

IN THE COURT OF THE REGISTRAR COOPERATIVE SOCIETIES  
OLD COURT BUILDING, PARLIAMENT STREET, NEW DELHI-110001

F.47/AR/Bkg/CD No.107525772/RCS/2022/1958-1961

Dated: 30/6/22

In the matter of:-

**DELHI NAGRIK SEHKARI BANK LTD.**

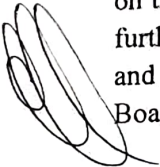
ORDER

This order shall dispose of the Review Petition filed U/s 115 of DCS Act, 2003 by Delhi Nagrik Sehkar Bank Ltd. against the order dated 29.11.2021 of Deputy Registrar Cooperative Societies passed under section 138 of DCS Act, 2003 and for dismissal of representation dated 24.11.2021 which was filed by Respondent Sh. Jitender Gupta, CEO of the Bank and for grant of ex-parte ad-interim interlocutory order u/s 117 of DCS Act, 2003 for vacation of order dated 29.11.2021.

Vide order dated 29.11.2021 the Deputy Registrar it was ordered that the suspension of Sh. Jitender Gupta, ordered by the Delhi Nagrik Sehkar Bank be kept in abeyance. The operative Para of the order is as follows:

*"In view of the above, you are hereby directed to offer your comment on the letter/representation of Sh. Jitender Gupta, CEO within 15 days and in the meanwhile, the order no. DNSBL/HO/2021-22/Staff/2013 dated 12.11.2021 issued to the Chairman of the Bank wherein Sh. Jitender Gupta was placed under suspension shall be kept in abeyance till further order and he shall continue to be the CEO of the Bank. You are also directed not to take any further adverse action against Sh. Jitender Gupta, CEO till this matter is duly considered by the office of RCS in the light of the comments of the bank as & when received. These directions are issued under section 138 of DCS Act, 2003 and meant for compliance and report."*

Whereas a representation dated 24.11.2021 was received from Sh. Jitender Gupta, CEO of Delhi Nagrik Sehkar Bank regarding highhandedness and arbitrary action of the present Management of Delhi Nagrik Sehkar Bank Ltd. In his representation he had put fourth various allegations on the Managing Committee of the Bank and stated that he was forcefully asked to resign in the Board Meeting on 12.11.2021 and thereafter in the said meeting he was suspended in a highly illegal and unwarranted manner, even the minutes of the said board meeting in which all these decisions were taken are still not finalised. Not finalising the minutes/proceedings on the same date is also totally against the DCS Act and Rules. He further stated that his suspension is totally unwarranted, arbitrary, and illegal and passed in haste without application of mind as the Board has no power/authority to pass such order without taking



RBI into confidence. He had not been issued any Show Cause Notice by the Bank nor has any reason been given for his suspension. Hence, he has requested to revoke his suspension order.

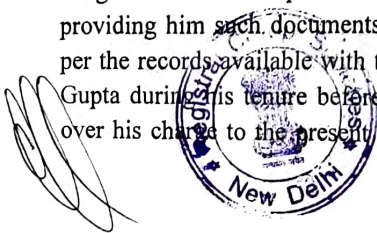
Whereas, the petitioner Bank in his review application has given references of many inquiry findings conducted under various sections of the DCS Act, 2003 and Rules, 2007 wherein Sh. Jitender Gupta, CEO was found guilty for the allegation levelled against him and even sanction for his prosecution u/s 118(1) & 118(6) of DCS Act, 2003 was also granted against him by the Registrar vide order dated 24.09.2019. The Bank further informed that many other inquiry officers had given findings against the Respondent for misappropriation and mismanagement of funds of the Bank. He was also summoned by this office u/s 121(2) of DCS Act, 2003 in which enquiry is still pending. The Bank further informed that Hon'ble High Court in its order dated 21.10.2021 in W.P. (C) No. 13115/2019, titled as Jitender Gupta Vs RCS & Others has dismissed the appeal of the petitioner with cost quantified at Rs. 50,000/- which was filed by Sh. Jitender Gupta, against the order of the RCS dated 24.09.2019 wherein prosecution sanction was granted against him.

The Bank informed that the respondent was suspended in the Board meeting held on 12.11.2021 wherein a resolution was passed to suspend him and the decision of the said meeting was reported to RCS and to the RBI on the very said date vide email dated 12.11.2021.

The Bank further informed that they had also filed a Writ Petition No. 7455/2022 before the Hon'ble High Court with the prayer to direct the RCS office to decide the Review petition u/s 115 and application u/s 117 of DCS Act, 2003, dated 09.12.2021 filed by the Bank before the RCS in an time bound manner as earliest. The Hon'ble Court vide its order dated 27.05.2022 has disposed of the above mentioned petitions with the direction to the RCS to dispose of the petitions of the petitioner positively within a period of 4 weeks.

Sh. Jitender Gupta, CEO has filed short reply on 1.06.2022 and refuted all the allegation put forth by the Bank against him and prayed that directions may be issued to the Chairman of the Bank to make immediate arrangements for the handing over of the entire records and files of the various court cases/enquiries related to him.

The Bank has given reply dated 15.06.2022 against the reply of the respondent dated 01.06.2022. The Bank has refuted the allegation of the respondent that the Bank is deliberately not providing him such documents/information and harassing him. As per the records available with the Bank maintained by Sh. Jitender Gupta during his tenure before 12.11.2021 at the time of handing over his charge to the present officiating CEO on 12.11.2021, Sh.

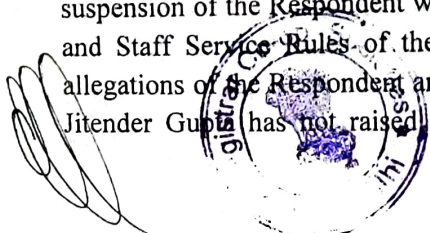


Jitender Gupta did not handover any such file to the said officiating CEO of the Bank. The representation made by Sh. Jitender Gupta, dated 22.11.2021 is based on false and concocted facts and therefore, not sustainable in law. The Bank has given Para wise reply on the representation of the respondent. The Bank has stated that the respondent has been suspended in accordance with the relevant provisions of law and the applicable bye-laws and staff service rules of the applicant Bank. The suspension order has been passed in terms of Model Bye Laws No. 37(XVI) and Rule 40 applicable in the bank and the same have been framed under the provision of DCS Act, 2003 and Rules, 2007 there under. That as per Rule 28(iii) of Staff service Rules, applicable to the Applicant Bank, a major penalty may be imposed without holding an enquiry in such case where an employee is found guilty of misappropriation of funds of the bank or indulging in fraudulent transactions.

Whereas, Sh. Jitender Gupta, CEO has filed his final submission on 20.06.2022 wherein he has refuted all the allegations of the Bank and submitted that the bank has irrelevantly made reference of the Hon'ble High Court order dated 21.10.2021 which has no connection with the specific allegations made by me as the same is about the other issues. He further stated that being the CEO of the Bank, he had participated in the Board Meeting dated 12.11.2021. He has stated that the said meeting was called to review the financial position and NPA of the Bank which can simply be proved from the agenda notice dated 10.11.2021. He has denied that the said meeting was specifically called to discuss disciplinary action against him. The wrong interpretation of Rule 37(XVI) and Rule 40 of the Bank is being trumped by the Bank. As per Rule 37(XVI) and Rule 40 of the Bank, the Board of Directors were empowered to frame Rules against the employees of the Bank. But no specific Rules for initiating disciplinary proceedings against the CEO of the Bank have so far been framed by the Bank. Therefore, the Board of Directors lacks the power to take such an action against the CEO of the Bank. He further submitted that as far as the various enquiries have been made against the undersigned in accordance with the directions issued by the RCS Office, no specific indictment and no punishment has so far been awarded against him.

Both the parties argued their case at length on 28.06.2022 where Sh. R.D. Sharma Advocate was present for the Bank and Sh. Jitender Gupta was present in person. I have heard the parties and have carefully gone through the averments made and replies submitted.

Sh. R.D. Sharma Advocate for the Bank argued that the suspension of the Respondent was in accordance with the Bye laws and Staff Service Rules of the Bank. He further refuted all the allegations of the Respondent and stated that till his suspension Sh. Jitender Gupta has not raised any of the contentions before any



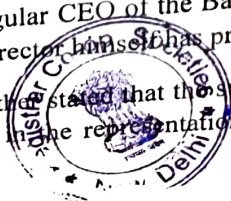
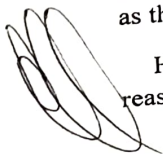
forum regarding the same despite having all the powers and resources available with him. He further stated that in many inquiries Respondent has been found indulging in misappropriation and mismanagement of the funds of the Bank. Even this office has given prosecution sanction against him under section 118 of DCS Act, 2003 against which he had filed a petition before Hon'ble High Court wherein the Hon'ble High Court has observed that the Respondent herein has stalled his prosecution for over two years and accordingly the said petition was dismissed with cost of Rs. 50,000/- .

Respondent Sh. Jitender Gupta refuted all the allegations put forth by the Counsel of the Bank. He submitted that he had informed the Chairman that the Board Meeting could not be called due to the restrictions put up by the RCS till the formation of New Board but still the Chairman of the Bank was pressurizing him to call the General Body Meeting so that fresh loan proposals could be taken up for sanctions. Sh. Pradeep Kumar Sharma, Chairman of the Bank continued pressurizing him for the same and ultimately even called an illegal Board Meeting himself by issuing an agenda notice but the same cannot be held as the RCS office also did not give the permission. He further submitted that he was forcefully asked to resign and was suspended later on in a highly illegal and unwarranted way. He submitted that Board of Directors lacks power to take such an action against the CEO as no specific Rules for initiating disciplinary proceedings against the CEO of the Bank has so far been framed by the Bank. He submitted that neither any Show Cause Notice has been issued to him nor any reason for his suspension has been informed to him. With regard to the Hon'ble High Court order dated 21.10.2021, he stated that the same is not relevant to this case as the same was passed in an appeal filed by him against the Order of RCS dated 24.09.2019 wherein prosecution sanction U/s 118 of DCS Act, 2003 was granted against him. Even the proceedings for prosecution are pending before the Metropolitan Magistrate in the very preliminary stage.

Respondent Sh. Jitender Gupta has further submitted that enquiries cited by the petitioners against him are old enquiries, which involve many other officials of Bank, including the petitioners themselves. Prosecution case filed against the respondent is weak and at present, only pre evidence proceeding has been going on. No summons has been issued to the respondent till date.

He has further submitted that his performance in job till date has been very good, Bank has never taken any action against him in past and he is the first officer who has been made the permanent/regular CEO of the Bank. In past, the present Chairman as the then Director himself has promoted him.

He has further stated that the suspension was sudden and for the reasons cited in the representation. The Board pressurised him to



call unauthorised meeting to sanction fresh loans in hurry, and upon his refusal, Chairman called a meeting himself and suspended him without giving any notice. Till date Bank has not replied to the allegation made in the Representation. In the Board meeting, he was asked to resign. When he resigned, he was suspended without citing reasons and without any agenda to such effect. Bank has harassed him even after his suspension by ceasing his account in the Bank. Brother of the present Chairman has many enquiries against him and by suspending the respondent, the Bank wants a plausible CEO.

In view of the above, I am of the view that a legitimate procedure was not followed by the Board of the Delhi Nagrik Sehkhari Bank while suspending Sh. Jitender Gupta, CEO of Delhi Nagrik Sehkhari Bank. Therefore, the Review petition dated 09.12.2021 filed by the Bank is dismissed. Ordered accordingly.

Pronounced in open Court.



Dewesh Singh  
Registrar Coop. Societies

Dated: 20/6/22

F.47/AR/Bkg/CD No.107525772/RCS/2022/988-61

To: Sh. Jitender Gupta, CEO, Delhi Nagrik Sehkhari Bank Ltd., 3-C/5, Opp. Liberty

Cinema, New Rohtak Road, New Delhi-110007

2. The Chairman/Vice Chairman, Delhi Nagrik Sehkhari Bank Ltd., 3-C/5, Opp.

Liberty Cinema, New Rohtak Road, New Delhi-110007

3. ARCS (Banking) O/o RCS

4. Incharge, Computer Cell with direction to upload the order on website of the department.

Dewesh Singh  
Registrar Coop. Societies

20/6/22