

**BEFORE THE HON'BLE LOKAYUKTA  
JUSTICE MANMOHAN SARIN  
COMPLAINT NO. C-1955/LOK/2013**

In Re:-

MS. SÁRITA PUNIYA,  
R/O D-215, RAJ NAGAR, PART-II,  
PALAM COLONY,  
DELHI ...COMPLAINANT/INFORMANT

VERSUS

SMT. SEEMA PANDIT  
MUNICIPAL COUNCILLOR  
WARD NO. 145 ... RESPONDENT

**REPORT**

1. Complainant vide her letter dated 9 January, 2013, complained to the Chief Election Commissioner as also the Lokayukta, alleging that the Respondent/Councillor Smt. Seema Pandit, concealed the factum of ownership of a vehicle by writing 'Nil' in the relevant column, of her nomination form.
2. Complainant alleged that Respondent was the registered owner of a Toyota Innova, Registration No. DL-9C-7777, on the date of filing of the nomination. Copy of the affidavit showing 'Nil' written in column no. 6, section-A, which carried the description of details of movable assets, was filed. In addition, the vehicle's particulars from the

transport department showing Toyota car with Regn. No. DL 9C 7777 being in Respondent's name, were filed.

3. A similar complaint was received from Ms. Rachna Solanki, R/o WZ-743, Bata Chowk, Palam Vihar, New Delhi, in the event, the complaint has filed by Sarita Punia was taken up for issuance of notice and consideration.

The allegation against the Respondent was of concealing the ownership of motor vehicle at the time of filing of nomination for election. Respondent being the Councillor of Ward No. 145, Palam Vihar, New Delhi and a member of the Municipal Corporation of Delhi, under section 2 (m) (v) of the Delhi Lokayukta and Upalokayukta Act, 1995, was a 'Public Functionary'. By allegedly concealing the factum of ownership of the car which she was obliged to declare, violation of the norms of integrity and conduct is alleged against her.

4. The communication of Ms. Sarita Punia not being in proper proforma as per Form-II, prescribed in Rule-C of Delhi Lokayukta and Upalokayukta (Investigation) Rules, 1998, and also not supported by an affidavit, was treated as 'other information', under Section-7 of Delhi Lokayukta and Upalokayukta Act, 1995.

Notice was directed to be issued to the Respondent to show cause why inquiry against her be not initiated under sub Section (b) of Section-2 read with Section-7 of

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Delhi Lokayukta and Upalokayukta Act, 1995, returnable on 6 March, 2013.

5. On 6 March, 2013, reply was filed. In the reply, it is averred that allegations are false, baseless and motivated. The vehicle had been sold to Mr. Ranbir Singh S/o Sh. Kartar Singh, R/o WZ-831, Mohalla Badial, Palam Village, New Delhi. It was claimed that requisite papers i.e. Form 29 and 30, delivery receipt and cash receipt dated 30 January, 2012 were executed between her and the buyer. Photocopies of the said documents were filed. It is averred that she sold the vehicle as she was in dire need of cash for purchase of House No. 447, Palm Extn. New Delhi, at that time. She offered to produce said documents if required. The sale consideration amount receipt for the vehicle was claimed to have been shown in the Tax Return for the financial year. Copy of the Income Tax Return was also filed. She also admitted using the vehicle during the election, since the purchaser Sh. Ranbir Singh offered to send and had lent the same to her. Allegations were denied and were labelled as motivated and made to somehow damage her reputation in the society.
6. In her balance sheet, purchase of residential property at Palam Extension for Rs. 18.00 Lacs was shown, while in the capital account, loss by sale of vehicle of Rs. 1,39,146/- is claimed.

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7. Ms. Sarita Puniya claimed the entire transaction of sale of vehicle Innova to be a sham transaction and an attempt to cover up the failure and omission to declare truthfully the vehicle owned by her in the nomination form.
8. The statements on oath of Ms. Sarita Puniya, Ms. Seema Pandit and Shri Ranbir Singh were duly recorded. Shri Ranbir Singh was re-examined on 23<sup>rd</sup> Sept. 2013. It would be worthwhile to notice their statements together with the documents produced and relied on.

“(i) Complainant duly proved her communication dated 9<sup>th</sup> January, 2013 as Ex. CW1/1. She stated that the photocopy of the letter Ex. CW1/2 (Colly) was given to her by Ms. Rachna Solanki, which she attached with her communication. She claimed that respondent's case of having sold the vehicle to Sh. Ranbir Singh on 3<sup>rd</sup> January, 2012 was a false one and had been fabricated to save the situation. She reiterated false declaration made by the Respondent in the affidavit. She also admitted that it was in order for a candidate to campaign in 2 or 3 cars for which permission is taken even if said cars did not belong to the campaigner.

i) Sh. Ranbir Singh, purchaser of the vehicle was examined on 9<sup>th</sup> July, 2013. He stated that he has passed class 10<sup>th</sup> in the year 1983 from Govt. Boys Senior Secondary School, Palam Village, Delhi. He

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claims to be proficient in Hindi but not in English. However, he can read and sign in English. He used to have transport business in the year 1984 and then purchased one or two long route trucks. He was in the transport business till 1990 and since then he is doing the sale purchase, renting the properties on commission basis. He was also earning by driving vehicle. He further stated that his family owned about 150 bighas of land which was acquired. He received some money out of compensation, from his father. He was also given a 150 sq. yards plot on which he constructed a house with ground, first, second and half of third floor. He received Rs. 8.00 to 10 lakhs in cash from his father. The first, second and half of third floor of his house have 10 sets. He is not tax assessee. He had an account in State Bank of India, bearing A/c No.55025267334. He deposed that he sold a plot in Raj Nagar for Rs. 20.00 lakhs. He had received Rs. 5.00 lakhs by cheque and the remaining amount of Rs. 15.00 lakhs was received in cash. He deposited cheque in bank account. Respondent's husband was his childhood friend. He confirmed having purchased Innova car from Seema Pandit for Rs. 11.00 lakhs in cash on 30- January, 2012. He did not get it transferred in his name earlier though it was in his possession since 30- January, 2013. Seema Pandit had taken the car

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for use in the election campaign whenever it was required. He was getting rent of Rs. 30000/- to 35000/- per month from his house. Bachelors and sometimes families come to stay. He gets one or two customers in two three months in his property commission business. Prior to this he had an Alto Car, Toyota Qualis Car and Tata Sumo. Tata Sumo and Innova were purchased second hand.”

9. During his re-examination, Ranbir Singh admitted and clarified that the transport business belonged to and was run by his brother, who was additionally engaged in the sale of building material. In 1984, he had only a Learner's Licence and got a regular licence in the year 1986. He did not get any salary from driving the truck of his brother for four years as it was done for the family. He further clarified that it was not 150 bighas of land but about 89 bighas of land which was owned by his father and uncles. He stated that his father got compensation, but the amount was not known. He lived in a joint family. Father gave him a cheque of Rs. 1.5 lacs but rest of the amount was paid in cash to him. He could not recall the amount given in cash but could have been around Rs. 6.00 Lacs or so. He did not even know what amount was given by his father to his brothers. He could not say whether Rs. 1.5 Lacs each was paid to his brothers also. He did not remember the amount for which he purchased the plot No.WZ-831 Palam Village. He did not remember the time and date of

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purchase. There would be some slip lying somewhere by which the payment was made in cash. He stated he got his share out of the sale of truck but does not remember the price for which the truck was sold. He does not recall when his father gave money to purchase the Raj Nagar plot No. RZ-B-2A. It was transferred by his father to him. He does not remember when it was purchased. Regarding the seven rent Agreements dated 18 Sept. 2013 filed by him, he admitted that these Agreements had not been actually executed at the time of renting but after receiving summons and notice from the Court for re-examination, he got them executed. The agreements are all identical copy-paste and stereotype, not signed by any witnesses.

He claimed to have purchased the vehicle Innova from the Respondent out of sale consideration of Raj Nagar plot of Rs. 20.00 Lacs, of which Rs. 5.00 Lacs was received by a cheque and balance in cash, i.e. Rs. 2.00 Lacs on 12-06-2011, Rs. 5.00 Lacs on 4-8-2011, Rs. 8.00 Lacs on 27-12-2011.

10. The earnest money receipt produced is dated 20 May, 2011. Under this, a cheque of Rs. 5.00 Lacs was received. This was followed by payments of Rs. 2.00 Lacs on 12-06-2011, Rs. 5.00 Lacs on 4-8-2011, Rs. 8.00 Lacs on 27-12-2011 being full and final payment in cash. There was only a Receipt Agreement as there was a restriction on registration of sale deeds.

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11. Ms. Seema Pandit stated that Sh. Ranbir Singh paid her the money of Rs. 11 lakhs in cash on 30<sup>th</sup> January, 2012 in the afternoon. She claims she sold the car to purchase a plot D-447, Palam Extension, for which she needed money. She does not even know the purchase price of the plot for which she direly needed money and was constrained to sell her vehicle. She stated the plot was purchased by her husband, who she claims issued a cheque also. She does not even know the amount of cheque that was issued. She does not know the price of the plot or its dimensions. However she confirms having visited the plot site and even made her office there. Subsequently, she said the plot to be of 115 sq. yds or so. She does not know property rates because all these matters are handled by her husband. She does not recall the date of purchase of the plot, but was by a registered sale deed. She said copy of sale deed has been filed in case No. C-1272/Lok/2012. She was unable to say whether the sum of Rs. 11.00 Lacs received from sale of car was later utilized for purchase of the plot and paid in cash to the seller of land. She admitted that no intimation was sent to the Transport Authority regarding transfer of ownership of the vehicle. According to her, it was for the purchaser to do so. Now the vehicle has been transferred by Transport Department with retrospective effect from 30<sup>th</sup> January, 2012. She tendered the documents issued on 19.8.2013.

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## FINDINGS AND CONCLUSION

12. The case of the Respondent is that she did not declare the vehicle as belonging to her since she sold it on 30 January, 2012. The following are circumstances which raise doubts as to the bonafides and genuineness of the claimed transaction. In the instant case, she claims, she needed money. There is no averment of what amount of money she needed and how much she purchased the plot for. The car sale transaction was made entirely in cash. The cash amount received was not deposited in her own account even though it was to be used for the purchase of the plot. The purchase price of the plot was not known to her. The purchaser of the car is not even an income tax assessee.
  
13. The evidence recorded has been noted. The case of the Respondent is that the Innova car was not declared by her in the election nomination form since she had sold it to Shri Ranbir Singh on 30-01-2012. The Complainant had claimed the said transaction to be a sham one. He maintained that the vehicle remained with the Respondent who had even used it in her election campaign. This was sought to be explained by the Respondent by stating that the vehicle had been sold to Ranbir Singh, who was a childhood friend of her husband and he had offered and sent the vehicle to her for use during campaign. The registration documents of the vehicle filed by the Complainant / Informant showed that the vehicle still

stood in the name of the Respondent. This does raise the question of the Respondent having failed to comply with the provisions of Sec. 50(1) of the MV Act. Under Rule-55 of the MV Rules, the transferor is required to report the factum of transfer of the vehicle to the registering authority within 15 days. Such intimation is even otherwise necessary to avoid any third party claims in the case of the vehicle being involved in any accident. Admittedly, no such intimation had been sent by the Respondent. It is only after receiving the notice from this Forum and during proceedings that the Respondent and the purchaser of the vehicle Ranbir Singh took steps to rectify the omission and took steps to have the transfer effected.

14. In cases where a purchaser claims that he purchased the vehicle and paid the consideration there-for and the seller also says that he sold the vehicle and received the price, normally, such transactions are accepted, barring where the transaction is against public interest or in contravention of provisions of law. In the instant case, since the question involved was of observance of norms of integrity and conduct by a public functionary, the Respondent as well as the purchaser, as noted earlier, were examined in detail.
15. Recording of the statements of the purchaser Ranbir Singh as also of the seller, Respondent Smt. Seema Pandit, have revealed several facts and circumstances which do raise a strong suspicion as to the bonafides and

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genuineness of the claimed transaction. The purchaser Ranbir Singh a 10<sup>th</sup> Class pass, is not even an income tax assessee. Even though he claimed that he has rental income of Rs. 30-35,000/- per month from the room sets of his house, where visitors and families come and stay. He did not furnish any details of the tenants or the rent received individually or for that matter of any commission in property deals from which he claims to be earning.

16. When notice for re-examination was sent, he filed seven rent agreements which were all executed on 18<sup>th</sup> Sept. 2013. These agreements were identical, stereotype and copy paste. They had no witnesses. In fact, he admitted that these agreements had not been executed actually at the time of renting out the premises but got them executed on receiving the notice. This clearly demonstrates the ease with which such documents can be procured in support of claims of income. He has been evasive and often resorting to usual practice of not remembering, not knowing and unable to recall.
17. During re-examination, the total landholding of the family, claimed to be 150 bighas was reduced to 89 bighas. He did not remember when it was acquired or what amount of compensation was received by his father and uncles. He only remembered the cheque of Rs. 1.5 Lacs received by him along with Rs. 6.00 Lacs or so, in cash. He claimed to have purchased the vehicle out of the sale of his Raj Nagar plot for Rs. 20.00 Lacs, wherein he received Rs. 5.00

Lacs by cheque and balance of Rs. 15.00 Lacs was received in cash during June to December, 2011. None of these amounts were deposited by him in his bank account though he had one. He claims to have purchased the vehicle out of this cash.

18. There has been a certain casualness in his evidence. The Respondent sought to explain that it was customary for villagers to keep cash for long periods with them at home and not deposit it.
19. Coming to the Respondent's evidence, though in her tax returns she shows income from Consultancy in design work. She had stated that she sold the car because money was required for purchase of the plot. She neither knew the price for which the plot was purchased or the mode of payment being in cash or cheque. The documents of purchase of plot also showed discrepancies in as much as the Agreement for Purchase is dated 27-01-2012. It refers to receipt of Rs. 10.00 Lacs in cash on 30-01-2012 and is attested on 1-2-2012. Possession of the plot is claimed on 27<sup>th</sup> January, 2012. Indemnity and Will also are dated 27<sup>th</sup> January. She herself did not know the size of the plot or the price which is rather strange for a public functionary who is even earning income from Consultancy in design work.
20. The only redeeming factor which lends support to the claim of the Respondent is that her tax return for the year


2012-13 which was filed on 20-07-2012, i.e. prior to the Complaint dated 9-1-2013, the car transaction is reflected. In her balance sheet, purchase of residential property at Palam Extension for Rs. 18.00 Lacs was shown, while in the capital account, loss by sale of vehicle of Rs. 1,39,146/- is claimed. The vehicle Toyota having been purchased for Rs. 12.39,146/- tallies with the sale of the vehicle at Rs. 11.00 Lacs. This transfer was completed prior to the lodging of the compliant.

21. Considering the matter on preponderance of probabilities, although a strong suspicion is raised with regard to transfer being a sham one and Shri Ranbir Singh, purchaser, having lent his name for the transaction on account of friendship, it cannot be said to have been established, in view of the tax return having filed in July 2012, prior to the issue being raised through a complaint, reporting the sale of car and purchase of plot.
22. However, the need and desirability for public functionaries to observe utmost integrity and transparency and to avoid such transactions, which can raise doubts with regard to their conduct cannot be undermined. There is also failure to comply with the provisions of Rule -55 of the Motor Vehicles Rules requiring intimation by transferor to the transport authority of transfer of vehicle. Besides, it is advisable for the public functionaries to avoid execution of documents as noticed in this case, namely, Receipt, Agreement etc. with discrepancies as to date of execution,

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attestation, raising doubts as to their due execution and genuineness for purchase of immovable property.

23. In the instant case, the purchaser of the car claims to have rental income of Rs. 30,000-35,000/- per month apart from income from commission on sale and renting of properties. He has purchased a car for Rs. 11.00 Lacs in cash and is not even an income tax assessee. Copy of his statement as recorded be forwarded to the Director of Inspection & Investigation (Income Tax), New Delhi.
24. In these circumstances, it is considered appropriate that an "advisory" is issued to the Respondent public functionary to be careful while conducting her financial transactions and ensure observance of provisions of Section-50(1) of The Motor Vehicles Act, 1988 and Rule-55 of the Motor Vehicles Rules, and also to avoid execution of documents with discrepancies, which can raise doubts on their authenticity and the financial integrity of the public functionary.
25. Accordingly, it is recommended to His Excellency the Lt. Governor to issue an "advisory" to the Respondent Public functionary, as recommended in Para-24 above.
26. Registry shall take steps to forward the Report to the Hon'ble Lt. Governor under Sec. 12(2) of the Act.

  
(JUSTICE MANMOHAN SARIN)  
LOKAYUKTA

DATE: 7th OCTOBER, 2013