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

Date of decision: 10th April, 2026

Uploaded on: 13th April, 2026

+ **W.P.(C) 17122/2022 & CM APPL. 69835/2025**

MANISH KUMAR GUPTA

.....Petitioner

Through: Mr. Mohit Kumar Auluck, Advocate
with Mr. Vivek Nagar Adv. (M:
9971873007).

versus

GOVT OF NCT OF DELHI & ORS.

.....Respondents

Through: Mr. Sumit K. Batra and Ms. Priyanka
Jindal, Advocates for GNCTD (M:
7290911000).

Sh. Satish Kumar Sansi, Mr. Zameer
Ahmed and Mr. Abhishek Nishtha
Sharma, Advocates for R-3 (M:
9810183830).

Mr. Ravi. P. Shukla, Mr. Dhruv
Shukla, Ms. Upasna Shukla and Mr.
Rachit Sharma, Advocates for R-4 (M:
9873211226).

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE MADHU JAIN

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.
2. The present petition has been filed by the Petitioner seeking the following prayers:

“a) Issue a writ in nature of Mandamus or other appropriate writ framing appropriate rules to ensure



that person of tainted antecedents are not appointed in management of Cooperative Societies or officers / employees of Cooperative Societies;

b) Issue a writ in nature of Mandamus or other appropriate writ framing appropriate rules to present Rule / Guidelines are amended to check appointment of tainted person in managerial positions in Thrift/ Banking Cooperative Societies;

c) issue a writ of Mandamus or other appropriate writ declaring that Respondent No. 4 is not entitled to be appointed as any office bearer in Respondent No. 3; and

d) issue a Writ of Declaration or an appropriate writ of any other nature directing the appointment of the Respondent No. 4 as illegal;

e) issue a writ of Mandamus or other appropriate writ directing the Respondent No. 2 to consider the representation dated 18.08.2022 by the Petitioner and form appropriate Rules;

f) issue a Writ of Declaration or an appropriate writ of any other nature or directing that appropriate action be taking against the Respondent No. 3 for appointing a person with tainted antecedents as Chief Executive Officer;

g) Pass any other as it may deem fit.”

3. The background giving rise to the present petition is that, the Petitioner is member of the Delhi Co-operative Urban Thrift and Credit Society, Bhikam Singh Colony, Shahdara, New Delhi (*hereinafter ‘Society’*). The said Society is registered under the Delhi Cooperative Societies Act, 2003 and is engaged in providing loans and receiving deposits from various individuals.



4. According to the Petitioner, Respondent No. 4-Parshu Ram Gupta, was a person, who was convicted by the Special CBI Court, Rohini in ***CBI Case No. 01/08*** titled '***CBI v. Parshu Ram Gupta***' for offences punishable under Sections 420, 467, 468, 471 read with 13(1)(d) of the Prevention of Corruption Act, 1988, *vide* order dated 27th November, 2013. Additionally, he was also sentenced to 7 years imprisonment and a fine was also imposed.

5. The further case of the Petitioner is that, sometime in 2016, while being aware of Mr. Parshu Ram Gupta's conviction in ***CBI Case No. 01/08***, the Society had appointed him as the Chief Executive Officer (*hereinafter*, 'CEO'). It is further alleged that the Managing Committee of the Society comprised of members who were the family and friends of Mr. Parshu Ram Gupta.

6. The term of Respondent No. 4 as CEO, had come to an end prior to the filing of the present petition. However, he continued to work as the consultant CEO for the Society. Finally, on 30th July 2024, Respondent No. 4 was dismissed from functioning as the CEO of the Society and, thereafter, he stepped down.

7. The Court has considered the matter. There are various issues that have been raised by the Petitioner in the present petition. Insofar as Respondent no.4 is concerned, *vide* order dated 30th July, 2024, this Court had directed as under:

“[...]”

7. Keeping in view the aforesaid, Mr. Vijender Kumar, Joint Secretary (H&FW Deptt) is directed to complete the inquiry and submit his report within a month.



8. Till further orders, Respondent No.4 is restrained from functioning as Chief Executive Officer of Respondent No.3/Society.

9. The Registrar of Cooperative Societies (RCS) is directed to communicate a copy of this order to Respondent No.4. RCS is also directed to ensure implementation of the present order.”

8. Thus, Respondent no.4 have stepped down w.e.f. 30th July 2024.

9. In the opinion of this Court, since Respondent No. 4 has already demitted office, the *lis* against Respondent No. 4/Respondent No. 3 will no longer survive. The only issue that remains is whether a person with tainted antecedents can be appointed as a CEO in this manner, or in any other managerial capacity.

10. The prayer in the present petition is for the GNCTD to frame appropriate rules/guidelines for co-operative societies, so that such persons with tainted antecedents ought not to be permitted to serve, especially, in thrift/banking co-operatives Societies. In this regard, by way of example, reliance is placed by the Petitioner upon Rule 83 of the UP Co-operative Societies Employee Service Regulations, 1975 which reads as under:

“83 (i) An employee arrested for debt or on a criminal charge shall be placed under suspension from the date of his arrest:

Provided that if he is released on bail or on recognizance, he may with the approval of the Registrar, be permitted to resume and continue on duty until charges are framed against him by the trying court:

Provided further that his duties may be varied if continuance on original duty be inexpedient or



prejudicial to the interest of the society in the opinion of the Registrar or the appointing authority.

(ii) An employee who is convicted of a criminal charge involving moral turpitude by a Criminal Court shall be liable to dismissal.

Explanation. - "Conviction" means sentence of punishment, fine or both."

11. In addition, reliance is also placed upon Section 10 of the Banking Regulation Act 1949 which reads as under:

"[10. Prohibition of employment of managing agents and restrictions on certain forms of employment.-

(1) No banking company-

(a) shall employ or be managed by a managing agent; or

(b) shall employ or continue the employment of any person-

(i) who is, or at any time has been, adjudicated insolvent, or has suspended payment or has compounded with his creditors, or who is, or has been, convicted by a criminal court of an offence involving moral turpitude; or"

12. In the considered opinion of this Court, a person bearing tainted antecedents, particularly one culminating in a criminal conviction, in serious offences, ought not to be permitted to serve in managerial capacity in such co-operatives Societies. However, it is not for this Court to legislate or frame any provision in this regard.

13. The GNCTD ought to take cognizance of the aforesaid issue and initiate deliberations for framing of a provision in the Delhi Co-operative Societies Act, 2003 and Delhi Co-operative Societies Rules, 2007.

14. Accordingly, it is directed that the Chief Secretary, GNCTD shall



initiate action for framing of appropriate rules/regulations under the Delhi Co-operative Societies Act, 2003 and Delhi Co-operative Societies Rules, 2007 to ensure that such persons with tainted criminal antecedents are not permitted to serve in the managerial capacity of Co-operative Societies.

15. Needless to add, in order to frame such rules/regulations, due consultation with all relevant stakeholders shall be undertaken and necessary deliberations shall be carried out.

16. Upon completion of the aforesaid stakeholder consultation, a final decision shall be taken and appropriate provisions shall be incorporated, either by way of a separate rule/regulation or by incorporating the same within the existing statutory framework under the Delhi Co-operative Societies Act, 2003 and Delhi Co-operative Societies Rules, 2007.

17. The entire process shall be completed before or by 30th September, 2026. In this regard, a compliance report shall be placed on behalf of Chief Secretary, GNCTD before this Court on 15th October, 2026.

18. The present petition is disposed of in these terms. All pending applications, if any, are also disposed of.

19. List for compliance on 15th October, 2026.

**PRATHIBA M. SINGH
JUDGE**

**MADHU JAIN
JUDGE**

APRIL 10, 2026 MR/SM