



विधान सभा  
राष्ट्रीय राजधानी क्षेत्र दिल्ली

LEGISLATIVE ASSEMBLY  
NATIONAL CAPITAL TERRITORY OF DELHI

याचिका समिति का  
अन्तरिम प्रतिवेदन  
(17 जनवरी, 2018 को प्रस्तुत)

INTERIM REPORT  
OF THE  
COMMITTEE ON  
PETITIONS  
(PRESENTED ON 17<sup>th</sup> JANUARY, 2018)

विधान सभा  
पुराना सचिवालय, दिल्ली —110054

LEGISLATIVE ASSEMBLY  
OLD SECRETARIAT, DELHI-110054

**DELHI LEGISLATIVE ASSEMBLY  
COMMITTEE ON PETITIONS**

**Composition of the Committee**

1	Shri Saurabh Bharadwaj	Chairman
2	Shri Amanatullah Khan	Member
3	Shri Akhilesh Pati Tripathi	Member
4	Shri Dinesh Mohaniya	Member
5	Shri Sahi Ram	Member
6	Shri Naresh Yadav	Member
7	Shri Rajesh Gupta	Member
8	Shri Sanjeev Jha	Member
9	Shri Surender Singh	Member

**Secretariat of Legislative Assembly:**

1	Shri Prasanna Kumar Suryadevara	Secretary
2	Shri Manjeet Singh Rana	Deputy Secretary

## **INDEX**

1.	Preface	Page 4
2.	Introduction	Page 5
3.	Background	Page 5
4.	Proceedings	Page 9
5.	Findings and Conclusion	Page 16
6.	Recommendations	Page 17

## **P R E F A C E**

The Hon'ble Speaker referred a petition to the **Committee on Petitions** wherein a concerned citizens and members of a cooperative bank named "Delhi Nagrik Sehkari Bank Ltd" had alleged large scale corruption in Department of Registrar of Cooperative Society.

The Committee examined the issues raised by the Petitioner in its meetings held on 31.08.2017, 18.09.2017, 26.09.2017, 03.10.2017, 09.10.2017, 27.10.2017, 09.11.2017, 13.11.2017, 16.11.2017 and 27.11.2017.

This Interim Report of the Committee is a special report which was adopted in its meeting held on 15.01.2018 and agreed to present it to Hon'ble Speaker and with his due permission, table it in the House on 17.01.2018.

The Committee commends the officers and staff of Legislative Assembly for assisting the Committee in conducting its proceedings.

**Delhi**  
**15.01.2018**



**Saurabh Bharadwaj**  
**Chairman**



## **INTRODUCTION**

A petition dated 31.08.2017 submitted by Shri Sanjeev Kumar, r/o Tyagi Vihar, Nangloi, Delhi and Vijay Dev r/o Baag Kadekhan, Delhi which was countersigned by Shri Sukhbir Singh Dalal, Hon'ble Member, was referred to the Committee on Petitions by Hon'ble Speaker for examination and report.

The petition and this report deals with various aspects of Voter list, memberships, loans etc of 'Delhi Nagrik Sehkari Bank Ltd' – a society registered under the provisions of Delhi Co-operative Societies Act, 2003. The Petition explained about long standing issues of public interest related to the said bank which have remained unresolved for years. The issues have been brought to the knowledge of Bank officials and Secretary cum Registrar of Cooperative Societies through oral submissions and written representations on multiple occasions. There were multiple writs issued to Registrar of Cooperative Society, GNCTD by various Courts and disposed off with directions to decide these multiple issues but many of them remained unresolved at the time of Petition and also as of today.

## **BACKGROUND**

The Cooperative sector banks were setup with a noble intention to empower citizens through mutual cooperation, however, off late many such banks have become dens of corruption where a handful of politicians control all the decision making in these banks. In the name of collective decisions of the board, there are illegal recruitments of blood relatives of directors, arbitrary promotions are awarded to the favourite officials and large scale loot of public money is organized in the form of illegal loans which are never paid back.

Thousands of members are enrolled in such banks on the basis of fake documents using all possible illegal means, just with the intention of winning elections and staying the managing committee.

Often board of directors become so powerful that they can manage enquiries and inspections to never reach their logical conclusion. The officers involved in these enquiries and inspections keep them pending for years. The board of directors have a fleet of expensive lawyers who often get these enquiries stayed on the basis of technical loopholes. There is high probability that these loopholes are sometimes consciously fabricated or planted by the officers of RCS in connivance with wrong doers.



The Registrar of Cooperative Society has a statutory duty to ensure such cooperative banks are governed according to the Delhi Cooperative Societies Act. The Secretary cum Registrar of Cooperative Society enjoys wide administrative powers to order enquiries and inspections into irregularities of cooperative societies and banks. The Secretary cum Registrar of Cooperative Society is also a quasi-judicial authority to decide cases under DCS Act.

The Petition describes a series of serious allegations where the then directors of the bank and others recruited 40 of their own relatives, selectively promoted 62 officials of the bank against the laid down procedures. There were complaints highlighting various irregularities in enrolment of members in the Bank i.e. issuance of Membership Forms in bulk, enrolment of members without proper verification, payment of membership fees to the tune of several lacs from the account of bank employees, submission of fake ITRs, submission of fake Sale Deeds etc.

This Petition describes the apathy of public spirited citizens and members of the bank who brought these complaints into the knowledge of Bank officials and RCS through multiple representations and written complaints but failed to get justice. As a last resort, they had to move Hon'ble High Court of Delhi multiple times in these years. Repeatedly, Petitions were disposed with orders and writs issued to RCS to perform their statutory duty. This should have been done by the officers in the first place without any need for individuals being forced to approach Courts to seek justice.

Most of the things boil down to a list of members in the bank, who would in turn vote for electing Managing Committee of the bank. There is a group which alleges that ex-directors and other interest groups have created thousands of illegal members in the bank. And they expect RCS, GNCTD to act and perform its duty to conduct free and fair elections. There is another group which did not want any scrutiny of the membership and wishes RCS office to sit like a lame duck.

This Special Report is an endeavour to understand and publish the role of RCS and other departments of GNCTD in this entire episode.

There are multiple instances when elections to the said bank were ordered by RCS, completely ignoring the complaints of fraudulent voter list. The RCS comfortably chose to ignore the legitimate demands for verification of voter list which constituted around 67,000 members.

In 21.09.2014, elections were conducted for electing the board of directors to the bank, the allegations and proofs of gross rigging and unethical means fell on deaf ears in RCS Dept. The complainants got relief from High Court of Delhi in its order dated 19.09.2014 where in counting of votes was stayed and in order dated 27.11.2014 election was set aside. This caused a loss of over Rs 34 lakhs to the bank which was obviously public money.



In an order dated 22.05.2015, the Hon'ble High Court of Delhi ordered to complete the process of verification of members of the bank to participate in elections of the bank in one month.

Without verifying the list of voters and due diligence, election agenda was again announced by the RCS office. This was again dereliction of duty.

Again, the matter reached Hon'ble High Court of Delhi as RCS was in unusual hurry to hold elections without verifying the voter list. In an order dated 21.08.2015, WPC 7821/2015, the High Court of Delhi allowed prayers C and D where in Election Agenda notice from RCS was again set aside and writ was issued to RCS to hold free and fair elections of the said bank after preparing a list of members in fair and transparent manner in accordance with the provisions of the DCS Act.

The Petitioners again approached the High Court with a prayer that RCS and the administrator are rushing towards the election process without paying heed to the objections related to fraudulent memberships. They apprehended that this is being done to allow ex-directors of the bank to participate in the elections against whom there are serious allegations related to fraud. And the RCS in a way wanted to help and aid these ex-directors to get re-elected on the basis of mass fraudulent voters. On 05.08.2015, the Hon'ble High Court issued a writ to RCS to take a view on the objections of the petitioners within a period of 4 weeks.

In an order dated 28.09.2015, the Hon'ble High Court of Delhi passed another order to ensure elections are conducted strictly as per bye-laws of the bank and other recommendations of the Reserve Bank of India based on Shri Madhava Das Committee.

In 27.01.2016 order of the Hon'ble High Court of Delhi, RCS was again ordered to verify the membership of the said bank. It was ordered that only after verification process, RCS should appoint returning officer for elections of the Bank.

Thereafter several extensions were granted to complete the process of verification of membership.

The Hon'ble High Court of Delhi vide order dated 11.01.2017 disposed of the WP(C) 9271/2016 titled as "Delhi Nagrik Sehkari Bank Member Association & Ans. v/s Registrar Cooperative Societies & Ans." with the clear direction that the verification of membership should be completed on or before 28.02.2017. The Hon'ble High Court also appointed Sh.R.K.Ahluwalia, a retired Registrar of Delhi High Court to work with Sh.Ramesh Tiwari, IAS (Retd.) the then Administrator of the Bank for completion of the verification exercise. It was further ordered that while



conducting the verification exercise, they shall also consider the objections raised by the petitioners in above writ petition.

Again, in spite of the report dated 28.02.2017 of the above mentioned Committee, RCS did not act on the membership of the bank. Petitioners had to again approach the Hon'ble High Court of Delhi to seek orders related to verified list of members. After the intervention of Court, the old list of membership which constituted around 67,000 members came down to 14,673 members. The Committee sought to investigate if there was connivance of Secretary cum RCS officers with bunch of ex-directors who did not want this list of voters to be verified.

Now, let's discuss the matter of recruitment of 40 bank employees and promotions of 62 other bank employees. There was a written complaint dated Aug 2012 addressed to Bank, Secretary cum RCS, and Hon'ble Lt Governor of Delhi about illegal recruitment of around 40 employees who were close relatives of the then directors in the said bank.

Aggrieved by no action against such gross illegalities, the complainant approached the Hon'ble High Court of Delhi and in an order WPC 7398/2012 dated 27.11.2012, High Court directed the Secretary cum RCS to decide the grievances of the petitioner in 3 months.

After that there were series of inspections, enquiries under various sections of DCS Act. RCS Alka Diwan, the then RCS heard the case and reserved it for order but did not announce it. Next came Mr. T.Srikanth who also heard the case and reserved it for order but did not announce it. Then Mr. Shurveer Singh as Secretary cum RCS again heard this case and reserved his final order on 13 Jan 2017. In Delhi Assembly on 18 Jan 2017, question related to status of illegal appointments was raised for which reply from RCS was found to be incomplete and unsatisfactory. In Mar 2017, RCS was summoned in another Committee of Delhi Assembly, where he asked to provide satisfactory answers. RCS announced its order on 17.04.2017 asking Bank to decide about hiring and promotions, fined 5 lacs collectively to 11 ex-directors. Bank finally discharged the services of these 40 employees on 28.06.2017. On 19.09.2017, just a day before the RCS was supposed to appear before Q/R Committee, Bank reverted the orders of illegal promotions to 62 of its employees.

RCS Department under GNCTD is duty bound to address grievances related to illegal recruitments and promotions in Cooperative Banks, however, when Govt officers choose to ignore their statutory duty, public spirited citizens have to seek justice in Courts. Filing writs and PILs is an expensive exercise and dereliction of duty on the part of senior officers often forces citizens to seek justice through writs.



Whether the complaints (which were annexed with proofs) related to various illegalities in recruitments, promotions, loans, memberships, misappropriation of funds intentionally ignored by officers of RCS Department, needs to be examined in detail.

Whether there was a conscious attempt on the part of officers of RCS Department to abdicate their duty to hold free and fair elections, needs to be examined in detail.

### **PROCEEDINGS**

It was the contention in the petition that in spite of multiple orders by the Hon'ble High Court of Delhi and the reports and letters by the Bank Administrator, the RCS office is reluctant to decide about voting rights/membership of those with dual membership and bulk membership created during years 2011-14.

The Hon'ble High Court of Delhi vide order dated 11.01.2017 disposed of the WP(C) 9271/2016 titled as "Delhi Nagrik Sehkari Bank Member Association & Ans. v/s Registrar Cooperative Societies & Ans." with the clear direction that the verification of membership should be completed on or before 28.02.2017. The Hon'ble High Court also appointed Sh.R.K.Ahluwalia, a retired Registrar of Delhi High Court to work with Sh.Ramesh Tiwari, IAS (Retd.) the then Administrator of the Bank for completion of the verification exercise. It was further ordered that while conducting the verification exercise of the membership, they shall also consider the objections (related to dual membership and bulk membership) raised by the petitioners in above writ petition.

As ordered by the Hon'ble High Court, vide letter dated 28.02.2017, the Delhi Nagrik Sehkari Bank Ltd submitted a detailed report to RCS and sought directions from the RCS for further action with respect to dual membership and bulk members created during the period 2011-14.

*During the Committee proceedings, Bank officials and Administrator in their deposition on Oath maintained that taking a decision about membership/voting rights was beyond their powers and they desperately wanted RCS to take the decision on the same.*

The Committee found that in one of the file noting of the RCS department, dated 27.04.2017, Assistant Registrar (Banking) had noted that in the matters related to bulk membership during the period 2011-2014, the bank has stated that matter is beyond their purview as RCS is the competent authority to decide the matter. It further stated that in order to eliminate the members who have dual membership, a similar exercise was expected from RCS office. The same noting mentioned that elections could be conducted only after disposal of objections related to bulk membership and dual



membership citing the orders dated 11.01.2017 of the Hon'ble High Court while disposing the petition.

When the Committee of Petitions initially asked Mr Shurbir Singh, the then Secretary cum RCS about reasons for initiating the preparations for the elections and finalizing the list of members without deciding the objections related to dual membership and bulk memberships, he misled the Committee by pointing to the order of the Hon'ble High Court dated 28.08.2017. He stated that it was because of this order of Hon'ble High Court that they were constrained to start the election process.

The current Secretary cum Registrar Mr J B Singh was also examined on Oath and was asked to explain why his office had not decided the objections related to dual memberships and bulk members registered during 2011-2014. He also maintained that that it was because of the orders of High Court dated 28.08.2017 that they were constrained to start the election process without deciding the issue related to dual membership and bulk membership.

It is pertinent to note that Secretary cum RCS is primarily entrusted with the task of conducting free and fare elections. They have been time and again directed by Hon'ble High Court to create a list of genuine membership using a transparent process while dealing with objections related to dual membership and bulk memberships.

The Petitioner drew the attention of the Petition Committee that bank and the then formed Committee of Hon'ble High Court had submitted its report to RCS on 28.02.2017 requesting for clear directions on suspect memberships as those matters were beyond the purview of Bank and only RCS was the competent authority to decide many matters including those related to dual membership and bulk membership.

The Petitions Committee also found a file noting dated 07.03.2017 by Asstt. Registrar (Banking) which clearly brings out that before initiating the process of elections, RCS office is bound by High Court Order dated 11.01.2017 in WPC 9271/2016 to decide the matters related to dual memberships and members who were registered in bulk against the procedure laid down by the bank. It specifically mentioned in the noting that those issues cannot be decided by the bank and it was RCS who had to decide those issues before going further for elections.

However, to our utter surprise, the then Secretary cum Registrar Mr Shurbir Singh in his noting dated 08.03.17 chose to ignore not just his statutory duty but also the directions of Hon'ble High Court. Without taking any decision on the pending issues related to memberships, he ordered to go further with election process. He had directed to send the file to the worthy Chief Secretary, GNCTD so as to decide the Returning Officer for elections.



Subsequently, the Chief Secretary, GNCTD approved the appointment of Returning Officer on 05.04.2017.

*The Committee noted that these file notings prove beyond doubt all this had happened in Feb-Mar 2017 much before the directions of Hon'ble High Court dated 28.08.2017. Sadly, both Mr Shurveer Singh and Mr J B Singh were trying to justify their inaction by quoting a High Court order which had come five months later, they both tried to hide these facts from the Committee of Petitions and tried to mislead the Committee.*

It is also important to note that Petition Committee could not find any attempt on the part of Mr Shurbir Singh, the then Secretary cum RCS to decide the issues related to membership between the 28.02.2017 when bank submitted the report to 28.08.2017 when Hon'ble High Court ordered for elections.

The Petitions Committee found another note dated 27.04.2017 by Asstt Registrar(Banking) which clearly brought out that before initiating the process of elections, RCS office was bound by High Court Order dated 11.01.2017 in WPC 9271/2016 to decide the matters related to dual memberships and members who were registered in bulk against the procedure laid down by the bank. However, to our utter surprise, Mr Shurbir Singh, the then Secretary cum Registrar in his noting dated 01.05.17 again chose to ignore not just his statutory duty but also directions of Hon'ble High Court. Without any decision on the pending issues related to memberships, he ordered for election schedule to be submitted by 03/05/2017.

Another file noting dated 01.05.2017 of the then Secretary cum Registrar Mr Shurbir Singh shows he chose to ignore the objections related to such membership and directions of the High Court in this regard. He ordered to move forward with the election process by appointing Returning Officer and then declaring the election schedule.

When Mr Shurbir Singh, the then Secretary cum RCS was confronted with these file noting, he tried to dodge the question but later accepted it as a matter of record. The Committee asked him to explain the reasons for such inaction, he kept repeating one phrase –“It's a matter of record”. The Petitions Committee provided him multiple chances for any reasonable explanation for his decision to ignore the objections related to membership (dual and bulk) and instead going further with election process, however, he could not provide any reasons or justifications.

When asked why he misled the Committee on Petitions about the reasons for not deciding the objections related to dual membership and bulk membership, he simply kept repeating that the file noting is matter of record.



During the deliberations of the Petitions Committee, after examining the then Asstt Registrar (Banking) and Dy Registrar (Banking), it came out that while the High Court was taking cognizance of the report of membership verification dated 28.02.2017, neither the bank nor the RCS department brought out the matter of dual membership or the matter of bulk memberships during years 2011-2014 before the Court.

The officers of RCS could not explain why no directions were sought from High Court regarding bulk memberships during the year 2011-14.

Attention should be drawn to a letter dated 12.05.2017 addressed to Administrator of the bank by Asstt. Registrar (RCS) Tanuj Bhanoj related to submission of compliance report in the Hon'ble High Court in WP (c) 9271/16. In this letter, there is a correction done by hand in the initial draft of letter just with intention to mislead the court with respect to dual memberships and bulk memberships of bank. Administrator was instructed by RCS office to mislead the Hon'ble High Court of Delhi.

When we looked at the file noting related to the above mentioned letter, these instructions were coming from the Spl. RCS.

There are many occasions on the file of the RCS which clearly show that the Asst Registrar, Deputy Registrar and the Secretary cum Registrar were in unusual hurry to conduct elections without verifying the list of voters.

When again asked about the thousands bulk membership created against the provisions of Bank for which action is awaited on behalf of Secretary cum RCS, Mr JB Singh explained that RCS vide order dated 14.06.2017 had appointed Sh. Vinay Kaushik, SREO/Inspecting Officer, to conduct inspection u/s 61 of DCS Act 2003. Mr JB Singh further explained that Sh. Vinay Kaushik will decide about the membership/voting rights of those of bulk memberships and dual memberships.

Mr Vinay Kaushik, the inspecting Officer, was summoned before the Petitions Committee, he categorically deposed on Oath that he is only looking into Karawal Nagar Branch of the bank and his scope of inspection does not include deciding about the memberships created in bulk and dual membership at all of the branches in bank.

This was again a major contradiction in the deposition of Mr J.B Singh. He was asked to explain this contradiction before the Committee. He could not explain how this inspection was him holding back for initiating action against voting rights/membership of thousands of bulk members and dual members

To the surprise of the Committee, it was revealed that this was exactly the same way in which Hon'ble High Court of Delhi was misinformed and misled by the RCS.



The Delhi Nagrik Sehkari Bank has written several letters to the RCS related to dual membership and members registered in bulk, however, there appears to be conscious delay on the part of Secretary cum RCS to take any decision before the elections.

In a letter dated 12.09.2017, the Bank informed the details of bulk membership and dual membership to the Asstt Registrar (Banking) of RCS. We are putting the excerpts of this letters addressed to RCS in Appendix I.

The Registrar of Cooperative Societies knowing it fully well about the illegal members in the Voter list did not take any step to debar their voting rights.

Meanwhile, a matter related to Election in the said bank was taken up in the High Court of Delhi. In one of the meetings of the Committee where Chief Secretary of Delhi, Mr MM Kutty was also present, the RCS Mr J.B Singh was instructed by Mr MM Kutty to place an Affidavit before the Hon'ble High Court of Delhi stating the factual position about illegal and irregular membership/voters ie Dual membership and Bulk membership. This would have aided the Court to adjudicate a matter related to elections in the said bank.

However, the RCS did not agree to place these facts in an Affidavit before the Hon'ble High Court. When confronted by the Committee, the RCS again tried to mislead the Committee by stating that Minister concerned has directed him not to place the Affidavit.

The Committee, called up the concerned Minister on Speaker phone, and to everybody's surprise, Mr J.B Singh was again exposed before all the members and the Chief Secretary of Delhi. The Minister categorically said that he was instructed to place all the facts related to bulk members and dual members before the Hon'ble High Court.

Mr J.B Singh reluctantly agreed to submit the affidavit with specific factual position about illegal and irregular members/voters before the Hon'ble High Court. It was also clearly indicated by the Bank officials that Affidavit should be submitted at least 2 days before the date of hearing. So that Court can take cognizance over the detailed Affidavit. Later, it was proved that the said Affidavit was intentionally incomplete and vague. It was also proved that Affidavit was purposely delayed to be submitted at the last moment before the Court.

There were specific directions in various orders/judgements of Hon'ble High Court to take action on illegal and irregular members/voters in the bank. The Committee kept suggesting the Secretary cum RCS and the Chief Secretary of Delhi to take action on illegal and irregular members/voters in the bank in every meeting of the Committee.

The Secretary cum RCS kept changing his reasons for not acting on the



suspected memberships. Later, in his deposition on Oath, he claimed that there are no powers entrusted upon him in the DCS act or otherwise to take or initiate any action on such illegal/irregular voters/members.

The Committee also suggested the RCS as many as dozen times that the Govt of Delhi should approach the Hon'ble High Court for clarification in case his interpretation of the DCS Act or orders of the Hon'ble High Court are preventing him to act against mass illegal/irregular voters.

However, RCS Mr J.B Singh in his arrogant mannerism showed no willingness to act on the illegal/irregular voters in the bank, instead, Elections were announced for 03.12.2017.

Unable to get any relief from the RCS and the Petitions Committee, there was a new petition in Hon'ble High Court of Delhi pleading action against the illegal/irregular voters. Petition was disposed with directions issued to Secretary cum RCS Mr JB Singh to dispose the complaints related to illegal/irregular voters.

It was agreed in a Committee Meeting that the said bank will again supply a list of members who were created in bulk to the Secretary cum Registrar on 16.11.2017. As agreed, the bank informed in the Petitions Committee meeting at noon of 16.11.2017 that Bank has submitted the details to RCS office in the morning of 16.11.2017.

However, Secretary cum RCS Mr JB Singh passed an order dated 16.11.2017 debarring 1025 members from their voting rights. In spite of the fact that Bank wrote to RCS dated 16.11.2017 and had categorically listed all the members of bank who were illegally registered in bulk, the RCS did not act on these bulk members.

Letter of the bank dated 16.11.2017 is attached as APPENDIX II

The Committee confronted RCS Mr J.B Singh with following questions –

“When you could act against 1025 members on directions of High Court in Nov 2017, why did you not act before?”

“Will Govt officers perform their duty when forced by Courts?”

“Why did you not act on members with dual membership in spite of earlier orders of High Court to act on dual membership?”

“Why did you not approach High Court(if at all you needed clarification) in spite of repeated suggestions by the Committee?”

“Why did Mr JB Singh not choose to include bulk members in the scope of his order?”

Mr. JB Singh chose not to reply to the questions or was evasive in his replies.

It was noted by the Petitions Committee that Mr J.B Singh has tried to mislead the Committee on many occasions. Whenever, he was confronted with facts, he changed his statements. Below is just one example of his



First he stated that orders of Hon'ble High Court order stopped him from acting against the Voting rights/membership of illegal/irregular members of the bank. Later he stated that it is the Bank, which has to take action and RCS cannot do anything in this regard. When confronted with letters and reports of the bank seeking directions from Secretary cum Registrar, he stated that RCS does not have powers under DCS Act or otherwise to initiate any action regarding Voting rights/membership of illegal/irregular members of the bank..

Again, Mr J.B Singh claimed that Bank has to write to them, but he had no explanation when he was confronted to reports already sent by the bank to RCS. He later stated that RCS does not have enough time to initiate any action.

The RCS was again reminded in the Committee meetings that even after his order dated 16.11.2017, there are thousands of illegal/irregular members in the voters list who were registered in bulk by the ex-directors of the bank.

The Bank itself gave on record the specific details of all such irregular voters and the then directors who registered them in bulk. Those bank directors have been found guilty of corruption and frauds and were awarded punishment. Being convicted, they were debarred from participating in the current elections.

The Committee also placed on record the list of relatives and associates of those ex-directors who were contesting the elections of the bank in next 2 weeks. The Chief Secretary of Delhi was also specifically informed that RCS Mr J.B Singh was acting in active connivance with the group of ex-directors who were held guilty of corruption and fraud and are also being investigated in many other cases. It was explained to the Chief Secretary of Delhi Mr MM Kutty that Mr J B Singh is helping and aiding those Candidates, (who are relatives and associates of corrupt ex-directors) in upcoming elections of the bank, by not acting against the illegal/irregular voters.

The RCS was so blatant in his solidarity for the corrupt ex-directors that he openly violated the provisions of DCS Act and Rules while conducting elections. The schedule II of DCS Act and Rules 2007 elaborates the procedure for the conduct of election of the Committee. The said election of the bank was in complete violation of Clause 3 of the schedule II of DCS Rules 2007. This violation was also suggested to Mr J.B Singh in the committee meeting but he paid no heed.

The Committee in its wisdom to uphold the spirit of democracy, also sent a written communication (marked as 'URGENT') to the Chief Secretary of Delhi on 28.11.2017 in this regard but no action was taken. [Letter attached as Appendix III]

It was later learnt that whole panel of relatives and associates of ex-directors and employees of the bank have managed to win this election on the basis of



irregular/illegal voters created during the tenure of those ex-directors. These are same ex-directors who illegally registered voters in bulk. These were the same ex-directors who were found guilty of corruption in multiple enquiries and inspections. They are also accused of fraud and corruption in many ongoing enquiries and inspections.

The Son and Son-in-law of ex-Chairman, who had been held guilty in multiple enquiries and inspections have managed to win the elections in the said bank. Those who won elections include son of another Ex-director (already held guilty), Mother of an ex-director (already held guilty), brother of another ex-director (already held guilty), father of an employee (already held guilty), wife of another employee (already held guilty).

### **FINDINGS AND CONCLUSIONS**

There is enough material on record to conclude that several officers of the Department of Registrar of Cooperative Society including the then Secretary cum Registrar Mr Shurbir Singh and the current RCS Mr J.B Singh were acting in connivance with a group of ex-directors of the Delhi Nagrik Sehkari Bank with intention to conduct the elections of bank with large number of illegal/irregular voters. Mr Shurbir Singh and Mr J.B Singh delayed proceedings against the group of ex-directors in cases of corruption and fraud with a malafide intention to protect them.

The deposition of the then Secretary cum RCS Mr Shurbir Singh and the current Secretary cum RCS Mr JB Singh was fabrication full of contradictions and untruths. They tried to mislead the Committee on many occasions.

The Current Secretary cum RCS Mr. J.B Singh colluded with group of ex-directors to help their kith and kin win the elections the said bank.

Presenting such manipulated, incorrect and misleading deposition to the Committee of the Legislative Assembly is a fit case for initiation of proceedings against officials responsible for committing breach of privilege and contempt of the House.

Ignoring and abdicating the statutory duty to conduct free and fare elections can only be construed as lack of professional honesty and integrity on the part of official concerned i.e. the then Secretary cum RCS Mr Shurbir Singh and the current Secretary cum RCS Mr J.B Singh.

Nothing else but corruption can explain such connivance with the group of ex-directors who had been found guilty in many inspections and enquiries. There are many such enquiries and inspections which are still pending but



are being delayed for obvious reasons. This aspect needs to be thoroughly investigated.

### **RECOMMENDATIONS**

1. The Chief Secretary of GNCTD should initiate criminal proceedings against Mr Shurbir Singh and Mr. JB Singh for their acts of commission and omission to help and aid the corrupt.
2. The Chief Secretary of GNCTD should submit action taken report to the House through Hon'ble Speaker, based on the recommendations and findings of the Committee within a month of the adoption of this Report by the Legislative Assembly.
3. Privilege proceedings should be initiated against Mr Shurbir Singh and Mr J.B Singh for their multiple acts of contempt of privilege of House Committee of Assembly of Delhi.
4. Prima-facie, the elections the Managing Committee of DNSB dated 03.12.2017, were conducted in violation of Clause 3 of Schedule II of DCS. The Chief Secretary of GNCTD should initiate the process to get this examined and decided within a month of the adoption of this Report by the Legislative Assembly. The decision on the legality of the said election should be reported to the House through Hon'ble Speaker, based on the Committee within a period of six weeks of the adoption of this Report by the Legislative Assembly.

**Delhi**  
**15.01.2018**

  
**Saurabh Bharadwaj**  
**Chairman**

## **Appendix I**

*"3. Our parawise reply to the complaint forwarded to the Bank are as under :*

*It is a matter of record that there are no transaction in large number of members accounts who were enrolled during the period 2011 to 2014 and as well as prior to 2011 also.*

### **3.1. Karawal Nagar Branch :-**

*As per Bank's record approx. 2200 nos. of members were enrolled at Karawal Nagar Branch during 2011-2014. It is matter of record that verification of most of the members were done by Sh.Shiv Kumar. Also amount of membership was deposited by Sh.Santosh Sharma. This matter was examined in detail and three employees posted at Karawal Nagar Branch namely Sh.Neeraj Tyagi, Manager, Sh.Shiv Kumar Sharma, Jr.Clerk and Sh.Santosh Sharma, Daftri were dismissed from service of the Bank. As the action against Ex-Director, Sh.Rajesh Kumar Sharma was beyond the preview of the Bank, the matter was referred to RCS vide out letter dated 18.01.2016. On the basis of this, office of RCS initiated enquiry u/s 66 of DCS Act 2003 read with rule 54 of DCS Rule 2007 and u/s 118 (5) of DCS Act 2003. This proceeding has been dropped vide order dated 18.05.2017 of RCS and Inspection u/s 61 of DCS Act 2003 has been ordered. Sh.Vinay Kaushik has been appointed as Inspecting Officer and relevant document/information has been provided to him and inspection is in progress.*

### **3.2. Shahdara Branch :-**

*As per Bank's record approx. 2000 nos. of members were enrolled at Shahdara Branch of the Bank during 2011-2014. It is matter of record that most of the verification were done by Sh.Ram Avtar Sharma, who is presently under suspension on charges of not doing proper verification of proposed members. The disciplinary proceedings are in progress.*

### **3.3. Yamuna Vihar Branch :-**

*As per Bank's record approx. 1500 nos. of members were enrolled at Yamuna Vihar Branch of the Bank during 2011-2014.*



#### 3.4. Nangloi Branch :-

*It is observed that approx. 1700 nos. of members were enrolled at Nangloi Branch of the Bank during 2011-2014. It is matter of record that most of the verification these done by Sh.Naveen Yadav who is presently under suspension on charges of not doing proper verification of proposed members. The disciplinary proceeding are in progress.*

#### 3.5. Lajpat Nagar Branch :-

*As per Bank's record approx. 3100 nos. of members were enrolled at Lajpat Nagar Branch of the Bank during 2011-2014. It is matter of record that most of the verification were done by Sh.Sunil Khatri who is presently under suspension on charges of not doing proper verification of proposed members. The disciplinary proceeding are in progress. It is correct that during the personal hearing on 13.02.2017, it has been alleged by that large number of member who have submitted valid KYC documents are not residing at given address.*

#### 3.6. Subzi Mandi Branch :-

*As per Bank's record approx. 1100 nos. of members were enrolled at Subzi Mandi Branch of the Bank during 2011-2014.*

#### 3.7. Krishna Nagar Branch :-

*As per Bank's record approx. 350 nos. of members were enrolled at Krishna Nagar Branch of the Bank during 2011-2014. During the relevant period Sh.Sarthak Gupta was posted at Tri Nagar Branch of the Bank not at Krishna Nagar Branch. Disciplinary proceedings were initiated against then Manager Sh.Purshotam Jindal and Smt.Vimlesh and Sh.Sarthak Gupta for extending undue favour to borrowers in sanction of OD Limits at Tri Nagar Branch. The enquiry officer has submitted his report and matter is being examined.*

#### 3.8. Janak Puri Branch :-

*As per Bank's record approx. 1500 nos. of members were enrolled at Janak Puri Branch of the Bank during 2011-2014. At Janak Puri Branch, two cases of membership of the Bank who have taken loan by submitting fake, fabricated Govt. I.Card, pay slip etc. have come to our notice. We have*



*filed police complaint for registering FIR in these cases.*

**3.9. Narela Branch :-**

*As per Bank's record approx. 1400 nos. of members were enrolled at Narela Branch of the Bank during 2011-2014.*

**3.10. Pitam Pura Branch :-**

*As per Bank's record approx. 750 nos. of members were enrolled at Pitam Pura Branch of the Bank during 2011-2014.*

**3.11. Rohini Branch :-**

*As per Bank's record approx. 900 nos. of members were enrolled at Rohini Branch of the Bank during 2011-2014.*

**3.12. Meethapur Branch :-**

*As per Bank's record approx. 800 nos. of members were enrolled at Meethapur Branch of the Bank during 2011-2014.*

*It is matter of record that membership forms were taken by the Board member in bulk. During the period 2011-2014 approx. 20000 nos. of members were enrolled in the Bank. Also, as per list of verified member submitted to office of RCS as stated in para 2 (vi) above approx. 7600 nos. of members were enrolled during the period 2011-2014.*

In another letter by the Bank to the RCS, it is stated:

*In continuation of our letter No.DNSBL/HO/2017-2018/RCS1.183/ 3444 dated 23.09.2017, we have checked the details provided by the Delhi State Coop.T/C Society Ltd., The Capital Coop.T/C Society Ltd. and The Bharat Coop. T/C Society Ltd. and found that 318 members are having dual membership as per list enclosed.*

*You are requested to issue direction in respect of their voting rights in ensuing election of the Bank."*

In Another letter by DNS Bank to RCS, it is stated

*"5. From the data provided by the branches it is observed that re-verification in many of the cases are done by different person. However, verification of member was also carried out by the employee appointed and promoted during the year 2012.*

*6. From the data provided by the branches, it is observed that:*

- (i) Affidavit was purchased in Bank's name - 735
- (ii) Affidavit was in name of member - 5369
- (iii) Affidavit was in name of some other person or blank - 100
- (iv) Copy not available (Record sized) - 1345

.....  
.....

8. *Regarding members enrolled at Karawal Nagar Branch :-*

*List of 270 members whose membership fees alledged to have been deposited by Sh.Santosh Sharma as per statement of the then Cashier and which is evident from account statement of Sh.Santosh Sharma, has been forwarded to Office of RCS vide our letter dated 25.09.2017. They have been requested to issue direction regarding their eligibility to vote in ensuing election of the Bank.*

9. *In 54 cases, Bank has filed Police complaint for registration of FIR in 10 cases their but their names are appearing in list of verified members. The matter is being forwarded to office of RCS for directions. "*



## APPENDIX - II



सहकारिता द्वारा समाज कल्याण

# दिल्ली नागरिक सहकारी बैंक DELHI NAGRIK SEHKARI BANK

Regd. Office : 720, Near Ghanta Ghar, Subzi Mandi, Delhi-110007

Admn. Office : 3-C/5, Opp. Liberty Cinema, New Rohtak Road, Delhi-110005

Phones : 011-28717331-34 • Fax : 011-28712179

Website : <http://www.dnsbltd.com> • E-mail : [info@dnsbltd.com](mailto:info@dnsbltd.com)

Branch

ADMN.OFFICE

Ret No. DNSBL/HO/2017-2018/RCS1.228/3556

15.11.2017

Dated

The Registrar Cooperative Societies  
Office of the Registrar Cooperative Societies,  
Govt. of N.C.T. of Delhi,  
Old Court Building,  
Parliament Street,  
New Delhi - 110001.

Diary No. 2197 R&I

Dated 16.11.17

Sub. : Review of verified list of members.

Sir,

In continuation of our previous letter DNSBL/HO/2017-2018/RCS1.227/3555 dated 13.11.2017 further information regarding bulk membership forms, it is submitted that :-

1. As per records available with Admn. Office of the Bank, it is observed that the Membership Forms were issued in the name of members of Managing Committee and individuals in bulk. The details of Membership Forms issued in bulk is enclosed.
2. A RTI application was received from one Sh.Dinesh Kumar member of Bank, vide which certain information was asked regarding issue of Membership Forms, which was provided to him on 19.10.2012. Thereafter, a complaint was made by Sh.R.S.Yadav, Ex-Directors with RCS and the RCS vide his order No.F.No.F.AR/Bkg./RCS/2012/22 dated 22.04.2013, in exercise of powers conferred under Section 138 of DCS Act 2003, directed the Bank "to ensure that membership forms be made available at all the branches/head office of the Bank", accordingly the forms were issued by the Admn.Office to the respective branches w.e.f. July 2013.

As per record available in the Branches/Admn.Office the forms were shown to be issued to the individual members. However, no signature of any individual are available in the Membership Forms Issue Register. On random checking of Membership Forms Issue Register of various Branches, it is observed that in many cases name of individuals mentioned in the Membership Form Issue Register does not match with the one who is enrolled as member of Bank.





कारिता द्वारा समाज कल्याण

Estd. 1969  
**दिल्ली नागरिक सहकारी बैंक लिमिटेड**  
**DELHI NAGRIK SEHKARI BANK LTD.**

Regd. Office : 720, Near Ghanta Ghar, Subzi Mandi, Delhi-110007

Admn. Office : 3-C/5. Opp. Liberty Cinema, New Rohtak Road, Delhi-110005

Phones : 011-28717331-34 • Fax : 011-28712179

Website : <http://www.dnsbltd.com> • E-mail : [info@dnsbltd.com](mailto:info@dnsbltd.com)

Branch .....

Dated .....

3. A list showing details of members enrolled on the basis of forms procured in bulk as stated above in respect of members whose name are in the list of verified members is enclosed for information/direction.

Thanking you,

Yours faithfully,

( UPENDER GARG )  
CHIEF EXECUTIVE OFFICER

Encls. : As above.

Copy to :-

1. Secretary to Hon'ble Minister (Cooperative), 7th Floor, Delhi Secretariat, National Capital Territory of Delhi.
- 3558 2. ✓ Deputy Secretary, Legislative Assembly Secretariat, National Capital Territory of Delhi.

( UPENDER GARG )  
CHIEF EXECUTIVE OFFICER

16.11.18

# APPENDIX - III



Delhi Legislative Assembly Secretariat Delhi-110054

**URGENT**

F.No. F.24(25)/Petition/Vol-II/2017-18/LAS-VI/Leg/1792-94 Dated: 28.11.17

Time. 7.30 PM

To

The Chief Secretary,  
Govt. of NCT of Delhi.

**Sub: Election of Managing Committee of Delhi Nagrik Sehkari Bank.**

Sir,

I am directed to convey the following by the Committee on Petitions:

As you are aware, the Committee on Petition has been looking into a complaint in the matter relating to illegal members in "Delhi Nagrik Sehkari Bank" which were registered mostly during the period of 2011-2014 by the Ex-Directors and Ex-Members of Managing Committee of the said bank using illegal means and irregular practices like buying membership forms in bulk, transferring money to the tune of several lakhs in the bank account of the bank employees etc. Many members in the current voter list are holding dual membership in the said bank and other such societies registered under DCS Act. The elections for the Managing Committee of the said bank is going to be held on 3-12-2017.

This Committee has been raising these issues in its meetings with the Registrar of Co-operative Society i.e. Mr. J.B. Singh and the Chief Secretary, seeking action against such irregular/illegal members who are still listed as valid voters for the Bank elections to be held on 3<sup>rd</sup> December 2017. The Committee has held 10 meetings on the dates mentioned on next page:

✓





**Delhi Legislative Assembly Secretariat Delhi-110054**

- 1 31-8-2017.
- 2 18-9-2017.
- 3 26-9-2017.
- 4 3-10-2017.
- 5 9-10-2017.
- 6 27-10-2017.
- 7 9-11-2017.
- 8 13-11-2017.
- 9 16-11-2017.
- 10 27-11-2017 i.e. today.

In spite of these many meetings, the R.C.S. i.e. Mr. J.B. Singh did not agree to take action in any manner with respect to the voting rights or membership of the above stated illegal /irregular members. He always kept on stating that there is no provision under the DCS Act or any power bestowed upon him through which he can take any action with respect to the voting rights or membership in the Bank. The allegations of illegal/irregular membership have been substantiated by number of reports and depositions by the CEO and the Administrator of Delhi Nagrik Sehkari Bank. Several allegations have also been substantiated by the reports of inspections and inquiries ordered by the RCS itself.

However, only after some aggrieved persons approached the Hon'ble High Court of Delhi in November 2017, as a last resort, directions were issued by the Hon'ble High Court to RCS i.e. Mr. J.B. Singh to dispose of the complaints related to such illegal memberships. Thereafter the RCS has passed an order vide which 1025 members have been debarred from voting rights in the upcoming election.





**Delhi Legislative Assembly Secretariat Delhi-110054**

Even after this order of RCS dated 16-11-2017, there are thousands of illegal/irregular members in the bank who have not been debarred from voting rights. Those members are still enrolled in the voting list for the election. they were made members in the bank using bulk forms bought by Ex-Members of Managing Committee. The bank has already provided list of such voters who were enrolled by Ex-Members of Managing Committee using irregular/illegal means. The matter has been brought to the notice of Chief Secretary on several occasions, during the course of Committee's proceedings. It has been brought to the notice of RCS on 27-11-2017 that his unwillingness to act against these illegal members, who were enrolled by the ex-members of the Managing Committee, amounts to helping the ex-members of the Managing Committee in the coming elections. There are thousands of illegal members who will vote in this election to help the relatives of the ex-members of the Managing Committee to win the election.

It is pertinent to note that these Ex-Members of the Managing Committee of Delhi Nagrik Sehkari Bank have been found and proved guilty of various illegalities/corrupt/criminal acts including but not limited to:

- i) Hiring 40 relatives in the said bank by the ex-members of the Managing Committee. These 40 employees were later terminated and all the ex-members of the Managing Committee were found guilty.
- ii) Promoting 62 employees of the bank through illegal process. These employees were later demoted and ex-members of the Managing Committee were found guilty.





Delhi Legislative Assembly Secretariat Delhi-110054

- iii) Many of the ex-directors have been found guilty in various inspections/inquiry reports of the RCS and audit report of the bank. These were found guilty of fraudulent loans using forged ITR's/ property papers and other government documents.

We are listing the names of the Ex-Directors and Ex-Members of Managing Committee (Annexure-A) who had bought membership forms in the bulk and names of their relatives who are contesting in the election of the said bank scheduled on 3-12-2017.

The Committee are of the opinion that RCS i.e. Mr. J.B. Singh is trying to help ex-members of the Managing Committee by not taking decisions on voting rights of illegal/irregular members. Conducting elections on the basis of voter list without debarring voting rights of illegal members will help the relatives of Ex-Directors with proven record of corruption.

In order to protect the essence of democracy in the said co-operative bank and to uphold the co-operative principles, this committee hereby recommends that as the highest functionary in the GNCTD, you take appropriate action in this regard so as to ensure that not a single ineligible voter gets to cast his vote in the election to be held on 03-12-2017.



Delhi Legislative Assembly Secretariat Delhi-110054

The Committee is confident that you being a responsible functionary of the government would not allow any misdeed in this regard be perpetuated apparently with the connivance from Sh. J.B. Singh, RCS.

(MANJEET SINGH)

Deputy Secretary  
(Committee On Petition)

F.No. F.24(25)/Petition/Vol-II/2017-18/LAS-VI/Leg/

Dated:

Copy to:

- 1 Shri Rajender Gautam, Hon'ble Minister of Cooperative Bank, GNCTD.
- 2 OSD to Chief Minsiter, GNCTD.

Deputy Secretary  
(Committee On Petition)



### Annexure-I

Sl. No.	Name of the Ex-Managing Committee who bought membership forms in bulk	No. of forms bought in the bulk	Name of relative who is contesting Election	Relation of this candidate with Ex-Member of Managing Committee
1.	Sh. Jai Bhagwan (Ex-Chairman)	842	Sh. Dinesh Kumar	Son of Sh. Jai Bhagwan
2.	Sh. Jai Bhagwan (Ex-Chairman)		Sh. Ashok Kumar	Son-in-law of Sh. Jai Bhagwan
3.	Sh. Jagdish Bhardwaj (Ex-Director)	325	Sh. Atul	Son of Sh. Jagdish Bhardwaj
4.	Sh. Vinay Bhardwaj (Ex-Director)	225	Sh. Sarla Bhardwaj	Mother of Ex-Director Sh. Viney Kumar.
5.	Sh. Naresh Pal Khatri (Bank Employee)		Sh. Neelam Khatri	Wife of Bank Employee namely Sh. Naresh Pal Khatri
6.	Sh. Sandeep Shokeen (Ex-Director)	99	Sh. Sandeep Shokeen	Self and close associates of Sh. Jai Bhagwan
7.	Sh. Chaman Lal (Ex-Director)	50	Sh. Sarthak Shokeen	Son of Sh. Chaman Lal Gupta.
8.	Sh. D.N. Singh (Ex-Director)		Sh. D.N. Singh	Self
9.	Sh. Rajesh kumar Sharma (Ex-Director)	225	Sh. Pardeep Kumar Sharma	Brother of Ex Director Sh. Rajesh Kumar
10.	Sh. Bhudatt Sharma (Father of Rajesh Sharma)	700	Sh. Pardeep Kumar Sharma	Brother of Sh. Rajesh Kumar
11.	Sh. M.K. Bansal (Ex Vice Chairman)	500	Sh. Deepak Bansal	Son of Sh. M.K. Bansal, Ex-Vice Chairmen
12.	Smt. Nirmala (Ex-Director)	225	Sh. Jagdish Parshad	Husband of Ex-Director Smt. Nirmala
13.	Sh. K.K. Mittal (Ex-Director)	175	Sh. Piyush Mittal	Son of Ex-Director Sh. K.K.Mittal