

Government of Jammu and Kashmir
Cooperative Department
Civil Secretariat, J&K, Jammu

Subject: Attachment of Seed Farm situated at Dhar Bagh, Shilpora,
Srinagar

Government Order No: 15 -JK-Coop of 2020.
D a t e d: 15 .05.2020

WHEREAS, a loan to the tune of Rs. 250.00 Crore was sanctioned by the Jammu & Kashmir State Cooperative Bank Limited, Srinagar on 25.04.2019 in favour of a non-existent society (River Jhelum Co-operative House Building Society, Magarmal Bagh, Srinagar);

2. Whereas out of the sanctioned amount of Rs. 250.00 Crore, the Bank released an amount of Rs. 223.00 Crore against its Fixed Deposit lying with Jammu and Kashmir Limited, Air Cargo Branch, Srinagar on 29 April 2019 (Rs. 55.75 Crore), 30 April 2019 (Rs. 102.21 Crore and 1st May 2019 (Rs. 65.04 Crore) and transferred the said amount to 18 accounts in various banks;

3. WHEREAS, a detailed inquiry conducted by the NABARD, Anti-Corruption Bureau, J&K and the office of Registrar Cooperative Societies, J&K shows that the Board of Directors of the Jammu and Kashmir State Cooperative Bank Limited were directly involved in embezzlement of huge amount and causing loss to the public money by hatching a criminal conspiracy and entering into fraudulent transactions with fictitious persons;

4. WHEREAS, NABARD has also pointed out the deficiency in loan application, appraisal, process of sanction, documentation, post disbursement monitoring of the limit in its report and it has been specifically mentioned that the loan amount of Rs.250.00 Crore is sanctioned with release of 92% thereof within a week in violation of delegation of powers for loans and advances vested with the Loan Committee and the Board of Directors involving an amount above Rs.40.00 lakh and amount exceeding Rs.1.00 crore respectively, however, as per loan manual of the Bank, the maximum sanctioned limit is Rs. 1.00 crore only;



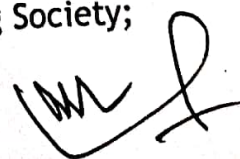
5. WHEREAS, NABARD has also pointed out that with respect to particulars of Board Members of the society, Board resolution signed by all members authorizes the borrower to raise loan, or to conduct financial transactions, however, no details are available, moreover, the non-encumbrance certificate of loan was also not available and loan was sanctioned in absence of any application from any borrower for grant of loan, letter of request for release of substantial portion of loan amount sanctioned without following Know Your Customer (KYC) norms;

6. WHEREAS, as per the rules and regulations, the bank was eligible for Individual exposure upto Rs.60.00 lakh, Unit-wise exposure upto Rs.1968.90 lakh and sector-wise exposure upto Rs.28232.50 lakh, however, the Bank has sanctioned a loan of Rs.250.00 crore to a single unit violating the unit-wise exposure norms of loans and advances. The Bank has also not reported the same to NABARD;

7. WHEREAS, in its returns for quarter ending September 2019 sent by the Bank to NABARD, only Rs.23.00 crore was mentioned which implies that the Bank has concealed the information relating to loaning of such a huge amount to a single borrower without verifying his antecedents;

8. WHEREAS, the Government constituted an Inquiry Committee vide its Order No.24-Coop of 2020 dated 20.01.2020 and Chairman, Inquiry Committee vide his report dated 05.02.2020 has suggested that after a full-fledged inquiry, it has come to light that Jammu and Kashmir State Cooperative Bank has provided a sketchy information and the present scam may only be a tip of the iceberg;

9. Whereas, it has further been revealed in the enquiry that after release of loan amount sanctioned by the Bank, a power of Attorney was executed on 11.05.2019 by the land owners of 257 Kanals and 19 Marlas of land under Khewat No. 53 situated at Village Shivpora, Srinagar in favor of one Mr. Hilal Ahmad Mir S/O Sanaullah Mir R/O Magarmal, Srinagar who masquerated as Chairman of the non-existent River Jhelum Cooperative House Building Society;



10. Whereas, as per the aforesaid Power of Attorney, the Attorney Holder was authorized to execute any document including sale deeds, raising finances "immediately" from any financial institution/banks against mortgage of the land in question;

11. Whereas, the aforementioned Attorney Holder namely Mr. Hilal Ahmad Mir executed a lease deed on 11.06.2019 with one Mr. Abdul Hamid Hajam S/O Ghulam Nabi Hajam R/O Zakura, Hazratbal, Srinagar referred to as the Secretary of the non-existent River Jhelum Cooperative House Building Society in the lease deed, authorizing the so called lessee to mortgage, transfer or assign his rights, in respect of the land in question at Dhar Bagh, Shivpora, Srinagar, through any other financial institution of his own choice, and raise project loan from any State or Nationalized Bank or institution;

12. Whereas, as per Jamabandi of the year 1968/69 provided by Tehsildar South, Srinagar, land measuring 286 kanals - 01 Marlas under Khewat No. 53 at Village Shivpora, Srinagar in the name of Late Makhan Lal Dhar and others popularly known as "Seed Farm" is in the cultivation of tenants and within this Estate, land measuring 28 Kanals and 02 Marlas comprising Khasra No's. 91, 729/425/335, 731/310, 735/325, 755/319, 719/316, 793/326, 320, 321, 322, 323, 324, 424/335 is shown in the recorded possession of Irrigation Department;

13. WHEREAS, the above scam is being investigated by Anti-Corruption Bureau and more and more information is being collected on a daily basis which will lead the investigating agency to the beneficial owners of the land in question purchased with the deposits of State Cooperative Bank Limited in furtherance to a criminal conspiracy hatched to withdraw the funds unlawfully;

14. Whereas, the enquiry report further points out towards the violation of provisions of 'The J&K Migrant Immovable Property (Preservation, Protection and Restraint of Distress Sales) Act, 1997, 'The Benami Transactions (Prohibition) Amendment) Act, 2016' and 'The

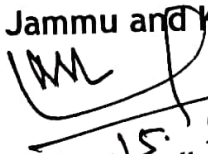


Prevention of Money Laundering Act, 2002' and the Agrarian Reforms Act, 1976.

15. Now therefore, in order to protect the interests of bonafide depositors, it is directed that the Divisional Commissioner, Kashmir shall, as an ad-interim measure, attach the land measuring 257 Kanals and 19 Marlas along with structures erected thereupon, if any, falling under Khewat No. 53 at Village Shivpora, Srinagar popularly known as "Seed Farm" as per revenue records, along with 28 kanals and 02 Marlas of land shown in the recorded possession of Irrigation Department; and place the aforesaid land in the safe custody of District Magistrate, Srinagar till further orders from the competent authority. The Khasra Numbers of the land in question, illegally acquired by the non-existent Cooperative Society from and out of the loan amount fraudulently obtained by it from the Bank, shall form an annexure to this order.

16. The attachment of property shall be reviewed by the Government from time to time.

By order of Government of Jammu and Kashmir


(Navin K. Choudhary), IAS
Principal Secretary to Government
Cooperative Department
Dated: 15.05.2020.

No: Coop/Plan/NIDA/83/2016.

Copy for information to the:

1. Ld. Advocate General, J&K, Jammu
2. Joint Secretary (J&K), Ministry of Home Affairs, Government of India.
3. Divisional Commissioner, Kashmir.
4. Secretary to Government, Department of Law, Justice & P.A with the request to kindly file a caveat in the court of competent jurisdiction in the matter and also take necessary steps to defend the interests of the Government and the depositors in the matter of litigation titled Rajni Dhar & Ors Vs Union Territory of J&K through Chief Secretary & ors preferred by a non-existent Cooperative House

Building Society before the Court of Principal District Judge, Srinagar.

5. Director, Anti-Corruption Bureau, J&K, Jammu
6. Registrar, Cooperative Societies, J&K, Jammu.
7. CMD, NABARD, Regional Office, Jammu
8. Regional Director, Reserve Bank of India, Jammu
9. District Magistrate, Srinagar
10. Directors Archives, Archaeology and Museums J&K, Jammu.
11. Additional Secretary to Hon'ble Lieutenant Governor, J&K.
12. Private Secretary to Advisor (F) to Hon'ble Lieutenant Governor, J&K.
13. Private Secretary to Chief Secretary, J&K.
14. Private Secretary to Principal Secretary to Government, Cooperative Department.
15. In-charge Website.
16. Government Order file.

The names of land owners along with details of khasra numbers under Khewat No. 53 as per jamabandi of 1968-69 issued by Patwari Halqa, Village Shivpora are as under:

S.No.	Name of land owner	Khasra No.	Area
1.	Shri Makhan Lal Dhar	276	10 K-3 M
		277	4 K-7 M
		706/275	14 M
		708/330	9 M
		718/278	6 K-7M
		720/425/335	9 K-3 1/2 M
		Total	31 K - 3 1/2 M
2.	Somnath Dhar	315	9K-6 M
		327	9K-18 M
		328	10 M
		709/330	9 M
		718/278	8 M
		721/425/335	9 K-4 1/2 M
		Total	29 K-14 1/2 M
3.	Surinder Nath Dhar	311	6 K-4 M
		312	4 K
		313	2 K- 1M
		329	3 K - 4 M
		710/330	9 M
		719/278	3 K- 4 M
		722/425/335	9 K- 3 1/2 M
		730/310	2 K- 17 M
		Total	31 K- 2 1/2 M
4.	Monmohan Dhar	331	6K-15 M
		332	6 K-7 M
		712/330	9 M
		734/425/335	9 K-3 1/2 M
		734/335	4K - 10 M
		737/326 *	3K - 1 M

5.	Davinder Nath Dhar	Total	30 K - 5 ½ M
		272	6 K - 1 M
		273	4 K - 11 M
		274	4 K - 17 M
		275/707	5 K - 15 M
		725/425/335	9 K - 3 ½ M
		713/330	9 M
6.	Smt. Gori Batni Dhar	Total	30 K - 16 ½ M
		714/330	9 M
		726/425/335	18 ½ M
		738/266	15 ½ M
		740/267	2 K - 11 M
		742/268	19 M
		744/269	4 K - 14 M
		746/270	1 K - 13 M
		748/271	3 K - 10 ½ M
		750/333	2 K - 2 ½ M
		752/334	5 K - 4 ½ M
		Total	22 K - 17 ½ M
7.	Ravinder Nath Dhar	317	6 K - 6 M
		711/330	9 M
		723/425/335	9 K - 3 ½ M
		732/314	3 K - 1 M
		733/326	12 M
		790/316	10 K - 9 M
		Total	29 K - 16 ½ M
8.	Smt. Sheela Kumari	715/330	8 M
		727/425/335	18 M
		739/266	15 ½ M
		741/267	2 K - 10 M
		743/268	1 K
		745/269	4 K - 14 M
		747/270	1 K - 12 M
		749/271	3 K - 10 ½ M
		751/333	2 K - 2 ½ M
		753/334	5 K - 4 ½ M
		Total	22 K - 15 M
9.	Smt. Dhanvati Dhar	318	10 K - 18 M
		716/330	8 M

		728/425/335	9 K - 3 ½ M
		733/314	2 K - 6 M
		754/319	6 K - 12 M
		Total	29 K 7 ½ M
	Grand Total		257 K-19 M

Annexure to Government Order No. 15-JK-Coop of 2020
Dated 15.05.2020.