Rupees, and many of them have some allotment letter or the other with them.

Registries have also been executed in respect of 1487 plots.

There are complaints that plots have been registered in the names of people whose names do not figure anywhere in the records of the Society, that plots have been allotted in the names of non genuine persons from whom money was accepted much, much after the society had put out the notice of there being no vacancy in the society, while the claims of genuine members who became members of the society much earlier have been ignored favouring the claims of those who deposited money much later and who were not genuine members of the society, that those who had deposited money earlier have been ignored while those who had deposited money much later had been allotted plots and registries done in their favour. The interest of genuine members of the Society has been sacrificed in favour of non members. No system of merit appears to have been followed.

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Feeling aggrieved by the actions of the Society, members and others who were not allotted a plot or whose allotted plot was registered in somebody else's name began approaching the Department of Cooperation and different courts including the High Court of Punjab and Haryana, and other legal and other fora such as Consumer Courts, Lok Adalats, Chief Minister, Haryana etc. in large numbers seeking redressal of their grievances.

While, on the one hand, the State of Haryana was granting Licences to the Society for carving out plots to allot to its members, simultaneously, on the other hand, it had also initiated the process of compulsory acquisition of the Society land for the Haryana Urban Development Authority, HUDA.

In the Year 1997, when the Society had applied to the Director, Town and Country Planning, Haryana for the second licence, in the very same year the Government issued its first notification for the compulsory acquisition of about 33 acres of land of the Society, which land was finally acquired vide award dated 6-9-2000. The Compensation amount was deposited in the Treasury by LAO/HUDA. This amount was never accepted by the Society even till date.

The second notification for acquisition of Society land for acquiring about, according to the Society, 55 acres of land of the Society was issued on 24-8-2000, award for which was announced on 21-7-2003. The status of compensation awarded in this case is not clear.

The third notification for acquisition of Society land was issued on 30-6-2005 for acquiring, according to the Society, about 124 acres of Society land, award for which was announced on 22-2-2007.

Thus, according to the Society, a total of approximately 212 acres of Society Land was acquired by the Government for Haryana Urban Development Authority.

All these acquisitions are under challenge in Higher Courts.

Many in the Society feel that the Government of Haryana, by acquiring the land of the Society for HUDA, was in no small measure responsible for aggravating the problems of the Society. Their argument is simple. They argue that the Society is in the business of carving out and allotting plots to people

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who are its members, and that their land was acquired by the Government of Haryana for HUDA, which is also in the business of carving out plots and allotting these plots to the people.

Since the purpose of both the organizations was the same, that is, allotting plots to people, the society to its members, HUDA to the general public, the view that the Government should not have acquired the land of the Society certainly has a lot of merit.

However, considering the background of the Society, and the mess it had created in the allotment of land to its members/ applicants/ non members, the Government might have, by acquiring the land of the Society, actually done the members of the Society a favour, because with more land available to them, the then Managing Committee of the Society could then have continued in its whimsical way of working, further compounding the already bad situation.

One of the Administrators of the Society, the then Divisional Commissioner, Gurgaon, Sh. Avtar Singh wrote a letter to Sh. S. S. Dhillon, IAS, the then Director, Haryana Urban Estates, Chandigarh, the Department responsible for acquiring the land, requesting him to release the 124 acres of Society land that had been notified to be acquired vide notification dated 20-6-2005 so that it could be allotted to the remaining members of the Society who were awaiting allotment of plots in the Society. No action seems to have been taken on this letter.

Right from its inception in 1983, up to its eventual suspension in November 2004, the Society has had Sh. Iftikar Hasan as its elected President, and Sh. Ram Gopal Sharma as its elected Treasurer, except for two brief periods in between, when the elected Management Committee was suspended and Administrators appointed.

It is Sh. Iftikar Hasan and Sh. Ram Gopal Sharma, it is these two persons, who appear to have run the Society and who appear have done everything from making allotments of plots to the members and others, to the registration of those plots to such members and others.

Of these two it appears that it was Sh. Ram Gopal Sharma who actually ran the Society.

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The driving force behind the working of the Society right from the beginning appears to be Sh. Ram Gopal Sharma. It was he who wrote most, if not all, the minutes of meetings of the Society whether they were Management Committee Meetings or General Body meetings. It was he who wrote or who got written all the cash books, it was he made or got made the entries in the Members Register, in the Personal Ledger accounts etc.

In between Sh. Ram Gopal Sharma was also entrusted with the work of Manager of the Society further strengthening his already strong grip on the society.

The Society appears to have had its operating office in the Kashmiri Gate area of New Delhi. People who came to meet the Chairman of Commission told that Sh. Ram Gopal Sharma would normally open the office sometime after ten in the night to accept contributions of members and others. Most of the time, this work of collection of money from members and others was carried out by him in the night.

Following large scale outrage over the working of the Society and large number of complaints it had received, the Department of Co-operation, through a search warrant, sent its officers and conducted a raid on the Kashmiri Gate premises of the Society and took into their custody the record of the Society, and brought the same with them to Gurgaon in November 2004.

After this raid on the society, the elected Managing Committee of the society which had Sh. Iftikar Hasan as its President and Sh. Ram Gopal Sharma as its Treasurer, was suspended and Board of Administrators consisting of senior officers of the Government of Haryana posted at Gurgaon, was constituted, vide order dated 29th November, 2004 of the Assistant Registrar, Cooperative Societies, Gurgaon.

The period between March, 1983 to December, 2004 when Sh. Iftikar Hassan was the Chairman of the Society and Sh. Ram Gopal Sharma was the Treasurer of the Society, this period of almost twenty one years, this was the period when all that went wrong with the Society appears to have taken place, the pace of wrongdoing increasing during the later years.

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The Board of Administrators, consisting of officers of the Government of Haryana, appointed in November 2004 was in position for about two and a half years and continued till May 4th, 2007.

During this period a half hearted attempt appears to have been made to address the problems of members of the society. Claims were invited from members through notification in news papers to verify the money deposited by them with the society. As a result of this notification, it is estimated that about 6500 claims were received by the Society from people who had deposited money. Based on the claims so submitted, a list of only these members and what amounts of money they had deposited with the Society was drawn up.

However these claims so received do not appear to have been used either to update the Society record or to resolve the issues and problems of the members of the society as listed out by them in their claims. The data so collected was not used in any meaningful way. It remained a paper exercise.

No effort appears to have been made to see what the larger picture of the events that took place in the society during the period in question looked like. And without the larger picture it would be difficult to visualise what exactly went wrong with the working of the Society. And unless that was understood, it would be difficult to find a solution or to correct that wrong.

Election to elect a New Managing Committee was held on 4th May, 2007 and a new Managing Committee was elected.

Sh. Ram Gopal Sharma, the Treasurer of the Society for 21 years, and also its manager for many of those years, who many in the society consider to be the person responsible for the mess the Society is in, despite all this, still managed to get elected to the Management Committee of the Society yet again.



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This elected Management Committee continued for three years, till it was suspended vide orders of the Assistant Registrar, Cooperative Societies, Gurgaon, on May 4th, 2010 and Board of Administrators appointed.

There does not appear to have been any serious effort made by this elected Managing Committee to take any corrective action that could lead to resolution of the problems of the society.

On the other hand it appears that during this period money was got deposited from many persons holding out promises that they would be allotted plots, this when a stop had been put to almost all the activities of the society.

Many in the society appear to have made a thriving business of getting people to deposit money in the society promising them plots even today.

The Board of Administrators, appointed on 4th May, 2010, continued for slightly over six years till the election of the present Managing Committee on 12th June 2016.

The Board of Administrators also does not appear to have moved towards a resolution of the problems of the society in any way.

Since its election in June 2016, the present Management Committee has seen two Chairpersons.

Since the suspension of the elected Managing Committee in November 2004, up to the present, representing a period of almost twelve and a half years, for eight and a half of those twelve and a half years the Society was under the control of senior serving officers of the Government of Haryana, posted at Gurgaon, as Board of Administrators.



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Normally an elected Managing Committee of a Cooperative Society is suspended when there are serious charges of wrong doing against it and Administrators appointed for a short period of time to oversee the affairs of the Society till a new Managing Committee is elected and put in place.

If, however, the Administrators continue for a long period, as has happened here, then it would be presumed that the Administrators would be expected to address the problems of wrong doings of the Society that led to the supersession of the elected Managing Committee in the first place, put the Society working on the right track, and then hand it back to the elected Managing Committee.

This does not appear to have happened here.

The Government appointed Administrators, who were senior officers of the Government of Haryana posted at Gurgaon, after their two long stints, one of about two and a half years, and the other of slightly over six years, after elections in the society to elect a new Managing Committee, appear to have handed back the Society to the elected Managing Committee just as it was before they took charge, or perhaps in worse shape, without either having addressed any problem of the Society or without having given the Society any sense of the direction that it should take towards a resolution of its problems.

Since most of the government officers appointed to the Board of Administrators were supposed to do the work of the society in addition to their normal duties, perhaps it was too much to ask of them, especially when the problem was so complex and full of all kinds of challenges.

That there were hundreds of court cases against the society, which they as the Board of Administrators had to defend, did not help, especially since many of members of the society and other



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claimants who went to the High Court, also filed contempt proceedings against members of the Board of Administrators.

Thus a lot of time and energy of the officers would have been spent in such matters leaving them with little time to address the real problems of the Society. They appear to have been so bogged down by individual complaints and the many court cases that they appear to have had very little time to attend to the real problems of the Society.

Work of the Commission

Nothing much could be achieved during the first three months of the existence of the Commission as this time was taken up in setting up the office and in planning how to go about the task at hand. The initial resistance of the new Management Committee to getting the accounts of the society prepared afresh also had to be overcome.

The work of the Commission picked up speed from October 2016, when its tenure was extended for another six months up to March 15, 2017.

In October 2016, in keeping with its terms of reference, to give wide publicity, the Commission put out an Advertisement in four newspapers, The Times of India and the Hindustan Times in English, and Dainik Bhaskar and Dainik Jagran in Hindi, inviting claims/representations from those genuine applicants/members of the Saraswati Kunj House Building Cooperative Society who had been left out by chance.

On the basis of these advertisements about 1600 claims/ representations were received by the Commission.

Most of the representations/claims received only reiterated the claim of the member/applicant to a plot, stating that they had made payment for the plot as asked for and if that was not full payment, they were ready to make full payment even now, and though, in some cases,



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the Society had issued an allotment letter to them, but their plot had not been registered, or that the plot allotted to them had been registered to somebody else whose claim was inferior to theirs, or that they had not been allotted a plot despite their having made payment for the same and the like. There were some who had bought plots from registered plot owners who were anxious to know what their status would be.

There were still others who complained that their names had not been included in the voter's list for the election of June, 2016 though they were genuine members and though they had made full payment for the plot they had applied for.

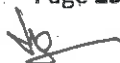
Yet others levelled charges of irregularities and acts of omission and commission against members of the present Managing Committee and others. Since the Commission had no staff or mechanism to deal with individual complaints, these were sent to the Department of Cooperation for action, as appropriate at their end.

There was one member, Sh. Pradeep Varshney, membership number 4760 who has made a specific allegation that Sh. Ram Gopal Sharma, the then Treasurer of the Society demanded money from him and increased the demanded cost of his allotted plot to Rupees 2600 per sq. Yd in 2003, when he went to get his plot registered, and gave him fresh allotment letter at that rate even though he had made full payment for his plot way back in 1998 at the rate of 2100 Rupees per sq. Yd. This is a serious matter and needs to be investigated. His letter is placed at annexure E.

While most of the members have simply requested that plots either be allotted to them, or that plots allotted to them be registered in their names, there are some members who have also made some suggestions that merit consideration such as obtaining PAN, Aadhar Card, updated addresses, e-mail ids etc.

Some of the letters which capture the working of the society and its problems, without making complaints against individual members of the Society and which have useful suggestions are given at annexure F1, F2, F3.

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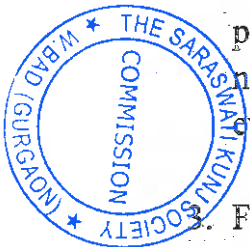
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Some of the suggestions made in these letters have a lot merit and deserve consideration and have, indeed, been taken into account by the Commission during its deliberations and have been factored in while preparing the report.

The Chairman of the Commission also met the office bearers of the society and members as well as others who had deposited money with the society and were claiming their right to a plot, or who had some issue or the other with the society. Many of them have also submitted representations/letters indicating their problems.

The issues raised by them, during these meetings, fall into the following broad categories:

1. Full money, as asked for, has been deposited by them with the society, plot has been allotted to them, but registry of the plot has not done in their name.
2. Full money, as asked for, has been deposited by them with the society, plot has been allotted, but registry of the said plot has been done in the name of someone else, who deposited money much later or who is not even a member of the society.
3. Full money, as asked for, has been deposited but plot not yet allotted. Plot may be allotted urgently.
4. Plots have been allotted to non members and others who are not eligible to be allotted society plots, such as companies etc.
5. Multiple plots have been allotted to members of the same family.
6. Money has been deposited but it has not been credited into the Account of the member who deposited it.
7. Some had purchased plot from a member in resale on the basis of genuine sale deed. What would be their status?



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In all such cases they would step into the shoes of the person from whom they had purchased the plot. Their status would be determined by the status by the status of the original person from whom they have purchased the plot.

8. Voters list not prepared properly, genuine members have been left out while non genuine members have been included. Cut-off date for membership should be as per the decision of the GBM of 6th October, 1996

With regard to what constituted full payment, there are varying claims as to what was the full amount of money demanded for the plots.

A large number of people, especially those who became members in 1995-1996, say that the full cost of the plot was at rate of 775 per sq yd for the 950 plots in Phase One which is what was demanded and which is what they paid, and therefore, they should be allotted plot at this rate.

Incidentally this is the rate which the Management Committee appears to have approved and this is the rate at which a large number of people have deposited money with the society.

Some say it was at the rate of 1445 per sq yd.

Some say it was at the rate of 2100 per sq yd for the First Phase.

Some say it was 2600 per sq yd for Phase two.

Some say it was 2850 per sq yd for Phase two.

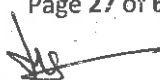
Over 90% of the plots whose payment details are available have been registered at 2100 or at 2850 per sq. Yd.

Most suggested that those who have deposited full payment should get priority in allotment.

Members enrolled in place of resigned members should not get the seniority of the resigned member but from the date he actually became member.

Same plot has been allotted to more than one member.

MP
2/12/2017



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Seniority has been ignored while making allotments and while registering plots.

This is only an indicative list of the problems highlighted.

Sh. Ram Gopal Sharma, former Treasurer appeared before the Commission on the basis of a request from the Chairman of the Commission. On being asked to explain certain matters his reply was that the Cooperative Department Officials took away all the records of the Society after they conducted a raid on the Society office at Kashmiri Gate and took away all the record of the society, and that he has no record of the society with him. He, however, sought time to produce record which he was given.

Through a special messenger Sh. Ram Gopal Sharma sent some record to the Commission, once on 03-03-2017 and the second time on 10-04-2017. Details of record sent by him are given at annexure G.

Details of refunds in about 1200 cases and of about 130 bounced cheques were important inputs provided by him and used by the Commission for updating and preparing personal ledger accounts.

THE FIRST ISSUE BEFORE THE COMMISSION

The first issue before the Commission was to sort out the issues related to membership and plots of aggrieved persons who are claiming their right to plot/membership by deciding their eligibility under the provisions of relevant act/rule/bye-laws.

To sort out this issue the status of the Society has to be determined.

To determine the status of the society the question that would be required to be answered is whether the Saraswati Kunj Society was a Colonizer/ Developer carving out plots for the general public or whether it was a Cooperative Society carving out plots for its members who had paid for the purchase of raw land, which land after the obtaining of licence from the Competent Authority, was to be developed and allotted to those members?

As a colonizer the society would be advertising its plots and inviting applications from the general public for selling those plots.

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As a co-operative society it would be admitting members according to its bye-laws and according to the Co-operative laws in force.

The Society seems to have behaved both like a Cooperative Society and as a Colonizer/ Developer.

In its initial ten to twelve years from its inception in 1983 up to 1995, before it actually got a licence, it behaved like a Co-operative Society. During this period it admitted members and that too after approval of the Management Committee as provided in its bye-laws.

But after it obtained licences to carve out and develop plots, from the year 1995 when it got its first licence, and the year 2000 when it got its second licence right up to November/ December 2004, when the Government of Haryana stepped in and put a stop to all its activities, though it had not advertised for plots or invited applications, its Chairman, Secretary and Treasurer started behaving as if the society was a colonizer accepting money from anyone willing to pay, issuing them share certificates even though their names were not approved by the managing Committee of the society, or entered in the registers of members, making allotments to such people and registering plots in their names, apparently on their own. There is nothing on record to show that these actions of the then Chairman, Secretary and the Treasurer had the approval of the Managing Committee.

People who met the Chairman talked of their having "booked" a plot with the Society and asked as to when they were likely to be allotted and given possession of the plot. Most people were unaware of any bye-laws of the Society governing membership etc. and whether they had actually been admitted as members of the society.

So the question that has to be decided is whether the Society is to be treated like a Cooperative Society or whether it is to be treated like a Colonizer/Developer.

If we have to treat it as a Cooperative society, since it is registered as such, then the laws and the rules governing Cooperatives have to be applied to it in all aspects of its working such as membership etc.



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If we have to treat it as a Colonizer/ Builder then only deposit of money would have to be taken into consideration, Co-operative laws and bye-laws would not be applicable, issues such as membership etc. would not be of paramount importance, only deposit of money and the date of such deposit entitling the depositor for a plot would count.

The record shows that the Society was registered initially as a Group Housing Society, by the Assistant Registrar Co-operative Societies, Gurgaon at No. 535(G) on 31-3-1983. With effect from 18th June, 1990, from a Group Housing Society it became a House Building Society and amended its bye-laws. All this was done with the approval of the Assistant Registrar, Co-operative Societies, Gurgaon.

Thus the society was registered as a co-operative society. Annexure H.

All these years, since its registration as a Co-operative society, the Society has been working as a co-operative society. The Society has been conducting elections for its Management Committee according to the Co-operative law, it has been holding Managing Committee and General Body meetings as prescribed under the Co-operative Act and bye-laws, auditors of the Co-operation Department have been auditing the accounts of the Society, the Department of Co-operation, under the Act has from time to time superseded the elected Management Committee and appointed its own Board of Administrators, in the matter of elections to the Managing Committee and preparation of voters' list and other election related matters, people have been approaching the High Court of Punjab and Haryana under the Co-operative laws, all these actions have been taken under the Co-operative laws.

That being so, the Society is a Co-operative Society for all intents and purposes and comes within the ambit of the Co-operative laws and it would have to be treated as such.

Therefore, all its actions and activities would have to be tested against the Co-operative laws and bye-laws as applicable to Co-operative Societies in general and the specific bye-laws adopted by the Society for itself and its members, in particular.

Co-operative societies consist of members and they work for those members.

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Thus a House Building Co-operative Society, which is what the Saraswati Kunj Society is, would also be required to work for its members, and, therefore, to allot the plots only to its members and to register those plots only to its members and not to others.

Therefore, of all the people who are claiming their right to a plot or to membership, it is only those persons who have been formally admitted as members of the society who are genuine members of the society and, therefore, who would be entitled to a plot in the society.

Those who have not been formally admitted as members of the society, are not members of the society and, therefore, they would not be entitled to a plot in the society.

The only exception would be in the case of Economically Weaker Sections, where a certain percentage of the plots had to be allotted to this section in terms of the licence issued by the Government of Haryana, which was a mandatory requirement. These people were not required to be regular members of the Society. They simply had to register themselves with the society or take a notional membership.

So the most important and the most critical issue would be to determine the persons who were admitted as members of the society, in terms of the extant laws and according to the bye-laws of the society.

The membership of the Society was governed by two sets of bye-laws, one when it was a Housing Society, and the second when it became a House Building Society.

Both these sets of bye-laws governing membership are given at annexure- I

Based on these bye-laws, when it was registered as a Housing Society, according to the register of members maintained by the society, the Society admitted 3,400 members and entered the names of these 3400 members so admitted in the said registers.

The Commission has accepted the actions and decisions of the then Management Committees/ General Body of the society admitting members as having been validly exercised and thus it accepts all these names of the



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3400 members entered in the Register of members maintained by the society as such.

Thus before the present bye-laws came into force, the society had already admitted 3400 members under the old bye-laws and after the present bye-laws came into operation from 18th June 1990, up to 23-11 1995, according to the register of members, the society admitted another 5,800 members and entered their names in the register of members taking the total number of members admitted by the society to 9,200 according to the last entry recorded in the Register of members.

The Proceedings Books of the Society were studied to see how and when people were admitted as members of the Society.

The Society admitted members from 1983 up to 1995 as per details given below.



In the General Body Meeting of the Society held on 25-12-1983 membership was approved from serial number 21 to serial number 59.

In the Management Committee meeting held on 06-04-1986 membership was approved up to serial number 98.

In the General Body Meeting held on 04-05-1986 membership was approved from serial number 99 to serial number 103.

In the Management Committee meeting held on 07-10 -1988 the membership was approved up to serial number 524.

In the Management Committee meeting held on 12-02-1989 the membership was approved to serial number 2700.

In the General Body meeting held on 02-10 1989 the membership was approved to serial number 3000.

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In the Management Committee meeting held on 05-12-1989 the membership was approved from serial number 3001 to 3300.

In the Management Committee meeting held on 12-08-1990, membership was approved up to 3800.

In the Management Committee meeting held on 05-07-1991 membership was approved up to serial number 4700.

In the Management Committee meeting held on 05-04-1992 membership was approved up to serial number 4800.

[From serial number 4801 to serial number 4900 there is no approval of membership. This could be put down to oversight since all the members before 4801 and those after 4900 have been approved in serial order and since there is no order of the Managing Committee rejecting the membership of these 100 persons, it would be presumed that the Committee had approved the membership of these people as well. These 100 persons are given the benefit of doubt and considered as genuine members.]



In Managing Committee meeting held on 03-04-1994 membership was approved from serial number 4901 to serial number 5400.

In the Management Committee meeting held on 05-03-1995 membership was approved up to serial number 6400.

In the Management Committee meeting held on 02-04-1995 membership was approved up to serial number 7139.

In the management Committee meeting held on 07-05-1995 membership was approved up to 8700.

This is the last approval of membership either by the Management Committee or by the General Body of the society that is available in the records.

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After this approval of 8700 members given by the Managing Committee of the society in its meeting held on 07-05-1995, there is no approval of membership by a management Committee of the Society or of the General Body of the Society.

This membership of 8700 members was reached on 23-11-1995, which is also the date on which the public notice, which was put out by the Chairman of the Society that there is no vacancy in the Society, appeared in the Hindustan Times.

The membership registers maintained by the Society, however, shows the total number of members as 9200, the last entry at serial number 9200 is that Sh. Om Prakash Arora.

However, there is no approval of membership beyond serial number 8700.



Therefore, the membership of 500 members in the membership register recorded after 8700 up to 9200 does not appear to have the approval of the Management Committee, and thus puts a question mark on their genuineness.

For the name of a person to be written in the register of members there has to be an approval of the competent authority admitting him as a member.

Such approval exists in case of members from serial number 21 to serial number 8700.

From serial number 8701 to serial number 9200, there is no approval of the competent authority approving their membership. And without the approval of the competent authority, it would be difficult to consider them as genuine members of the Society. And if we consider the date of their admission, which is 23-11-1995, the same date on

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which the no vacancy public notice appeared in the press, it would give the impression that these 500 people were being smuggled in to pre-empt that notice.

Therefore, these 500 persons cannot be considered as genuine members of the society.

However since their names appear in the Register of members, they would be shown as a different category and their list would also be made separately.

Thus, the total number of members who have been approved for admission as members of the society by the competent authority to do so, as per the Society Records, is 8700 and not 9200 as shown in the society records.



Though the society in its amended bye-laws had changed the area of operation, yet in actual practice it never applied this change in the matter of admitting members. Members continued to be admitted as before from all over Haryana.

As in the earlier cases of admission of members, the Commission accepts the decisions made by the then Management Committees/General Bodies of the society in respect of admission of members and would not like to re-open this issue after such a long passage of time of over two decades, especially when the record pertaining to membership, such as the original application forms etc. of all such members is not available in the Society.

The application forms that were sent by the society to the Commission are not of the members whose names occur in the member registers but of later ones, most probably those from whom money was taken after 32-11-1995 when a public notice declaring no vacancy of membership was put out by the Chairman of the society.

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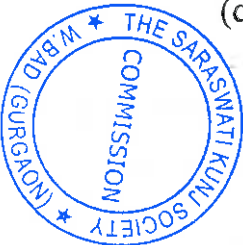
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Interestingly none of these forms contains the date on which the form was submitted to the society.

According to section 40 of the Haryana Cooperative Societies Act 1984;

Any register or list of members kept by any Cooperative Society shall be prima facie evidence of any of the particulars entered therein, namely:-

- (a) The date on which any person became a member;
- (b) The date on which any member ceased to be a member,
- (c) The number of shares held by such member and the date from which so held and
- (d) The nominees of a member, if any



In effect the Register of members, or list of members, if such a Register or list is maintained by a society, is prima facie proof of membership.

Thus if a person's name occurs in the membership Register maintained by a Cooperative Society, it would be proof of his membership and he would be deemed to be member.

Conversely if a person's name does not appear in the membership Register maintained by the Society, he cannot be considered to be member of the Society.

And for a person's name to appear in the register of members there has to be an approval of the competent authority.

Applying this criterion to all the people who have deposited money with the society, only the 8700 persons whose names appear in the








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Membership Register of the Society could be considered to be genuine members of the Society.

And all those whose name does not appear in the register of members cannot be considered as members of the society.

This is also the view taken by the Board of Administrators in a number of cases, copies of which are given in annexure J.

A further examination of these 8700 members eliminates another 500 members whose names appear in membership register number 6, as this register appears to have been fabricated to show that persons whose names appear here became members in 1990 when actually they became members in 1996 as is clear from the very first entry where the zero of 1990 has been overwritten to make it into a six so that it could be read as 1996. 2



This conclusion is further corroborated by the fact that all the first entries in the corresponding Personal ledger account of the same membership numbers are not in the names of these 500 people but in the names of 500 different people.

The first entry is always the entry about share money which entry is in the names of persons other than these. In the case of all these 500 people there is no entry of share money having been paid by them according to the personal ledgers. In view of the above, these 500 persons whose names appear in Members Register number six, cannot be considered to be genuine members of the Society.

This is also confirmed from the fact that in all these 500 cases wherever there is an entry after the first entries of Rupees Two hundred, the next entry is in the year 1996, further proving that all these persons were enrolled after 1995 and not in 1990 as is being made out.

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Moreover if we look at all entries in the Member Registers and in the Personal ledgers, we notice that right from serial number 1 up to 3800, the name recorded in the members register and that recorded against the same membership number in the personal ledger match, the same name occurs in both the registers.

From serial number 3801 onwards up to serial number 4300, the names that appear in the membership register and those that appear in the personal ledger at that membership number are different and do not match even in a single case.

Again from serial number 4301 up to serial number 4414 the names in the members register and those in the personal ledgers are the same. After serial number 4414 from serial number 4415 onwards, no names are recorded in the personal ledgers, only membership number is given.



The physical condition of this register number six is much, much better than all the later ones, again an indication of its being of a much later date. Moreover, after the last name that is recorded in this register and which is at serial number 4300, that of Smt Asha Dave, on page number 63, there is no other name recorded in that register though there are over twenty blank pages up to page number 84 in this register. The next entry is that at serial number 4301, it is in the name of MS Padma Puri, which is recorded on 31-12-1990 as the first entry of Members register number seven.

From Serial number 1 right up to serial number 4414, the names in the Membership Registers and the names in the personal ledgers match with each other except in the case of these 500 members whose names are recorded in members register number six. Thus this is further proof that the register number six is fabricated.

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In view of the above the total number of genuine members of the Society would be reduced by 500 and become 8200 and not 9200 as has been shown in the member registers of the society.

The number of genuine members would be further reduced by 20 where the name of the original member has been tampered and written over.

Annexure L is a list of such members.

Annexure K1 and K2 are lists of the 8180 genuine members of the society.

It is only these persons who have a right to be allotted a plot in the society according to their relative merits qua each other.

All the persons whose names do not appear in the lists at Annexure K1 and K2 are not members of the society, and as non members they do not have a right or a claim to a plot in the society, even though they may have paid for the plot.

Category wise merit lists of all the genuine members have been prepared and are placed at annexure M.

These merit lists have been prepared taking into account the date of the last deposit of the member which would entitle him to the category of the plot he has applied for. The member who reached that figure the first has been placed on top, the member who reached that figure after him has been placed next and so on according to the dates of their deposits.

The Commission, however, would like to make two provisos to the above:

One, though every care has been taken to prepare these lists as accurately as possible to reflect the true position of the relative merits of the members, yet in the event of a member pointing out an error, and if there is merit in what he says, the list should be so



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amended without calling into question the authenticity of the entire list. Since changes were taking place almost till the last day, minor errors cannot be ruled out and these must be corrected as soon as they are pointed out.

The second proviso would be with regard to the inter se seniority of members who had deposited the last amount on the same date. In all such cases the member whose name appears earlier in the register of members would be deemed to be senior in the list. This position may be read into all the lists prepared by the Commission.

Now we come to the second point which is about the assets and the liabilities of the society in terms of the total land of the Society and total deposits in various banks, and of the liability in terms of the amount deposited by the applicants/claimants/ members in the society.



First of all we discuss the issue of land.

Sh. Rajpal Madan, a member of the Managing Committee of the Society and its former Chairman has written a letter giving details of the land held by the society.

In terms of the calculations done by the Patwari of the Society, the total land in the name of the society is 352 acres and is in Village Wazirabad of Gurgaon District.

The details are given in annexure N

And out of this 352 acres, land measuring 152 acres is what has been acquired by the Government according to the revenue records and not 212 acres as claimed by the society over the years in its various letters to the government and in its various petitions in different courts.

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Furthermore, as pointed out by the patwari, even out of its licensed land of 216 acres, about 17 acres may actually belong to other shareholders and not to the society, and could affect the total number of plots.

So the society needs to get the land which it holds as a share of the total partitioned to know its exact holding in village Wazirabad.

The claim of the society owning land in Village Behrampur through sale or through power of attorney is not supported by any proof in the revenue record. Therefore, they cannot be given benefit of that land.

Thus the land which the society owned, and about which there is proof in the revenue record is only 352 acres and not 428 acres as is being claimed by the society.

Of this 352 acres, 152 acres has been acquired by the Government of Haryana.

Therefore, the only land presently with the society is the land for which they have obtained two licenses.



DEPOSITS

Now we come to the deposits of the society in various banks before we look at the deposits of individual members and others in the society.

According to the information supplied by the banks, the details of deposits of the society in various banks as on 31st March, 2017 is given at annexure O

According to this the society has Rupees 16.90 crores in savings accounts in five banks as shown in the annexure and Fixed

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Deposits worth 204.38 crores in three banks and the post office as given in the annexure.

In this way the society has a total of 221.28 crores as deposits in various banks as on 31st march 2017.

In addition, according to the balance sheet, annexure P, prepared by the CA firm, an amount of 98.87 crore rupees is recoverable as sundry debtors. Details are given with the balance sheet.

Some of the bigger debtors are:

1. M/S S.K.Land and Finance Co. Rupees 74.02 crores
2. M/S Satish Construction and Co. Rupees 18.42 crores
3. Universal Promoters Builders Rupees 3.63 crores
4. M/S Jagdish and Co. Rupees 2.61 crores

It is understood that the wife of the former Treasurer Ram Gopal Sharma was a Director in some of these companies.

Apart from recovering the dues from all these persons it should also be examined if there is any criminal liability on the part of the former Treasurer of the society in doing business with firms where his wife was a director.

Further how much land was actually purchased and when money was paid for purchase of land would require to be investigated separately in more detail as the book of accounts do not give a very clear picture.

The Commission has come across some registries from among the record supplied by Sh. Ram Gopal Sharma, former Treasurer of the Society which show him as selling some land of the society as the President of the society which he was not. This could be a case of fraud and would need to be investigated further.



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There is also another case of sale of society land the sale proceeds of which are not reflected in the books of the society. This would also require further detailed investigation.

Copies of all such registries are placed at the end of the Annexures.

Now we come to the third part which is about submitting a fact finding report consisting of the genuineness of membership/ plots/ deposits and actual claims of aggrieved persons.

There are basically two categories of persons who are claiming plots from the society.

One who are members of the society and who are recorded as such in the register of members and have deposited money with the society for a plot, and the second who claim to be members on the strength of share certificates issued to them, but whose name is not recorded as member in the register of members, but who have deposited money with the society.

As has been pointed out earlier, only those persons whose membership has been duly approved by the competent authority to do so, and consequently, whose names are recorded in the register of members, only such persons can be considered as genuine members of the society, and only they can be considered for allotment of plots by the society and not any others.

If the society has allotted plots to persons who are not its members then those allotments are bad in the eyes of law.

First of all we take a look at the overview of the financial position of the contribution of members and all others who have deposited



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money with the society towards payment of cost of plots as has been worked out by M/S Pawan Goyal and Co.

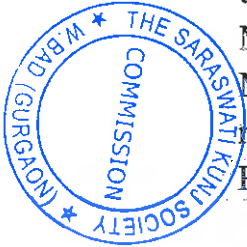
60 Ledgers containing the personal accounts of all the persons who have deposited money into the Society between March 1983 and December 2004 on account of share capital or as cost of land have been prepared and got printed. These have been sent to the society.

The total number of accounts so prepared comes to 14,542 and barring about 330 accounts, all the accounts have been given a membership number and a name. The number of accounts could see a marginal change once entries in the suspense account are traced.

These Ledgers have been prepared according to the following three broad categories:

1. The first category of Ledgers contains the financial payment details of those persons whose NAMES ARE WRITTEN BOTH in the Register of Members maintained by the Society and also in the Personal Ledger of Members maintained by the Society. In this category the name and membership number of the member are WRITTEN IN BOTH these Registers maintained by the Society.
2. The second category of Ledgers contains the financial payment details of those THOSE PERSONS WHOSE NAME IS WRITTEN in the Register of Members maintained by the society but WHOSE NAME IS NOT WRITTEN in the Personal Ledger maintained by the society, only a membership number is written in the Personal Ledger, there is no name against that membership number.
3. The third category of Ledgers contains the financial payment details of those persons whose NAME IS NOT WRITTEN either in the Register of Members maintained by the Society or in the Personal Ledger maintained by the Society. The names of all such persons do not figure in any of the two registers as maintained by the society.

All these ledgers have been sent to the society.



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It is pertinent to point out that the cash books of the society do not have the name of the person depositing money into the account of the society, only a membership number is given against the deposit.

In all 14,542 accounts were opened the details of which are as under.
11,345 accounts had credit balances.
2102 accounts had nil balance.
1095 accounts had debit balance.

Details of all such accounts are given in Annexure Q1, Q2, Q3.

Preparation of Personal Ledger accounts of all those who have deposited money was a huge task as would be evident from the explanation that follows.

The Register of members as maintained by the Society has entries up to serial number 9200. The last entry in the Members Register is that at serial number 9200, in the name of Sh. Om Prakash Arora, dated 23-11-1995, on page number 122 of Membership Register number 10. After this entry, in the name of Sh. Om Prakash Arora, there are no further entries in the membership register, though there are ten blank pages in the register up to page number 131.

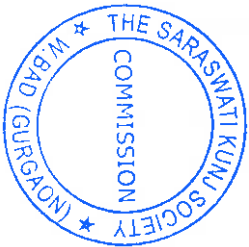
The Personal Ledger Accounts maintained by the Society also number 9200, the same as the number of members in the membership register.

This would indicate that each member of the society has one account, that there is one ledger account for each member.

However when the Personal Ledgers were being prepared and updated, based on the information available, which included the earlier claims filed by the members, in the year 2005, as well as the claims received directly by the Commission in 2016 and 2017, and also based on the personal visits of some of the members and others who came to verify their accounts, it was noticed that there are a large number of people who have the same membership number, and all the deposits made by them have been clubbed together and included in that membership number without specifying as to which member the particular deposit actually belongs to. Entries had been made in the personal ledgers as





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well as in the cash book without specifying the name of the depositor who had made the deposit.

All such deposits, whose number was over 5000, therefore, needed to be bifurcated, the actual depositor identified, and entries shown against his name.

This has now been done in all those cases where people have put forward their claims backed by supporting documents.

Where people have not put in their claims or have not come personally to do so, bifurcation could not be done.

As and when they turn up the same could be done by the society.

Thus these figures and the personal ledger account could undergo some changes as an when people turn up with their claims.

So against 9200 persons whose names appear in the Membership Registers of the Society, the number of accounts that had to be opened in the names of persons who had deposited money in the Society, any time between March 1988 to November/ December 2004, numbered 14,542.

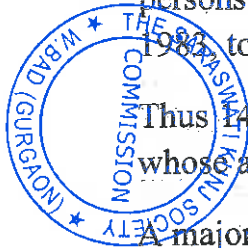
Thus 14,542 minus 9200 equal to over 5342; these were the number of persons whose accounts had to be bifurcated.

A major complication that was faced while doing this is further explained.

The personal accounts of members, as maintained by the Society in its Ledgers, had names of members only up to serial number 4414, in the name of one Sh. S. Kumar. This is the last number of a member of the society, in the Personal Ledger, that has both a name and a membership number to go with that name.

After serial number 4414, in the name of Sh. S. Kumar, from serial number 4415 onwards, the personal Ledger accounts of members as maintained by the Society have, right up to its last serial number 9,200, only a membership number but no name of the member against that membership number.

So one of the major tasks before the Commission was to assign names to all those numbers in the personal ledgers, identify the payments made by them, and then assign those payments to their names.



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Names have now been given to most of these numbers, their payments identified and assigned to their names.

Wherever it was found that more than one person had the same membership number, they were differentiated by adding A, B, C, etc. against that number.

The money deposited into these personal accounts numbering 14,542 has been verified from the following sources:

- a. Records of persons available in about 7,000 personal files obtained from the Society
- b. From representations of members of the society and others received directly by the Commission on the basis of public notices put by it in October 2016 in various newspapers.
- c. Also on the basis of personal visits of persons to the Commission Office carrying documentary proof of their deposits to the Society, such as their share certificate, the pass book issued to them by the Society, receipts of deposits made by them in the Society, bank certificates etc.



Final balances of all 14,542 such accounts containing their debit, credit and final balances are contained in Annexure Q1, Q2, Q3.

This list which contains the debit, credit and final balances of all the persons who deposited money with the Society has also been supplied to the Society.

Earlier also on two occasions this information had been supplied to the society for information and confirmation. If members noticed any difference in their balances they were encouraged to approach the Commission office who would attempt to get their differences reconciled through M/S Pawan Goyal and Co. who had done this work.

As a result differences in the balances of members have been reconciled in all those cases where the members were able to produce original receipts which were matched with entries in the cash books of the society. In a large number of cases cheques had been deposited in somebody else's

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account. These were tracked and credited to the accounts of the person who actually deposited the cheque.

There are still about 1000 entries or so of persons who have deposited money with, or withdrawn money from, the Society, which have still to be identified in terms of their name. All such balances have been kept under the head of "Suspense". As and when these persons turn up in the Society office with proper proof, their deposits or withdrawal can then be shown against their names.

Based on this data and on the genuineness of the member, plot wise seniority lists of members have been drawn up, indicating the relative merit for allotment of plot. These lists have been prepared in respect of members up to serial number 8700.

The Commission took a look at these lists to see if there was a pattern in the way the society had allotted plots to its members. This is the position that emerged:

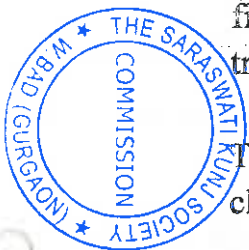
1. In the case of the 100 sq. Yd. plots the Commission looked at how the first 50 members who had deposited the full amount of money were treated by the society in the matter of registering plots.

The first plot that was registered is that at serial number 16, ignoring the claims of all 15 more senior members.

The second registry was in respect of serial number 19, and the third that of serial number 51, ignoring the claims of 30 members before him. Thus the first three plots registered by the society, superseded 48 members senior to them.

There could not be anything more arbitrary, whimsical or unfair. The same story is repeated for all the categories.

In this category, while 525 members had made full payment, of the 336 plots that have been registered, only 102 have been registered in the



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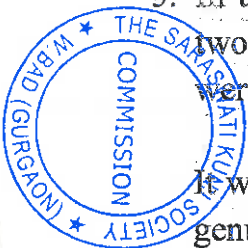
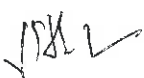
names of genuine members while the rest have been registered either to ineligible persons or to those who had not made full payment.

2. In the 250 sq. Yd category of the first 50 entries on merit only 9 plots have been registered. Here too while 850 members had made full payment, of the 506 plots that have been registered only 181 have been registered in the names of genuine members, the rest have been registered to ineligible persons.
3. In the 500 sq. Yd. category of the first 50 members plots have been registered in the names of 25 members. While 531 genuine members in this category had made full payment, yet out of the total 477 plots registered in this category only 185 plots were registered in the name of members, the rest going to illegal and ineligible persons.
4. In the 700 sq. Yds category of 51 total members who had made full payment plots were registered in the names of 15 members while 20 plots were registered in the names of illegal and ineligible persons.
5. In the 1000 sq. Yd. category, one member was allotted on merit, while two were irregular allotments and in the 250 sq. Yds category two plots were allotted on merit and one irregularly.

It would be clear from the above that in all categories there were enough genuine members who had made full payment, yet most of the plots were not registered to them but to others most of whom were not even legally entitled to a plot in the society.

Thus it is clear from the above that the non members and other ineligible people have been favoured at the expense of the genuine members of the society.

The question that would arise here is whether such arbitrary allotments should be allowed to continue or they should be set aside and the whole process done de novo? Should a wrong that has been committed be allowed to continue or should that wrong be righted?



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THE PROBLEM

The Society had, since its inception, permission to develop and, therefore, allot 1823 plots on about 216 acres of land in village Wazirabad of District Gurgaon in terms of two licences, one Licence number 3 dated 30-6-1995 for developing 950 plots on about 116 acres of land in village Wazirabad, and the other licence number 1 dated January 2000 to develop 873 plots on about 100 acres of land in village Wazirabad.

These are the only licences that the Society got.

Against these 1823 plots the Society over the years, from 1983 up to November/ December, 2004, accepted money from over 14500 people.

After accounting for resignations, zero and debit balances, there are still over 11,000 persons who have a credit balance with the society in their account.

Out of these, if we were to exclude those who have marginal balance ranging from 200 to 4000 Rupees to their credit in their names, we would still be left with over 9000 people who have deposited money in the society in the hope that they would get a plot of land to build a house on.

Many of these 9,000 people have some kind of allotment letter issued by somebody or the other from the society with them.

1487 of these persons, according to available record and information, have registries of plots allotted to them.

Many have letters of possession of the plots allotted to them but no registries.

The same plot appears to have been allotted to more than one person in many cases.

Those who have registries of plots in their name are not being given No Objection Certificate to build houses on the plots allotted to them.

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APPROACH TO A SOLUTION TO THE PROBLEM

The Commission had two major tasks before it if any solution to the problems of the society were to be found and if the society was to be put back on track from which it had been derailed.

The first task was to identify the persons who were the genuine members of the society as per the co-operative laws and bye-laws of the society and who were the non genuine members of the society. The non genuine members of the society had then to be segregated from the genuine ones.

The second task was to reconcile the deposits made by members with the personal ledger accounts maintained by the society, and get these updated and corrected as required. After that was done then plot wise seniority list of members had to be prepared for the purpose allotment of plots.

Over the years most of the time successive managements including the Government appointed Board of Administrators appear to have been tied down by the large number of complaints which members made against each other, and by the large number of court cases filed by members, many of them leading to contempt of court proceedings against members of the Board of Administrators.

The focus most of the time was on individual cases, or the cases involving two or three competing claims where only the inter se merits of only those two or three members were looked at and not the whole picture. It was possible that other members, who were not party to those cases, could have a better claim than those who had approached the court or other legal forum.

Once the seniority lists of the genuine members were prepared it would be possible to look at the merits of all the claims and not just of two or three or four individuals.

That would have been possible only if the larger picture of membership and deposits of all people with their relative merits was available. Nobody, it appears, tried to look at the larger picture.

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Nobody, it would appear, even tried to move in the direction of creating such a larger picture which would have helped in seeing the problem for what it was.

Once the larger picture is available, it is then only that the problems of the society could be understood and, possibly, be addressed.

One thing that has to be understood very clearly and that is this, that the Saraswati Kunj Society is a Cooperative Society.

And as a Cooperative Society it can allot plots only to its members and not to others.

Once this position is accepted then the course of action to be taken also becomes clear.

The first step that would have to be taken would be to determine the genuine members of the Society.

This has been done as per the detailed discussion at pages 31 to 40 ante.

Only those persons whose names appear in the lists at annexures K1 and K2 can be considered as genuine members of the society.

Based on the names given in the membership registers as approved by the competent authority, the following position of members emerged:

Total number of members of the society according to the register of members maintained by the society comes to 8180, the names of 20 members have not been considered in view of overwriting/ tampering in their names.

Out of these 1918 members had resigned from the Society during this period.

Thus after deducting those who had resigned, the original members remaining would be 6262 members.

Out of these there are 377 members with nil balance and 100 members with debit balance.

Deducting both these, we are left with the claims of 5785 genuine members.

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All persons whose names do not figure in the register of members of the society have been considered as non members and, therefore, not eligible for a plot.

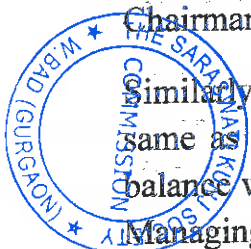
These would include all those who have been given the membership number of either a resigned member, where the balance in the account of that member is nil or that of an existing member having a credit balance in his account.

In all these cases there is nothing on record to show that the Managing Committee of the society or the General Body of the society had approved their membership. That being so they cannot be considered as genuine members of the society.

Thus all those who have been shown as members against resigned members and given the same membership number of the resigned member, without a decision of the Managing Committee or of the General Body of the society approving the membership, and whose names have not been entered in the Register of members, all such persons cannot be considered as bona fide members of the Society even though they may be having share certificates signed by the Chairman, Secretary and the Treasurer.

Similarly all those who have been given a membership number which is the same as that of an existing bona fide member of the Society having a credit balance with the society, and whose membership has not been approved by the Managing Committee or the General body of the society, and whose names have not been entered in the Register of members also cannot be considered as bona fide members of the Society even though they may be having share certificates signed by the Chairman, Secretary and the Treasurer.

During the process of segregating accounts of all those persons who had the same membership number, the alphabet A, B, C, or D, depending on the number of people having that membership number, was added to such membership numbers to distinguish them from each other. Members against whose names A, B, C, or D has been added cannot be considered to be a bona fide members of the Society, since there is already an existing member against that membership number, and since their membership has never been approved by the Managing Committee or by the General body of the Society, which were the competent authority to do so, and also since their names also do not appear in



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the Register of members. And even though they may have share certificates signed by the Chairman, Secretary and the Treasurer of the Society, in view of the position stated above, they could not be considered to be bona fide members of the society.

Their names do not appear anywhere in the record maintained by the society. Their names do not appear in any of the Registers maintained by the Society, such as the Member Registers, Personal Ledgers, or the cash books or day books of the society.

The Commission has come across many cases of share certificates signed only by the Treasurer. This shows that the Treasurer was accepting money from people and issuing them such fake certificate which cannot be considered to be valid documents for membership.

List of 55 Share Certificates so issued are given at R. There could be many more such cases.

There is also the case of a minor who has been made a member of the society in contravention of the bye-laws which clearly state that a person must be at least 18 years of age. Details at annexure S

Once details of Aadhar Card are available with the society, then the age of the members at the time of admission could be assessed, and if there is a minor who has been made a member, action to cancel his membership can be taken by the society.

Based on the above the total number of genuine members of the society having a credit balance would be 5819. There is a difference of 35 in this and the earlier figure of 5785 genuine members because some of the members who have been shown to have resigned still have a credit balance in the society.

The merit list of these 5819 genuine members along is given in annexure M

Thus total number of persons who are claiming a plot in the society belong to the following categories :

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1. EWS category:

In the EWS Category there are 696 persons who have deposited money. Plots have been registered in the names of 126 persons.

There are 16 registries in this category where the person's record is not traceable in the Society's record.

There is no record as to what system was followed in the case of EWS members. So the Commission is unable to make any comment or recommendation for them.

There are a total of 162 plots in this category.

Thus 162 minus 126 which comes to 36 is the number plots would be available for allotment in the EWS category.

2. The genuine members, as identified by the Commission, are those whose details are given in Annexure KI and K2.

- a. There are 1873 members who have paid at less than 775 per sq. Yd. and 3 plots have been registered in their names. This also includes one member who has paid Rupees 100.
- b. There are 1993 members who have paid between 775 and 2100 rupees per sq. Yd and 38 plots have been registered in their names.
- c. There are 1987 members who have paid above 2100 per sq. Yd and 486 plots have been registered in their names.
- d. There is one member with zero balance and who has a plot registered in his name.
- e. There are five members with a debit balance who have plots registered in their names.



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Thus of the 5819 members of the society who have a credit balance 533 plots have been registered in their names.

3. In the category of non members are those whose names do not appear in the Register of members as well as in the Personal Ledgers is given at annexure T.

Annexure T(i) contains the details of those 500 persons whose names occur from serial number 8701 to 9200 in the register of members, but whose membership has not been approved for admission by the competent authority, and, therefore, they cannot be considered as genuine members.

In this category of non members;

1. There are 1042 persons who have deposited at less than 775 per sq. Yd. No registry done.
2. There are 1480 persons who have deposited at below 2100 per sq. Yd. and 60 plots have been registered in their names.
3. There are 2361 persons who have deposited at above 2100 per sq. Yd. and 553 plots have been registered in their names.

Thus in this category of non members money was accepted from 4883 persons and 613 plots were registered in the names of such persons.

Thus the overall position that emerges is that in respect of 5819 members, 533 plots were registered; while in the case of 4883 non members 613 plot were registered, which clearly shows that the non members were favoured over the non members.

In addition there are 215 registries in the names of untraceable persons.

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The total number of registries done for both members and non members, including EWS, comes to 1487, and is given at annexure U.

The number of sanctioned plots with the society is 1821.

The number of plots for which registry has yet to be done is 1821 minus 1487 that is to 334 which is the number of plots that are yet to be registered.

The category wise break up of the available 334 plots which have yet to be registered is as under:

1. EWS 162 total plots minus 126 registered plots equal to 36 plots
2. 100 sq.yds 418 total plots minus 336 registered plots equal to 82 plots
3. 250 sq. Yds 689 total plots minus 506 registered plots equal to 183 plots
4. 500 sq yds 507 total plots minus 477 registered plots equal to 30 plots
5. 700 sq. Yds 38 total plots minus 35 registered plots equal to 3 plots
6. 1000 and 1250sq. Yds total 7 plots registered 7 plots. There are no plots available in these two categories as all the plots have been registered.



These figures are based on the data as available from the record. The ground position could be very different since there could be persons who have registries of plots in their names but whose names are not available in records of the Society. Therefore, to get the actual position further verification would be required.

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This verification should be carried out by the District Town Planner Gurgaon on the basis of approved layout plans, verifying the plots that have been registered, and confirming the plots that are vacant.

After the the District Town Planner, Gurgaon has verified and confirmed the position on the ground, another verification must be conducted through the Tehsil Registering agency that there are no registries in respect of these vacant plots so verified.

Only then should these plots be taken up for allotment.

The following are the important Annexures attached with this report:

1. List of the genuine members of the society Annexure K1, K2
2. List of non members of the society of the society Annexure T1 and T2
3. List of all members with registered plots Annexure U
4. List of genuine members with registered plots Annexure U1
5. List of non members with registered plots Annexure U2.
6. List of members with debit, zero or 100 Rupees balance with registered plots Annexure U3.
7. List of untraceable persons with registered plots Annexure U4.
8. Details of credit debit and final balances of 14452 persons having accounts with the society Annexure Q1, Q2, Q3.
9. Category wise merit lists of all genuine members of the society annexure M
10. Bank Balance of Society as on 31-3-2017 Annexure O
11. Details of Land Annexure N



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THE WAY FORWARD

It is clear that the previous management of the society did not follow any system in the matter of allotment of and in the registration of plots to both members and non members.

Their working was totally opaque. No one appears to know what system, if any, was followed in the matter of allotment and registration of plots.

Their actions were totally arbitrary and whimsical and broadly fall into two clear categories; the illegal and the irregular.


In the illegal category would fall the allotment and registration of all the plots in the names of non members and seven plots of members with debit, zero and just 100 Rupees balance and plots registered to untraceable people.

The total number of such plots comes to 847 which is more than half of the total 1487 plots that have been registered.

In the irregular category would fall allotment of plots to members without following any system or principle, allotting and registering plots in favour of those who made payment later ignoring those who made payment earlier, registering plots in the names of members who had not made full payment of the plot, as has been brought out in detail in the merit lists prepared by the Commission.

Here also the action of allotting and registering plots to such members again has been totally arbitrary, whimsical and irregular. A pick and choose policy rather than merit appears to have been adopted.

Many persons have benefitted from these arbitrary, whimsical, illegal and irregular actions of the society actions of the then Management of the Society while many more have suffered because of them.



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Now the question that has to be answered is whether such allotment and registration of plots that have been done in such an arbitrary whimsical, illegal and irregular manner, actions that have been based on a policy of pick and choose and other questionable, unknown and opaque criteria, actions that have caused so much hardship and suffering to so many people, which have deprived them of what was legally due to them, whether such allotments and registrations should be allowed to stay or these should be set aside. Should the wrong committed be allowed to be perpetuated or should it be righted?

Anything that is so blatantly arbitrary, whimsical, illegal and irregular cannot and must not be allowed to survive. The wrong committed should not be allowed to be perpetuated.

RECOMMENDATIONS

A. GIVE NO OBJECTION CERTIFICATES TO GENUINE PLOT HOLDERS.

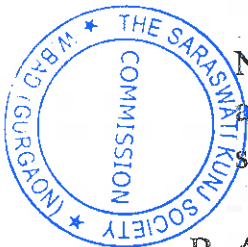
No objection certificates may be given to all the 486 genuine members and the 110 EWS members who have registries in their names. The list of such members is given at Annexure U 1.

B. ALLOT AND REGISTER THE AVAILABLE UNREGISTERED PLOTS

The remaining 302 plots may be allotted to the genuine members strictly in terms of the merit lists prepared by the Commission for the categories from 100 sq. Yds to 700 sq. Yd.

If the members so agree, to cover more people we may convert the 30 available 500 sq. Yds plots into 250 sq. Yds plots and the 3 available 700 sq. Yds plots into 350 sq. Yds, with permission from the Director Town and Country Planning Haryana. This will give us an additional 33 plots.

In this way in all these categories of 100 sq. Yds to 700 sq. Yds, the senior most members would have been allotted plots on merit.



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Thus in the 100 sq yd category the first 82 members would have plots, in the 250 the first 183 members, in the 500 category the first 30 (or sixty) and in the 700 category the first three (or 60).

If we add the number of those members who already have plots registered in their names and who fall within these numbers, there would be a significant increase in these numbers.

There are no unregistered plots available in the 1000 and 1250 sq. Yd. category.

For the remaining 32 EWS plots a draw of lots may be held among those who have made full payment.

In this way, including the plots already registered for members who have made full payment, the number of registered plots for members would become 486 plus 302 that is 786, or if the suggested change is agreed to then 819.

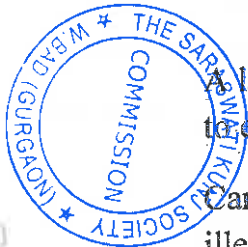
C. RIGHT THE WRONGS THAT HAVE BEEN COMMITTED IN THE PAST

A large part of the wrong that has been committed in the past and allowed to exist all these years must be undone by taking the following actions:

Cancel all registries done in favour of non members which fall in the illegal category and all registries of members in the irregular category that have been done in respect of genuine members without receiving full consideration for the plot registered.

In the illegal category would fall the following:

- a. The 231 registries including 16 from the EWS category, of untraceable persons in whose names plots have been registered. Details are at Annexure U 4.
- b. The registries of the seven persons in whose names plots have been registered against zero, debit and 100 Rupees balance. Details are at Annexure U 3.



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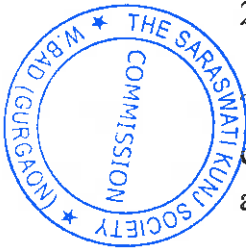
- c. The registries of all the 613 non members in whose names plots have been registered. Details are at Annexure U2

In the irregular category would fall the following:

Those members who have got plots registered in their names but who have paid less than the required amount as given in annexure U5.

However, in the case of these members a view can be taken that only those members be proceeded against who have paid at less than 90% of the cost of the plot and cancel only their registries.

In the case of the others who have paid 90% or more they may be required to pay the difference of the higher rate of 2850 minus what they have already paid along with a punitive interest of 12 to 20% per annum on that difference.



Thus the total number of registries that would be cancelled would come to about 840 to 850, which would make that many plots available for allotment.

Those plots can then be allotted to the genuine members on merit according to list given in annexure M.

But how long that will take is difficult to tell since cancellation of registration is a civil matter and falls in the domain of civil courts.

For cancellation of registries the society will have to file individual cases in civil courts against all those whose registries are to be cancelled.

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Since a large number of people are involved Government may examine if an ordinance or law could be passed declaring these registries illegal and therefore, invalid.

Cancellation of plots, though it would correct a wrong that has been committed, however, yet it does not provide immediate relief to any member as the process of actual cancellation could take very long.

D. INITIATE CRIMINAL PROCEEDINGS AGAINST PERPETRATORS AND THOSE COMPLICIT.

Initiate criminal proceedings against all those who committed these acts and against those who were complicit in them.

These would be the following:

1. The then Chairman and Treasurer of the society in respect of registries executed in the cases of persons given at (a), (b) and (c) at page 61 ante, also in the cases of registries of genuine members done without receiving the full money as required, though their registries show that full money was taken.
2. The persons given at (a) and (b) for their complicity in the act
3. The 40 members who executed registries for less amounts for their complicity in the act.
4. The then Treasurer who issued fake share certificate without approval of competent authority.
5. The then Chairman, Secretary, and Treasurer of the Society who signed the share certificates of non members without the approval of the competent authority.



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E. REDUCE THE NUMBER OF CLAIMANTS ON THE SOCIETY BY REFUND OF MONEY DEPOSITED

The next step should be to reduce the number of claimants and bring them within manageable limits by refunding the amounts deposited to as many people as possible as suggested below.

1. Refund their deposit including share capital to all non members, persons whose names do not appear in the register of members and who do not have plots registered in their names. This includes those persons whose names appear from serial number 8701 to serial number 9200. The number of such persons comes to 4883 minus 613 with registries which comes to 4270.
2. Refund their deposit including share capital to all the members whose names appear in the registers of members but who have paid at less than 775 per sq. Yd. and who do not have a plot registered in their name. This number comes to 1837 minus 3 with registries which is 1834.



The total number of such persons to whom money would have to be refunded would come to 4270 plus 1834 which is 6104.

The estimated amount of money that would have to be so refunded would be 174.62 crores. This would cover only the principal amount and could easily be done by the society within its existing resources.

In this way 6104 claimants, both members who have not paid sufficient money, and non members, from whom the society should not have accepted money in the first place, would be taken off the rolls of the society. The society would then be left with lesser numbers would be far easier to manage.

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3. Refund deposits to all other members who would want a refund of their deposits.

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f. DEAL WITH THE REMAINING MEMBERS.

After the actions as suggested above, the society would still be left be left with the following number of members:

- a. 1855 members who have paid between 775 and 2100 Rupees per sq. Yd and,
- b. 1199 members who have paid at 2100 or at 2850 Rupees per sq. Yd making a total of 3054 members.

Out of these, 851 members could be allotted the cancelled plots leaving 2203 members who have made full payment without a plot. This, however, would not only take time but also has an element of uncertainty in view of the court proceedings involved.



Allotments have to be made by the society in respect of all the plots that would be considered for cancellation, category wise, to members according to the merit lists as at annexure M.

All such members would then have to be asked as to whether they would like to await the outcome of the cancellation proceedings or they would like to be considered for the other option of flats. Their replies would yield the final numbers that have to be dealt with.

There are thus a total of 3054 members of the society, including the 850 likely beneficiaries of cancelled plots, who have to be eventually considered for allotment of plots.

Government has acquired about 150 acres of land of the society.

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All these years, members of the society have been living in the hope that the Government would release this land of theirs which was unfairly acquired by it, which land then can be used by the society to allot plots to its members.

The solution to the problems of the remaining 3000 or so members of the society, therefore, is tied to this land.

If land is available, there is a solution to their problems, if no land is available there is no solution.

To find a solution for the remaining members the following options are suggested:

1. The Government releases the land of the society that it has acquired over the years. The problem here could be that all or some of that land could have been already put to use and would, therefore, not be available. An assessment of the same, therefore, has to be carried out based on which a further view could be taken.



Another problem here could be that the land in question is not compact and in one location and may not conform to the minimum requirement for grant of license, unless that land is contiguous to already licensed land, in which case a minimum holding criteria does not hold. This aspect may be got examined from the Department of Town and Country Planning Haryana. Further action would depend on the outcome of this examination.

2. The second option would be to request HUDA, which had acquired the land of the society, to carve out plots for the remaining members of the society, by framing a special scheme for them in lieu of the land of the society which they have

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acquired, factoring in the compensation payable to the society etc., when they determine the cost of plots.

3. The third option would be to get flats constructed for those of the remaining members who express their willingness to accept flats instead of plots. Those who do not give their willingness to flats should be refunded their money.

These flats could be constructed by the Housing Board Haryana or by some other agency.

This option has the inherent advantage that it would require the least area of land and yet give a dwelling unit to the maximum number of people. In fact by this option a dwelling unit could be given to all the remaining members.

According to the present norms about 60 flats of EWS, 2, 3, 4, bedrooms can be constructed on one acre.



Thus to cover all the remaining members of the society, those who have paid at 2100 Rupees and above, as well as those who have paid at between 775 and 2100, numbering about 3000, only about 50 acres of land would be required. However if many people opt out of the flat option, the actual numbers would get reduced, and then the requirement of land would be even less.

In this way all the genuine members of the Commission would either have been offered a plot or a flat and that should be the end of their grievances.

The Commission would like to place on record its appreciation for the stellar, outstanding, work done by Sh. Ved Prakash, Manager, who worked tirelessly till late hours in the night on

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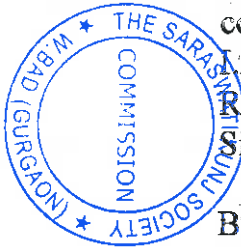
THE SARASWATI KUNJ COMMISSION

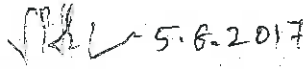
many, many days preparing the various merit lists, the lists of registries, interfacing and coordinating with the Chartered Accountant Firm, attending to members and helping in correcting wrong entries in their accounts, Ms Seema for her dedication and hard work in assisting Sh. Ved Prakash by typing, retyping, checking, thousands and thousands of entries in the various lists, Sh. Sumit Aggarwal, Senior Auditor, and Sh. Mahesh Kumar, Auditor, for their hard work in identifying and preparing list of genuine members, and in checking the work of the Chartered Accountant firm, Mr Pooran, the office help who looked after each and every person who visited the office of the Commission, Sh. Aditya Garg and Sh. Punit of M/S Pawan Goyal and Co., the Chartered Accountant Firm Of M/S Pawan Goyal and Co. who undertook the huge task of updating the personal ledgers and other accounts of the society, and who, despite not being paid for a long time yet continued to do their work.

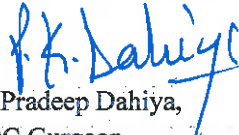
The Commission would also like to place on record the valuable contributions of its former members Sh. Vinay Pratap Singh, I.A.S. former ADC Gurgaon, Sh. Verender Dahiya, Deputy Register, Co-operative Societies, Gurgaon and Sh. Mohan Singh, District Town Planner.


But for the help and the contribution of all these it would not have been possible to complete this work.

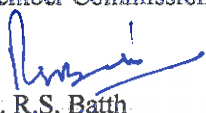
The Commission has put up the factual position of the society that emerged from the data that it was able to organize and based on that data the Commission is submitting this report.




1. Sh. S.P. Sharma, IAS(Retd)
Chairman, Commission


2. Sh. Pradeep Dahiya,
ADC Gurgaon,
Member Commission


3. Sh. Mahavir Shatma
DRCS Gurgaon
Member Commission


4. Sh. R.S. Batth
DTP Gurgaon
Member Commission