

O/o THE REGISTRAR CO-OPERATIVE SOCIETIES, GNTC OF DELHI
OLD COURT BUILDING, PARLIAMENT STREET, NEW DELHI-110001
(BANKING BRANCH)

F.No.AR/BKG/RCS/2025/4944-49

Dated: 30/09/26

ORDER

(u/s 62 of DCS Act, 2003)

Subject: Appointment of Inquiry Officer under Section 62 of the Delhi Cooperative Societies Act, 2003 in respect of Delhi State Cooperative Bank Limited – regarding.

Whereas, an Inspection under Section 61 of the Delhi Cooperative Societies Act, 2003 was conducted in respect of Delhi State Cooperative Bank Limited pursuant to the order dated 19.03.2025, and **Sh. K.S. Meena, IAS (Retd.)** was appointed as the Inspection Officer;

Whereas, the Inspection Officer submitted his Inspection Report dated 03.07.2025 and recommended initiation of inquiry under Section 62 of the Delhi Cooperative Societies Act, 2003 in respect of certain irregularities pertaining to Serial Nos. 01, 03 and 05 of the complaint dated 18.09.2020 submitted by Sh. Lalit Kumar. The three issues identified in the Inspection Report relate to:

- i. Extension of loans to member societies for purchasing shares of the Bank, resulting in reduction of the stake of the Government of Delhi in the share capital of the Bank;
- ii. Transfer of alleged 715 sq. yards of land of the Bank situated at Nangloi to the Delhi Cooperative Marketing and Supply Federation; and
- iii. Alleged illegal recruitment of relatives of Bank officials/Chairman/Managing Director etc. during the year 2009-10 and purchase of four DDA flats through "open bid" in alleged violation of rules, resulting in alleged financial loss to the Bank.

Whereas, the aforesaid Inspection and Inquiry proceedings were challenged before the Hon'ble Court of the Financial Commissioner, GNCTD in Case Nos. 77/2025 and 182/2025 titled **Delhi State Cooperative Bank Limited Vs. Registrar of Cooperative Societies & Ors.**

Whereas, the Ld. Financial Commissioner, GNCTD, vide order dated **06.02.2026**, upheld the validity of the Inspection conducted under Section 61 and the Inspection Report dated 03.07.2025. The Ld. FC, however, directed the RCS to provide adequate opportunity to the Bank and the concerned present/ex-Directors to present their case on the findings of the Inspection Report before initiating inquiry under Section 62 of the Act.

Whereas, in compliance with the aforesaid directions, a copy of the Inspection Report dated 03.07.2025 was supplied to the concerned respondents vide this office letter dated 08.04.2026 and proceedings were conducted on **13.04.2026**, **18.05.2026** and **01.06.2026**, thereby providing adequate opportunity to the concerned parties to submit their contentions. The replies submitted by Respondent Nos. 1, 2, 6, 9 and 10 have been taken on record, whereas Respondent Nos. 3, 4, 5, 7 and 8 did not submit any reply.

Whereas, the brief of the submissions given by the Respondent No. 1 are as under:-

"Inspection Officer appointed by the O/o the RCS is a retired IAS officer and does not fulfilled the conditions specified in sub-section (1) of Section 61 of the DCS Act. The complaint, on which inspection has been ordered, has no dates mentioned, as far as serial No.1 or serial No.3 is concerned so far as Serial No. 5 the same relates to year 2009-10. There are no supporting documents filed by the complainant-Lalit Kumar nor any evidence was produced before the Ld. RCS. The complainant does not satisfy the conditions laid down in section 61. He is neither the creditor of the bank nor has the complaint been made by 1/3 members of the committee. The complaint has not been made by at least 1/5 of the total numbers of members of the bank. Insofar as the first issue of share capital is concerned, the share capital contribution by the Government (Delhi Administration) was financial assistance to be returned after 15 years of each contribution made by the government, the same commenced on 31/03/1958. The share capital contribution was financial assistance by the Government to the Bank was made in accordance with the terms and conditions of the Five Year Plan and Annual Plan of the Government, with the objective to increase the borrowing capacity of the Bank. This scheme was approved by the Government of

India and the financial pattern was laid down by the GOI. An outlay for the next five years was laid down and was approved by the Planning Commission. As per Memorandum bearing no.27.(44)/P&S/Coop dated 08/09/1985 (signed on 10/09/1985) issued by the office of the RCS, clause II (e) (vi), "That the retirement of the share capital shall commence after the 15th Anniversary of the date of contribution. Such a contribution was strictly in accordance with the pattern of assistance approved by the GOI, which in no case could exceed the sanctioned budget for the purpose. The respondent no. 2 was not connected with the bank in any manner at the relevant time when the Government began making contributions to the bank."

Whereas, the brief of the submissions given by the Respondent No. 2 are as under:-

"Inspection Officer appointed by the O/o the RCS is a retired IAS officer and does not fulfilled the conditions specified in sub-section (1) of Section 61 of the DCS Act. The complaint, on which inspection has been ordered, has no dates mentioned, as far as serial No.1 or serial No.3 is concerned so far as Serial No. 5 the same relates to year 2009-10. There are no supporting documents filed by the complainant-Lalit Kumar nor any evidence was produced before the Ld. RCS. The complainant does not satisfy the conditions laid down in section 61. He is neither the creditor of the bank nor has the complaint been made by 1/3 members of the committee. The complaint has not been made by at least 1/5 of the total numbers of members of the bank. Insofar as the first issue of share capital is concerned, the share capital contribution by the Government (Delhi Administration) was financial assistance to be returned after 15 years of each contribution made by the government, the same commenced on 31/03/1958. The share capital contribution was financial assistance by the Government to the Bank was made in accordance with the terms and conditions of the Five Year Plan and Annual Plan of the Government, with the objective to increase the borrowing capacity of the Bank. This scheme was approved by the Government of India and the financial pattern was laid down by the GOI. An outlay for the next five years was laid down and was approved by the Planning Commission. As per Memorandum bearing no.27.(44)/P&S/Coop dated 08/09/1985 (signed on 10/09/1985) issued by the office of the RCS, clause II (e) (vi), "That the retirement of the share capital shall commence after the 15th Anniversary of the date of contribution. Such a contribution was strictly in accordance with the pattern of assistance approved by the GOI, which in no case could exceed the sanctioned budget for the purpose. The respondent no. 2 was not connected with the bank in any manner at the relevant time when the Government began making contributions to the bank."

Whereas, the brief of the submissions given by the Respondent Nos. 6,9 & 10 are as under:-

"the answering respondents were issued no notice of proceedings under section 61 pursuant to which the order was passed by the Ld. RCS, appointing the inspection officer. Vide order dated 19.03.2025 a retired IAS officer had been appointed as Inspection Officer under Section 61(1) of the DCS Act. Inspection only be conducted upon a request made either (a) a creditor; or (b) not less than one third of the

members of the committee; or (c) not less than one fifth of the total number of members of the cooperative society. In the present case none of these pre-conditions are fulfilled and therefore no inspection could have been initiated under the main provisions of Section 61(1) of the said Act. The answering respondents were not in the managing committee when the transactions/incidents/complaints 1, 3 & 5 took place. The inspection report be dropped and answering respondents be discharged."

Whereas, the Hon'ble Court had also kept in abeyance the earlier order dated 15.01.2026 appointing an Inquiry Officer under Section 62, till completion of the aforesaid exercise by the RCS. The earlier inquiry report submitted by Sh. Anil Kumar Pratham had already been declared null and void by this office.

Whereas, the Hon'ble Court of the Financial Commissioner, GNCTD, vide order dated **06.02.2026**, upheld the validity of the Inspection conducted under Section 61 and the Inspection Report dated 03.07.2025.

And whereas, upon consideration of the Inspection Report u/s 61 dated 03.07.2025, the material available on record and the submissions/contentions made by the concerned respondents, this office is of the considered view that the issues identified in the Inspection Report require detailed examination through an inquiry under Section 62 of the Delhi Cooperative Societies Act, 2003.

Now, therefore, I, Registrar of Cooperative Societies, Government of NCT of Delhi, hereby appoint Sh. Himanshu Ranjan, IRS, Assistant Commissioner, as Inquiry Officer, in terms of Section 62 of the DCS Act, 2003.

The Inquiry Officer shall hold an inquiry in respect of Serial No. 01, 03 & 05 of the complaint dated 18.09.2020 received from Sh. Lalit Kumar. The Inquiry Officer shall also fix the quantum of lapses/misappropriation, if any.

The Bank shall pay a sum of Rs. 15,000/- (Rs. Fifteen Thousand Only) as remuneration to the Inquiry Officer, from the fund of the Bank, for conducting the inquiry. The Inquiry Officer shall complete the inquiry, within a period of 30 days, from the date of issue of this order.


(Krishna Kumar Singh, IAS)

Registrar Cooperative Societies
KRISHNA KUMAR SINGH, IAS
Registrar Co-operative Societies
Govt. of N.C.T. of Delhi
Parliament Street, New Delhi-110001

Copy to:

1. Sh. Himanshu Ranjan, IRS, Assistant Commissioner (In-Situ) Office of Principal Commissioner of Customs, Air Cargo (Imports) Commissionerate, New Customs House, New Delhi-110037....for information and further necessary action.
2. Principal Commissioner of Customs, Air Cargo (Imports) Commissionerate, New Customs House, New Delhi-110037
3. The Delhi State Cooperative Bank Limited, 31, Netaji Subhash Marg, Darya Ganj, New Delhi-110002.
4. Sh. Lalit Kumar, G-158, Kunwar Singh Nagar, Nangloi, Delhi-110041.
5. All concerned respondents/present and ex-Directors, for information.
6. Assistant Director (IT), O/o the RCS....with request to upload this order on the website of O/o the RCS.


(Krishna Kumar Singh, IAS)

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KRISHNA KUMAR SINGH, IAS
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