



LEGISLATIVE ASSEMBLY
NATIONAL CAPITAL TERRITORY OF DELHI

COMMITTEE ON PETITIONS

TWELFTH REPORT OF THE SIXTH ASSEMBLY

SUBJECT: IN THE MATTER OF ALLEGED IRREGULARITIES IN
THE RAJENDRA CGHS Ltd. No. 1395

PRESENTED ON 02ND DECEMBER, 2019

ADOPTED ON 3RD DECEMBER, 2019

Legislative Assembly, Old Secretariat, Delhi – 110054

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COMMITTEE ON PETITIONS
(2019-2020)

COMPOSITION OF THE COMMITTEE

1. Sh. Saurabh Bhardwaj	CHAIRMAN
2. Sh. Pankaj Pushkar	MEMBER
3. Sh. Akhilesh Pati Tripathi	MEMBER
4. Ms. Bhavna Gaur	MEMBER
5. Ms. Bandana Kumari	MEMBER
6. Ch. Fateh Singh	MEMBER
7. Sh. Girish Soni	MEMBER
8. Sh. Raju Dhingan	MEMBER
9. Sh. Shri Dutt Sharma	MEMBER

Assembly Secretariat:

1. Sh. C. Velmurugan	Secretary
2. Sh. Sadanand Sah	Deputy Secretary
3. Sh. Manjeet Singh	Deputy Secretary

PREFACE

1. I, the Chairman, Committee on Petitions, having been authorised by the Committee to present on their behalf, this Report on the petition received from Mr. Arun Chadha and others countersigned and presented by Sh. Nitin Tyagi, Hon'ble MLA and referred to the Committee by the Hon'ble Speaker, Delhi Legislative Assembly. The Petition alleged irregularities in the Rajendra Cooperative Group Housing Society no 1395.
2. The Committee considered and adopted the Draft Report at their sitting held on 29.11.2019
3. The observations / recommendations of the Committee on the above matter have been included in the Report.
4. I would like to thank all the Members of the Committee for their continued guidance.
5. The Committee places on record their profound appreciation for the valuable assistance rendered by Sh. Sadanand Sah Deputy Secretary, Sh. Manjeet Singh Deputy Secretary, Sh. Subhash Ranjan Section Officer, Ms. Smruthi Rammohan, Fellow Delhi Assembly Research Centre (DARC) and other staff of the Assembly Secretariat in the preparation of this report.

Dated: 30.11.2019

Delhi



SAURABH BHARDWAJ

CHAIRMAN

COMMITTEE ON PETITIONS

INTRODUCTION

1. Mr. Arun Chadha, Mr. Vinod Kapoor, Mr. Bijoy Khaitan and Ms. Pushpa Arora filed a petition dated 05.12.2018 alleging several irregularities in the functioning of the Rajendra Co-operative Housing Society Ltd no 1395 (CGHS) As founding members of Rajendra CGHS, the petitioners cited the following issues: a) the management committee of the society has been operating with just 2-3 members behind doors since its inception on 02.10.1983; b) the management committee has been removing/enrolling new members without any applications and affidavits; c) the management committee has not audited its account for 20 years and has not held elections for 23 years and d) the management committee has virtually sold the society to builders and real estate operators who intend to expel 95% of the society's founding members on the pretext of dues.
2. It was further alleged in the petition that several letters, documents requested through the Right to Information Act (RTI) and information sought under the Delhi Co-operatives Act 2003 have never been responded by the society as well as by the Registrar of Cooperative Societies (RCS). Petition was countersigned and presented to the Hon'ble Speaker, Delhi Legislative Assembly by Sh. Nitin Tyagi, Hon'ble MLA and was referred to the Committee on Petitions on 07.01.2019.
3. The Petitioner further alleged that all businesses, conduct and management of the society have been conducted in a secretive manner without following any due procedure listed under the Delhi Co-operative Societies Rules. It also alleged that almost 97% of the original members were obliterated and the management has allowed for lateral and illegal entries. It also stated that these entries are related and connected to a larger cartel of moneylenders and developers. Lastly, the Petition alluded to a larger nexus between builders and real estate operators to capture co-operative housing societies.

PROCEEDINGS

1. In order to ascertain the facts and investigate the allegations levelled in the said Petition, the Committee on Petitions conducted its meetings on 15.02.2019, 06.03.2019, 03.04.2019, 12.04.2019, 26.04.2019, 24.06.2019, 19.08.2019, 22.08.2019, 23.09.2019, 22.10.2019, 31.10.2019, 11.11.2019, 29.11.2019 and deliberated the matter comprehensively with the Office of Registrar Co-operative Societies.
2. The Committee proceedings were primarily aimed at finding answers to the issues raised in the Petition.
3. A copy of the said Petition was sent to Registrar Co-operative Societies to whom the matter pertained vide letter dated 05.02.2019 with a request to furnish comments by 11.02.2019
4. Registrar to look into the matters raised in the petition. Mr. Virender Kumar, Registrar, Co-operative Societies provided a written response dated 14.02.2019 to the Legislative Assembly Secretariat. The written submission stated that since the petition raises serious financial irregularities as well as concerns regarding constitution, business and management of the society, audit reports received by RCS for the years 2014-15 and 2015-16 were examined. In the audit report of 2014-15, the Chartered Accountant made the following observations:
 - a) *“The society has taken unsecured loan of Rs. 2, 63, 20,000/- during the audit report due to non-availability of confirmation from all the parties. The same has not been verified. It is advised that society should collect confirmation from all parties for physical verification in future and also take permission from the RCS office”.*
 - b) *“The society should trace and credit properly a sum of Rs. 7, 19, 700/- reflected in suspense”.*

Likewise, in the audit report of 2015-16, the Auditor referred the entries made in the books and deduced that they were not confirmed by the parties.

Furthermore, the written communication stated that based on the observations in these audit reports and the various issues cited in the petition, the RCS calls for an immediate enquiry into the Constitution, business, management and financial affairs of the Coop. Society U/S of the Act. Accordingly, Sh. G.K. Marwah IAS (Retd) was appointed as Inquiry Officer to conduct inquiry under Section 62 of DCS Act 2003 and to complete the inquiry in two months.

5. In another letter addressed to the Legislative Assembly Secretariat, Mr. Virender Kumar on 05.03.2019 clarified that since Inquiry Officer under section 62 of the DCS Act 2003 should be a serving officer, officer Sh. Sanjay Sharma (Under Secretary, Minister of Skill Development and Entrepreneurship, Government of India) was appointed as the Inquiry Officer on 26.02.2019 in place of Sh. G.K.Marwah, IAS Retd.
6. Following a request for an action taken report from the Legislative Assembly Secretariat on 13.06.2019, Assistant Registrar, Amitabh Joshi submitted a status report on the said petition on 24.06.2019. According to the status report in the matter of Rajendra CGHS, Inquiry Officer informed RCS that the inquiry has already begun and that both parties have appeared. The report stated that the society has given their written submission of more than a thousand papers. These papers have been provided to the complainants with a direction to submit their rebuttal. In addition, the Inquiry Officer also noted that lawyer representing the society has appeared four times to make his submission on the documents and is yet to complete his submissions.
7. On 02.07.2019, Chairman of the Committee received a letter from Mr. Surendra Singh regarding the fraudulent conduct of the Rajendra CGHS. Mr Singh stated that he along with Mr. Ashok Kumar and Mr. Hari Kishan Ahluwalia are founder members of the society (serial numbers 12, 25, 23 respectively). The letter further argued that the society claimed that these members had resigned which is false. They were shown as members for getting allotment of land and claimed to

have resigned on allotment of land. The letter stated that their resignations was a manufactured lie. It also suggested that forensic examinations are to be conducted on the claimed resignation and necessary action must be taken against such forgery. A copy of this letter was sent to the Registrar of Co-operative Societies and The Inquiry officer Mr. Sanjay Sharma. In this regard, the Legislative Assembly Secretariat in a letter dated 16.07.2019 requested RCS to furnish comments positively by 25.06.2019.

8. Mr. Virendra Kumar, Registrar Co-operative Societies submitted his response to Legislative Assembly Secretariat on 26.07.2019 stating that the letter submitted by the three members would be treated as part of the inquiry assigned to Mr. Sanjay Sharma. Since considerable time had elapsed since the inquiry was first established, the Inquiry officer was requested to submit his report by 20.08.2019.
9. On 19.08.2019, Financial Commissioner, Ms. Rinku Dhugga provided a written response to the Legislative Assembly Secretariat stating that as the said matter is subjudice in the Office of the Financial Commissioner, any participation in the Committee discussions would amount to a conflict of interest. It was also stated in the letter that a request was made to the Chief Secretary, Govt of NCT of Delhi to relieve her from the charge of Secretary (Cooperation) as it would interfere with the dispensation of justice in the matters related to the RCS office.
10. In another action taken report submitted by the RCS office on 19.08.2019, Additional Registrar Mr. Ranjeet Singh stated that the Inquiry Officer Mr. Sanjay Sharma informed RCS that the complainants have submitted their rebuttal to the submissions made by the Society. Due to the nature of the case and the volume of documents submitted by both parties, the Inquiry Officer sought an extension of at least two months to conclude the inquiry. It was further submitted that the officer was directed to submit his report by 20.09.2019.

11. On 19.08.2019, the petitioners submitted a detailed document listing their rebuttal on various issues raised by the society before the Inquiry Officer. In this submission, petitioners argued that while a sum of Rs. 10000/- was collected from members in 1990 for land purchase from DDA, money was withdrawn by the Society office bearers on 22.03.1994 through a bearer cheque on a fictitious name. The document also noted that the Executive Committee of the society delayed in depositing money with DDA which lead to the cancellation of the land allotment on 15.10.1996. The petitioners implored the Inquiry officer to verify the promoter members of the society as directed by the Hon'ble High Court of Delhi and then investigate the financial irregularities. In this submission, they also requested that if the inquiry through RCS fails to carry out corrective measures and restore the Co-operative society to its legal and original members (approved in 1985), then the case should be handed over to CBI.

12. In a letter dated 22.10.2019, Mr. Virender Kumar, Registrar of Co-operative Societies submitted a status report to the Committee stating that the RCS did not receive the inquiry report and requested Mr. Sanjay Sharma to submit the report at the earliest. A similar submission was made on 31.10.2019.

OBSERVATIONS AND CONCLUSIONS

From the scrutiny of the responses filed by the concerned Government departments, Government records and the deliberations of the Committee meetings, the following observations are brought on record:

1. The Committee, at the outset, observed that the allegations raised in the Petition are serious in nature and requires a thorough investigation.
2. The Committee also observed that even though the office of RCS knew that as prescribed under section 62 of the DCS Act 2003 that they cannot appoint a retired officer to conduct an inquiry, yet they went ahead with the initial appointment of Sh. G.K. Marwah, IAS (Retd.) to inquire into the Constitution, business, management and financial affairs of Rajendra CGHS. The Committee believes that this was done to delay the inquiry proceedings in this matter.
3. The Committee also noted with concern the delay in concluding the inquiry by the Office of the Registrar Co-operative Societies (RCS) appointed Inquiry Officer, Sh. Sanjay Sharma, Under Secretary (Ministry of Skill Development and Entrepreneurship), Government of India.

RECOMMENDATIONS

1. The Committee recommends that the Office of the Registrar Co-operative Societies (RCS) to expedite the inquiry report and submit a copy of the findings along with comments to the Vidhan Sabha within 30 days from the adoption of this report.
2. The Committee also recommends that given the seriousness of the allegations raised in the petition, the Office of the Registrar Co-operative Societies (RCS) should immediately act upon the findings of the inquiry.
3. Office of the Registrar Co-operative Societies (RCS) should enquire whether the said builder named Sanjiv Malhotra is engaged in other Co-operative Group Housing Societies and if it is legally allowed.
4. An Action Taken Report based on the recommendations of the Committee should be submitted by the Chief Secretary, GNCTD to the Vidhan Sabha within 30 days from adoption of this report.



Date: 30.11.2019

Place: Delhi

SAURABH BHARDWAJ
CHAIRMAN
COMMITTEE ON PETITIONS