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\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ W.P.(C) 4432/2017 & C.M. Nos.19350/2017,25180/2017

DELHI NAGRIK SEHKARI BANK MEMBERS ASSOCIATION  
AND ANR. .... Petitioners

Through: Mr. Kirti Uppal, Senior Advocate with  
Mr. Dhruv Gupta, Mr. Siddharth, Advocates.

versus

REGISTRAR OF CO OPERATIVE SOCIETIES AND ORS.

..... Respondents

Through: Mr. Anuj Aggarwal, ASC for R-1.  
Mr. Vivek Singh for R-2 with Mr. Naveen Kataria,  
Administrator, Mr. Kaushal Kishore, Returning  
Officer and Mr. Ramesh Tiwari, IAS (retd.),  
former Administrator.

Mr. Rakesh Khanna, Senior Advocate with  
Mr. Anil Kumar, Mr. Virendra Kumar and  
Ms. Vaishali Gupta, Advocates for Intervenors.

**CORAM:**  
**HON'BLE MS. JUSTICE HIMA KOHLI**  
**HON'BLE MS. JUSTICE DEEPA SHARMA**

**ORDER**  
**28.08.2017**

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1. The present petition has been filed by the petitioner praying *inter alia* for setting aside the verification report dated 28.2.2017, jointly submitted by the respondent No.3/Administrator and the respondent No.4 and further, for issuing directions to the respondents to prepare a proper verified list of members of the respondent No.2/Delhi Nagrik Sehkari Bank Limited, in accordance with the Delhi Co-operative Societies Act and Rules.

2. On 22.5.2017, learned Senior Advocate appearing for the petitioner had contended that on a perusal of the verification report dated 28.2.2017, filed by the respondent No.3/Administrator, it is apparent that though specific directions had been issued by the Court vide order dated 11.1.2017 passed in **W.P.(C) 9271/2016** entitled Delhi Nagrik Sehkari Bank Members Association & Anr. Vs. Registrar of Co-operative Societies and Anr., that all the objections received from various quarters must be examined and dealt with, the said exercise has not been undertaken completely. To substantiate the said submission, learned counsel had submitted that the report itself states that a final a list of members has not been verified and the non-verified members are to the extent of 15117.

3. Having regard to the aforesaid plea, it was deemed appropriate to direct the R-3/Administrator and the respondent No.4 to appear before us and assist us on the aforesaid aspect. Appearance was entered by the respondents No.3 and 4 on 19.7.2017 and they had asked for permission to file a status report for giving necessary clarifications as to why members numbering 15117, had not been verified by them.

4. Pursuant thereto, a status report dated 16.8.2017 came to be filed by the respondents No.3 and 4 on 17.8.2017 wherein it has been explained that the number of members whose KYC documents were found deficient during the verification, are 15117. In para 9 of the status report, a break up of the said 15117 members has been furnished with details of the deficiencies related to them. In para 10, the details of those members who did not submit their proof of address, the members who were not found residing at the given address, those who had furnished incomplete KYC information forms

and had not provided their photos and signatures, has been furnished. The last category in the list is of those members who were rejected, as per the guidelines of the RCS. The said report was furnished to the counsel for the petitioner on 22.8.2017 and he had sought time to examine the same.

5. Mr. Kiriti Uppal, learned Senior Advocate appearing for the petitioner submits today that the aspect of dual membership in the respondent No.2/Bank has not been examined by the Administrator. On a specific query being posed to learned counsel as to whether the names and details of the said members allegedly holding dual membership were submitted to the respondent No.3/Administrator, he admits that no such list was furnished at the relevant time. Instead, he states that a ground has been taken in para 13 of the present petition. Para 13 only states that the aspect of dual membership has been dealt with in a casual manner.

6. We may note that in the report dated 28.2.2017, respondents No.3 and 4 have stated that to the best of their knowledge, dual/duplicate members within the respondent No.2/Bank have been eliminated and the office of the RCS can undertake a similar exercise to eliminate dual membership from other similar societies like co-operative Banks, Thrift and Credit Societies etc. as that they may have the list of such members. Pertinently, no challenge has been laid to this observation.

7. We see no reason for expanding the scope of the present petition, more so, when the election that was to be conducted on 21.9.2014, was set aside vide order dated 19.9.2014 passed by the Division Bench in WP(C) No. 6274/2014 and ever since then, several Administrators have been appointed by the RCS from time to time, in the absence of a duly elected Executive Committee to manage the affairs of the respondent No.2/Bank.

8. Learned counsel for the respondent No.1/RCS informs us that Mr. Naveen Kataria has been appointed as an Administrator on 05.5.2017 and a Returning Officer was appointed prior thereto, on 10.04.2017, for conducting the elections of the Executive Committee. Though, there is no stay operating, it appears that the Returning Officer has not taken any step to start the process of conducting the elections of the Executive Committee of the respondent No.2/Bank, by issuing a Notification and declaring a schedule.

9. Mr. Rakesh Khanna, Senior Advocate appearing for the intervenors states that it would be appropriate if a retired Judge of the High Court is appointed as an independent Observer to oversee the election of the Executive Committee of the respondent No.2/Society. Counsels for the parties are agreeable to the said suggestion.

10. To ensure that a free and fair election of the Executive Committee of the respondent No.2/Society is conducted, we appoint Justice Kailash Gambhir (Retd.) (Mobile No. 9871300033) as an Observer for which his fee is fixed as Rs.2.00 lakhs, to be borne by the respondent No.2/Society. The Observer shall ensure that the Returning Officer notifies the schedule of the election of the Executive Committee and takes all further steps thereafter, to conduct a free and fair election expeditiously.

11. We may clarify that the present order is being passed so as to obviate any scope of allegations/counter allegations likely to be levelled with regard to the conduct of the election and to ensure that all steps taken in furtherance thereto, are overseen by the Observer. It is directed that only 14673 members, as verified by the respondent No.3 and 4 vide their report dated

28.2.2017, shall be permitted to participate in the said election.

12. The Returning Officer shall appear before the Observer on 06.09.2017, at 4 PM along with a draft schedule for conducting the election, that shall be vetted and directed to be notified at the earliest. On conclusion of the election of the Executive Committee and on the result being declared, the Observer shall file a status report within four weeks.

13. At this stage, it is stated by Mr. Uppal, Senior Advocate that the petitioner proposes to approach the respondent No.1/RCS for raising an objection with regard to the dual membership aspect. While the petitioner is at liberty to do so, it is made clear that this shall not be a reason to delay the elections any further.

14. The petition is disposed of along with pending applications.

*Dasti* under signatures of the Court Master to the counsel for respondent No.1/RCS and the Returning Officer. A copy of this order shall be despatched forthwith to the Observer for information.

**HIMA KOHLI, J**

**DEEPA SHARMA, J**

**AUGUST 28, 2017**

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