

KENDRIYA BHANDAR
(Central Government Employees Consumer Cooperative Society Ltd.)
Pushpa Bhawan, Madangir Road
New Delhi-110062

No.KB/1/Admn./2001

Dated:17.11.2025

ORDER

In the matter of: Sh. Rakesh Gupta, Share Certificate No. 000661, Flat No.1246, Sector-8, R.K. Puram, New Delhi

WHEREAS Sh. Rakesh Gupta, a member of Kendriya Bhandar and employee of Government of NCT of Delhi, was found to be involved in illegal, unethical, nefarious and criminal activities while conducting business with Kendriya Bhandar through a benami organization namely M/s Tayal Agencies. The matter came up for discussion suo moto in the Annual General Body meeting held on 26.09.2021, wherein the General Body was deeply shocked and alarmed and unanimously resolved to suspend him vide resolution dated 26.09.2021. Suspension order dated 02.11.2021 was issued accordingly.

AND WHEREAS the matter was reviewed in General Body meetings held on 25.09.2022, 24.09.2023, and 29.09.2024, wherein the House reiterated that the action was fully justified. The Board of Directors on 09.11.2024 unanimously resolved to issue a Show Cause Notice to Sh. Rakesh Gupta for expulsion.

AND WHEREAS Show Cause Notice dated 14.11.2024 was issued charging Sh. Rakesh Gupta with: (1) Conducting benami business through M/s Tayal Agencies while being a Government employee, established through attendance sheet of supplier meeting dated 24.2.2018 wherein Sh. Rakesh Gupta signed as representative of M/s Tayal Agencies, Store Issue Notes, and witness statements; (2) Threatening, bulldozing and intimidating vendors, officials and staff; (3) Collusion and involvement in illegal and unethical activities; (4) Pressurizing and blackmailing; (5) Levelling false, scandalous and defamatory allegations against the Society and its officials; (6) Indulgence in criminal acts; (7) Filing frivolous court cases and complaints to harass and intimidate; (8) Suppression of material facts before Hon'ble High Court with the Court observing vide order dated 27.02.2024 in WP(C) No. 3985/2023 that he approached with "unclean hands" and "willfully suppressed material facts"; (9) Suppression of material facts in Arbitral proceedings and deliberately defying the Arbitrator's order dated



12.11.2024; (10) Suppression of material facts before Cooperative Ombudsman; (11) Withdrawal of allegations upon legal notice; (12) Misuse of Section 108 of MSCS Act for personal agenda; (13) Creating fictitious mails to malign the image; (14) Double standards regarding inspection of M/s Tayal Agency records.

AND WHEREAS, THE Hon'ble High Court vide order dt. 11.12.2024 passed in WP(C) 14629/2021 granted Kendriya Bhandar liberty to take a final decision on the Show Cause Notice for expulsion observing inter alia, as under: -

"(2)The Respondents have issued a Show Cause Notice dated 14th November, 2024, proposing the Petitioner's expulsion from membership of Kendriya Bhandar".

"(3) Counsel for the Petitioner submits that the Petitioner has already filed a reply dated 7th December, 2024 in response to aforementioned Show Cause Notice".

"(5) (ii) The Respondents are at liberty to consider the petitioner's reply dated 7th December, 2024 and take a final decision on the show cause notice".

AND WHEREAS in full compliance with Section 30 of the Multi-State Cooperative Societies Act, 2002 (as amended in 2023), Sh. Rakesh Gupta was granted sufficient opportunity to submit his reply within three weeks.

AND WHEREAS Shri Rakesh Gupta vide letter dated 07.12.2024 submitted his reply raising preliminary objections that the allegations in the show cause allegedly lacked documentary evidence; that the Show Cause Notice/allegation violated the principle of Double Jeopardy; and that it was issued by Assistant Manager without authority; and that he allegedly had no connection with M/s Tayal Agencies, and that he was exercising his legal rights.

AND WHEREAS the Society, considering his request for documentary evidence, supplied voluminous documentary evidence in support of all the above allegations against him vide letter dated 14.02.2025 including attendance sheet of meeting dated 24.2.2018, complaints from over 30 persons, CCTV footage, judgments and orders of Hon'ble High Court and Arbitrator, police complaints, and various affidavits. The letter categorically mentioned that the matter would be placed before the Competent Authority in its next meeting. Despite lapse of more than 7 months (from 14.02.2025 to 28.09.2025), Sh. Rakesh Gupta failed to submit any further reply, defense or rebuttal.



AND WHEREAS the reply dated 07.12.2024 submitted by Shri Rakesh Gupta to the Show Cause Notice dated 14.11.2024 has been carefully considered by the Competent Authority and is found to be wholly unsatisfactory, evasive and devoid of merit for the following reasons: Shri Rakesh Gupta's reply consisted of bald denials without any substantive and specific rebuttal to the specific allegations and documentary evidence against him; Shri Rakesh Gupta repeatedly stated "I have no concern/connection with M/s Tayal Agencies" without explaining the incontrovertible documentary evidence including attendance sheet of supplier meeting dated 24.2.2018 wherein he signed as representative of M/s Tayal Agencies, Store Issue Notes written by him on behalf of M/s Tayal Agencies, and multiple witness statements of his direct involvement in the operations of M/s Tayal Agencies; most significantly, after being provided with voluminous documentary evidence vide letter dated 14.02.2025, Sh. Rakesh Gupta completely failed to submit any further reply despite having more than 07 months' time, which demonstrates his inability to defend himself against the evidence and amounts to acceptance of the charges by conduct.

AND WHEREAS the preliminary objections raised by Sh. Rakesh Gupta are legally untenable. The objection regarding double Jeopardy is without merit since the suspension order dated 02.11.2021 was set aside by the Hon'ble High Court vide order dated 11.12.2024 on technical grounds and not on merits. Moreover, Sh. Rakesh Gupta concealed the fact that he was continuously availing services of Kendriya Bhandar and he was also writing to various authorities and Hon'ble Courts/Tribunals concealing the fact of suspension of his membership. The Hon'ble High Court specifically noted that "Under Section 30 of Multi State Cooperative Societies Act, 2002, a member can be expelled for a maximum period of three years" and further granted liberty to Kendriya Bhandar vide its order dated 11.12.2024 to "consider the Petitioner's reply dated 7th December, 2024 and take a final decision on the show cause notice."

AND WHEREAS the objection regarding authority of Assistant Manager is without merit as the Show Cause Notice specifically mentioned "This issues with the approval of competent authority" thereby making it clear that the same was issued with proper approval and authority. The objection regarding non-supply of documents was duly addressed by supplying voluminous documentary evidence vide letter dated 14.02.2025, after which Sh. Rakesh Gupta failed to respond, thereby rendering this objection untenable.

AND WHEREAS Sh. Rakesh Gupta's repeated assertion that he was 'only exercising his Legal Right' or 'exercising his Fundamental Rights' is no defense to the specific charges of conducting benami business while being a Government employee, threatening, blackmailing and extorting vendors and officials, suppressing material facts before various courts and



authorities, creating fictitious emails and communications, and deliberately defying court/arbitrator orders. While exercising legal rights is permissible, the same cannot be used as a shield to justify or legitimize illegal, unethical, criminal and extortionist activities. The manner in which Sh. Rakesh Gupta has exercised his so-called "rights" - with mala fide intentions, through suppression of facts, and for promoting his benami business - clearly demonstrates abuse rather than legitimate exercise of rights. All his activities cumulatively and severely are detrimental to the interest of Kendriya Bhandar.

AND WHEREAS Mr. Rakesh Gupta continued to avail the services of Kendriya Bhandar as a regular Member, and also represented himself as such during the period of his suspension, while having misled the Hon'ble High Court regarding these facts. Furthermore, in one of his communications, Mr. Rakesh Gupta falsely alleged that Smt. Babita Tokas, a member of the Board, had been nominated as the Chairperson of Kendriya Bhandar and that two delegates had been nominated as Directors in the Board meeting held on 21.11.2024. These allegations were factually incorrect and were made deliberately, with a mischievous mindset and apparently with mala fide intentions and ulterior motives.

AND WHEREAS Mr. Rakesh Gupta issued an open letter received in April, 2025 addressed to all delegates. However, despite the issuance of Kendriya Bhandar's letter dated 14th February, 2025, which provided all evidence against him, he failed to offer any explanation to the specific charges levelled against him.

AND WHEREAS the above matter together with all relevant documents/evidences, the Show Cause Notice dated 14.11.2024, the reply of Sh. Rakesh Gupta dated 07.12.2024, the Society's response dated 14.02.2025 along with documentary evidence, and all other correspondence and materials on record were placed/shared/presented before the General Body of Kendriya Bhandar in its 60th Annual General Meeting held on 28.09.2025 for considering the same objectively, judiciously and consciously and taking an appropriate decision in accordance with law.

AND WHEREAS with a view to fully apprise the General Body, each and every allegation leveled against Sh. Rakesh Gupta in the Show Cause Notice and each and every evidence which established the said allegations was explained to the General Body through comprehensive Power Point Presentation, which was considered patiently and attentively by the House.

AND WHEREAS the General Body was also informed about the provisions of Bye-law No. 7 of the Bye-laws of the Society which provides that a member of the Society may be expelled by a majority of 2/3rd of the members entitled to vote who are present at a General Body Meeting if he



intentionally commits any act likely to injure the interest of the Society or bring disrepute to the Society or fails to observe proper discipline in regard to the working of the Society OR any of his actions is held by the Board of Directors or by General Body to be dishonest or contrary to the objects of the Society, and that no member who has been so expelled shall be eligible for readmission as member for a period of three years from the date of such expulsion.

AND WHEREAS after patiently hearing and perusing the facts/allegations and evidences placed before the House about Shri Rakesh Gupta, several delegates rose from their respective seats, expressing surprise as to why such a notorious and unlawful member has still been kept/continuing as a member of Kendriya Bhandar despite a plethora of evidences against him and also his unending nefarious and reprehensible criminal type of activities against the officers and the organisation. All his activities are clearly detrimental to the interest of the Society.

AND WHEREAS the General Body, after due deliberation, consideration and detailed discussions on all the facts/papers/evidences on record and further details in support of allegations against Sh. Rakesh Gupta, unanimously observed and found that Shri Rakesh Gupta was provided more than sufficient and reasonable time and opportunity of representing/defending his case in full compliance with Section 30 of the Multi-State Cooperative Societies Act, 2002 (as amended in 2023); that he had sufficient time of over 07 (seven) months from 14.02.2025 (when copies of all documents/evidence against him were provided) till the date of General Body meeting on 28.09.2025 to submit anything in his defence; that he failed to satisfactorily respond to numerous acts of misconduct and serious allegations established through documentary and oral evidence; that his reply dated 07.12.2024 was wholly unsatisfactory, consisting merely of evasive blanket denials without any substantive rebuttal; that his open letter received in April 2025, addressed to all the delegates, after receipt of KB letter dated 14th February, 2025 without commenting on the evidences provided against him, amounts to his complete failure to respond on specific allegations, after being supplied with voluminous documentary evidence vide letter dated 14.02.2025, and thus it also amounts to acceptance and admission of the charges; that the observations of Hon'ble High Court of Delhi that he approached the Court with "unclean hands" and "willfully suppressed material facts" remain unexplained; that all the allegations against him stand established on the basis of overwhelming documentary evidence, oral evidence, witness statements, and judicial/quasi-judicial findings; that Sh. Rakesh Gupta has been persistently and consistently engaging in acts which are detrimental to the proper working, interests and reputation of the Society; that his conduct demonstrates a complete lack of remorse for his actions and a persistent pattern of illegal, unethical and nefarious activities; and that he has intentionally committed numerous acts that have injured the interest of the Society,



brought disrepute to the Society, violated proper discipline, and his actions are dishonest and contrary to the objects of the Society.

AND WHEREAS based upon the facts/documents/strict proof/evidences on records against Shri Rakesh Gupta, the House unanimously found Shri Rakesh Gupta a fit case for expulsion from membership with immediate effect for a period of three years in accordance with provisions of Bye-law No. 7 of the Society read with Section 30 of MSCS Act 2002 (as amended in 2023).

AND WHEREAS before conclusion of the proceedings, the Chairman on behalf of the Board of Directors, once again requested the House to reconsider their decision on expulsion, if they so desired, upon which the House unanimously reiterated that their decision of expulsion of Shri Rakesh Gupta is not negotiable and the same comes into force with immediate effect from the date of the General Body meeting.

AND WHEREAS in exercise of the powers vested in the General Body under Bye-law No. 7 read with Section 30 of the Multi-State Cooperative Societies Act, 2002 (as amended in 2023), the General Body unanimously resolved and decided to expel Sh. Rakesh Gupta S/o Late Sh. S.K. Gupta resident of Flat No. 1246, Sector-8, R.K. Puram, New Delhi-110022 (Share Certificate No.000661) from the membership of Kendriya Bhandar with immediate effect for a period of three years to be counted from the date of General Body meeting i.e. with effect from 28.09.2025.

NOW THEREFORE, the aforesaid decision of the General Body, expelling Sh. Rakesh Gupta from the membership of Kendriya Bhandar for a period of 03 years (to be counted from 28.09.2025), is hereby conveyed accordingly.

FOR AND ON BEHALF OF THE GENERAL BODY KENDRIYA BHANDAR

Latika Sanwal
(LATIKA SANWAL)
Asstt. Manager



To

1. Shri Rakesh Gupta (By email/Speed Post)
2. The Registrar, Multi-State Cooperative Societies,
Government of India
3. The Chief Secretary, Government of NCT of Delhi

4. The Registrar, Cooperative Societies, New Delhi
5. The Director (Vigilance), Govt. of NCT of Delhi
6. DOP&T (Welfare) Section, New Delhi
7. Chairman, Kendriya Bhandar
8. All Directors of the Board
9. Managing Director, Kendriya Bhandar
10. The CVO, Kendriya Bhandar
11. All Officers, Kendriya Bhandar
12. KB Website
13. Notice Board
14. All Store Incharges
15. All Regional/Divisional Managers
16. File/Record

