

Case No. 199 of 2025

12.12.2025

Present : Ms. Neeta Bahl, SPA for Petitioner.
: Ms. Vasu Singh, Counsel alongwith Shri Niranjn Singh,
ASO and Shri Anil Kumar, ASO for R-1, RCS.
: Shri Deepak, Proxy Counsel for R-2, L&B Deptt.
: Ms. Nishtha Sinha, Counsel for R-3, Society.

1. SPA for petitioner submitted that she is an authorised SPA for the petitioner as per special power of attorney filed on record. SPA for petitioner submitted that the waiting list was scrapped by the society on 06.01.2019 and thereafter no communication was made by the Society/R-3 to the RCS to that effect. She further referred the letter dated 24.08.1987 of the Society written to RCS regarding clearance of membership of persons on the waiting list of the society wherein it has been mentioned that the petitioner fulfilled the condition of the bye laws of 5(i) (a) of the Bye Laws of the society as the radial distance from Society is less than 8 miles.
2. Counsel for respondents R-3 society as well as R-2, L&B Department requested for a copy of petition for filing of their reply on the next date of hearing.
3. Petitioner is directed to immediately supply copy of petition to R-2 & R-3 thereafter, R-2 as well as R-3 will file reply on the next date of hearing.
4. Counsel for RCS informed that the society had scrapped the waiting list as per circular of 1984 passed by the RCS and the petitioner has failed to substantiate his claim for allotment as there was no plot left for allotment.
5. Adj. to 09.01.2026.

**Financial Commissioner
Delhi**

Case No. 201 of 2025

12.12.2025

Present : Shri Shyam Sunder Dalal, Counsel for Petitioner.
: Ms. Vasu Singh, Counsel alongwith Shri Ashish Mahto,
MTS R-1, RCS.
: None for Society and remaining respondents.

1. Counsel for RCS filed reply and shared the copy of the same to the opposite side. RCS contended that R-3 herein had taken a loan of Rs. 2.7 lacs on 08.07.2014 from the society and the petitioner was his surety. After default, an award dated 03.02.2017 was issued for amount of Rs. 314302/- with interest rate of 14.4% and 3% penal interest. As per the award all judgment debtors are liable to pay the decretal amount jointly and severally and accordingly execution proceedings were initiated against the judgement debtors in execution case no. 74/2017-18. As surety, the petitioner must pay the awarded amount and staying the execution would delay recovery of public money. Counsel for RCS was not able to clarify how it is, 'public money', why penalty of maximum permissible 3% levied, what amounts have been recovered from principal debtor and other sureties, and what is proof that Society has not over-recovered from all persons against whom attachment was passed.
2. Counsel for petitioner sought time to bring out factual matrix of the case. He also referred to his pending application for attachment of his accounts and also his willingness to pay his part of the decretal amount in one go.
3. RCS is also directed to clarify as to how the Assistant Collector has doubled the amount of the award passed by the Arbitrator and why the attached amount is not being received by RCS directly. Further, RCS to file judgement on whether interest is payable during pendency of proceedings before RCS.

4. None appeared from the Respondent society. Issue Notice to society to appear and lead the case on the next date of hearing failing which the accounts of the society may be attached, till such time it furnishes a clear reply.
5. Adj. to 15.01.2026.


**Financial Commissioner
Delhi**

12.12.2025

Present : Mr. Sandeep Kumar, Counsel for Petitioners.
: Ms. Vasu Singh, Counsel for R-1, RCS.
: Mr. Ramneek Mishra and Mr. Abhinav Singh, Counsel
for R-3, DCHFC.

1. It has been contended by the Counsel for Petitioner that the Petitioner is not asking for NOC and has not filed any arbitration case and the Petitioner has only filed this revision petition against the impugned order dated 15.12.2009 passed by the Assistant Collector, RCS whereby the entire property of Shankar CGHS Ltd. had been attached.
2. The Petitioner further contended that there were two revision petitions (case Nos.51/2010-CA & 475/2011) which have already been decided by the predecessor Financial Commissioner on 17.11.2011 & 16.05.2013 respectively pertaining to the same society i.e. Shankar Coop. G/Housing Society.
3. The Counsel for Respondent No.3 submitted that the Hon'ble Supreme Court has given stay in the matter of Shankar Coop. Society in SLP No.17231/2019 and the same is to be listed in the Hon'ble Supreme Court of India in the 2nd week of January, 2026. He contended the issue therein is identical to the case of Petitioner here.
4. In response, the Counsel for Petitioner submitted that the said matter pertained to NOC and his case has different scenario where the entire society has been attached.
5. The Counsel for R-3 also quoted the paras No R & S of the said SLP filed in the Hon'ble Supreme Court of India. He submitted that the present case is not only the one and in other societies too such incidents have happened and this issue needs to be settled. He will clarify on the next date of hearing why Petitioner-1 who had even not taken

should be made to suffer in this case (he did not permit MC to commit on behalf of his property).

6. The Counsel for R-1, RCS submitted that she is not aware of the facts of the case as the copy of the Petition was not received by R-1, RCS.
7. The Counsel for Petitioner is directed to provide a copy of the petition to the R-1, RCS and R-1, RCS is also directed to file reply before the next date of hearing.
8. Adj. to 29.01.2026 for further arguments.



**Financial Commissioner,
Delhi**

Case No. 211 of 2023

12.12.2025

Present : Shri B. K. Gautam, Counsel for Petitioner.
: Shri Anil Kumar, Counsel for R-1, Bank.
: Shri Vasu Singh, Counsel alongwith Shri Shahid,
Sr. Assistant and Shri Ashish Mehto, MTS for R-2,
RCS.

1. Counsel for Petitioner undertook to file Vakalatnama as he has been engaged recently.
2. Petitioner stated that she has already paid Rs.6.30 lakh against the loan of Rs.5 lakh where she is surety. Also in case where she is the Principal Borrower, she has paid Rs.12,14,650/- against loan of Rs.10 lakhs and outstanding amount is still shown as Rs.40,15,000/- upto 31.01.2021. She will bring a statement of Bank accounts showing total payments made as yet.
3. On the query raised by the Court regarding payment of loan, Counsel for R-1, Bank stated that the petitioner should file statement of account as to how much amount has been paid. Counsel further stated that there is no insurance policy against the loan taken. Counsel also stated that the Asstt. Collector has issued attachment and in case of attachment the amount directly goes into the account of RCS instead of the Society which then transfers it to the account of society.
4. Counsel for R-1, Bank further stated that the Bank is working as per the guidelines issued by the RBI including on rate of interest, and he undertook to place on record the copy of guidelines on the next date of hearing.

5. Counsel for R-1, bank was unable to answer to the query of this Court as to how much amount has been recovered from all the sureties as well as principal borrower. He is directed to clarify with respect to both cases of Petitioner herein on the next date of hearing.
6. R-2, RCS is also directed to explain as how much recovery have already been made from the petitioner in both the cases where she is principal borrower in one case and surety in another. RCS shall also submit how much amount has been transferred to the society so far after recovering from attached accounts. The Counsel for RCS will clarify how recovery ordered with penal rate added to the interest rate of loan, as also how the total cumulative interest, with penalty permitted at monthly rest intervals.
7. Adj. to 15.01.2026..



**Financial Commissioner
Delhi**

Case No. 284 of 2024
Shri Gulshan Arora
Vs.
The Gujranwala CHBS Ltd. & Anr.

12.12.2025

Present : Shri H. K. Shekhar, Counsel for Petitioner.
: Shri Rajiv Vig, Counsel for R-1, Society.
: Ms. Vasu Singh, Counsel alongwith Shri Balinder and Shri Shahid, Sr. Asstt. for Respondent, RCS.
: None present for R-2.

1. It is contended by the Counsel for Petitioner that the present revision petition is filed against the impugned order dated 29.07.2024 passed by the RCS. Paramjeet Kaur and Indrajeet Kaur were validly enrolled as joint member No. 757 of R-1, Society in 1975, after full compliance and verification of not having any immovable property as required under DCS Act, 1972 and Rules, 1973. Plot No. 226 was allotted to them in 1991, NOC issued to DDA on 09.12.1999 regarding execution perpetual sub-lease deed followed by registered Perpetual Sub-Lease Deed by DDA in favour of Paramjeet Kaur and Inderjeet Kaur. Petitioner herein is a bona fide purchaser who acquired Plot No. 226 via chain transfer from original allottees (Paramjeet Kaur & Inderjeet Kaur) to Shri Sanjeev Kumar/Shri Sanjay Seth (1999, 50% each), then Shri Sanjay Seth to Shri Sanjeev Kumar (2000), and finally Sanjeev Kumar to Petitioner in 2002. In 2013, Petitioner paid DDA conversion fee of Rs.1,17,795/- and sought Society's NOC and membership transfer, which was denied. Smt. Ramesh Kumari (no legal interest/relation to Society) filed a proxy complaint dated 15.04.2016 (i.e. 17 years post-possession which was unserved on Petitioner), alleging that the original allottee Smt. Paramjit Kaur had got the plot allotted based on a false affidavit regarding absence of any other property in her possession or her family members. Based on the said complaint, the society passed a Resolution dated 23.06.2017 ceasing Petitioner's membership. The said resolution of membership cancellation and its subsequent transfer was approved by the RCS vide the present impugned order. The order wrongly ceased R-2's membership u/s 41 and quashed subsequent transfer of membership. The latter has affected rights of Petitioner.

2. Counsel for R-1, Society submitted that the maintainability of the petition is challenged primarily because the Petitioner, Sh. Gulshan Arora, lacks locus standi to contest the order ceasing the membership of R-2, Smt. Paramjeet Kaur, especially since he has impleaded her as an adversary. Furthermore, the Petitioner's claim to the plot is based solely on an Agreement to Sell dt. 08.02.2002 and GPA which, under law, does not convey any legal title or right to immovable property in terms of the settled proposition of law. The Hon'ble High Court of Delhi in case title **Smt. Sheelawati Vs. RCS & Ors.** held that "*Once it came to the knowledge of the RCS that Mr LC Gupta was a member of another society and was already allotted a plot by that society, there was good and sufficient reason to declare the membership of Mr LC Gupta as invalid and void ab initio and as a consequence thereof, the subsequent transfer of membership by Mr.LC Gupta in favour of respondent No.4 was also automatically revoked. As the membership of respondent No.4 itself stood revoked, there is no question of recognizing the rights, if any, of the petitioner in the plot in question as the same only flow from the rights, if any, that were vested with respondents No 1 and 4.*" The Counsel for R-1 herein alleged that attorney, cannot hold a better title than his Principal, who has failed to defend her own membership.
3. The substantive challenge rests on the fact that R-2's membership was rightly ceased by the RCS because she incurred disqualification when her husband acquired another property in Delhi, contrary to the mandatory society bye-laws and based on a false affidavit. Since R-2 obtained the allotment fraudulently, and the Petitioner came into the picture years later (2002), R-2, as the seller, could not legally convey a valid title to the Petitioner. This underlying fraud vitiates the entire transaction chain, justifying the cessation of membership. Counsel for R-1 also relied on the perpetual sub-lease deed of DDA and contended that "the sub-Lessee shall not sell, transfer, assign or otherwise part with the possession of the whole or any part of the residential plot in any form or manner, benami or otherwise, to a person who is not a member of the Lessee." He submitted that R-2, Smt. Paramjit Kaur was allotted plot on 09.12.1999 and she sold the same within five days on

14.12.1999, as she was aware that she had got the plot fraudulently.

4. Counsel for R-3, RCS stated that Smt. Paramjeet Kaur and Smt. Inderjit Kaur were joint members (No. 757) of R-1, Society and allotted Plot No. 226 in 1999. In 2016, waitlisted member Smt. Ramesh Kumari complained that Smt. Paramjeet Kaur fraudulently obtained membership and allotment by concealing her husband Sh. Kuldeep Singh's ownership of House No. F-11/11, Model Town, Delhi. The R-1, Society issued three Show-Cause Notices in 2016 to her Model Town address, but she neither replied nor appeared, and notices were returned undelivered. The society informed the complainant on 01.08.2016 to approach RCS/DDA/High Court, DDA for membership cancellation. The society forwarded a resolution to RCS on 17.07.2017 for cancelling her ½ share in Plot 226. RCS issued Show-Cause Notice on 12.02.2018 and further notices, but Smt. Paramjeet Kaur never appeared. Mr. Gulshan Arora, current owner and GPA holder of Plot 226, was impleaded as respondent. After hearings, RCS found fraudulent concealment and disqualified her membership vide order dated 29.07.2024. R-3, RCS prays to dismiss the present petition and uphold the order dated 29.07.2024.
5. Keeping in view of the above arguments and the High Court judgment (as in para 2 above), the Court is of considered view that the Order dated 29.07.2024 passed by the RCS is a speaking order and accordingly upheld the same. Hence, membership claim of Petitioner is dismissed. The petitioner failed to rebut the contention raised by the R-1, Society as well as RCS regarding 'fraud' committed by R-2, Smt. Paramjit Kaur by filing false affidavit for getting allotted plot in her favour. However, for decision on the ownership dispute, this Court lacks jurisdiction and the petitioner is at liberty to approach appropriate forum as per law.
6. This revision petition bearing no. 284/2024 titled **Shri Gulshan Arora Vs. The Gujranwala CHBS Ltd. & Anr.** is therefore dismissed.
7. File be consigned to record room after completion.

(PRASHANT GOYAL)
Financial Commissioner
Delhi

Case No. 180 of 2025

12.12.2025

Present : Shri Abhishek Dubey, Counsel for Petitioner.
: Ms. Vasu Singh, Counsel alongwith Shri Balinder and Shri Shahid, Sr. Asstt. for R-1, RCS.
: Shri Satish Kr. Panchal, Counsel for R-2, Society.

1. It is contended by the Counsel for Petitioner that the present Revision Petition under Section 116 of the DCS Act, 2003 has been filed against the order dated 23.05.2025, by which the RCS dismissed the Petitioner's complaint dt. 05.02.2024 seeking a Special Audit of R-2, Society for the period 2017-2023. The present Petition is filed as per the liberty granted by the Hon'ble Delhi High Court in W.P.(C) 9606/2025 to challenge the Impugned Order before the Financial Commissioner. Counsel for Petitioner further contended that the impugned order is a non-speaking order and does not deal with the allegations raised in the complaint, despite earlier High Court directions requiring proper adjudication. The Petitioner submits that a Special Audit is necessary for the following reasons:

a. High Court's prima facie finding:

The Hon'ble High Court has already noted that issues such as non-filing of income tax returns by the Society require examination by the Registrar.

b. Lack of reasons in the Impugned Order:

The Registrar earlier found prima facie financial irregularities (in the Show Cause Notice dated 06.01.2025) but later dismissed the complaint without any explanation.

c. Audit discrepancies:

The same financial figures have been shown differently in consecutive years (loss vs. profit), and bank balances do not match bank records.

d. Irregular Water Charges accounting:

Entries for water expenses and water charges in FY 2018-19 and 2019-20 are inconsistent. RTI replies from Delhi Jal Board do not match the Society's books.

e. Incorrect reporting of member collections:

Amounts collected from members under Maintenance and Water Charges are not properly reflected in the accounts.

2. The Petitioner further submitted that these irregularities clearly require a Special Audit under Rule 80 of the DCS Rules, and the Impugned Order deserves to be set aside.
3. Counsel for R-1, RCS stated that the Petitioner, Smt. Indu Raheja, submitted a complaint dated 05.02.2024 alleging misuse of Society funds by the Management Committee for the period 2017-18 to 2022-23 and sought a Special Audit of the Society. The Petitioner also filed W.P.(C) No. 10494/2024 before the Hon'ble High Court of Delhi. The Hon'ble Court vide order dated 31.07.2024 directed RCS to decide the complaint dated 05.02.2024. In compliance with the direction of the Hon'ble High Court, the complaint dated 05.02.2024 was considered, and a Show Cause Notice dated 06.01.2025 under Rule 80 of the DCS Rules, 2007 was issued to the Society, calling upon it to explain as to why a Special Audit should not be ordered for the period referred to in the complaint. That the matter was heard on 12.03.2025 and 26.03.2025. The Society submitted a detailed reply along with written submissions and point-wise clarifications from three different Chartered Accountants.
4. As per the Society, books of accounts and audited balance sheets were prepared strictly in accordance with basic accounting principles and statutory norms. Upon consideration of the submissions made by both parties, along with the audit clarifications and reconciliation statements, the competent authority observed that the allegations made by the Petitioner did not substantiate any misappropriation of funds by the Society. The complaint dated 05.02.2024 was found to be untenable and was accordingly dismissed vide order dated 23.05.2025.
5. Counsel for R-2, Society further submitted that the present revision filed by the Petitioner is not maintainable on the ground of limitation as it was filed after the limitation period is over as the impugned order was passed on 23.05.2025 and the present revision petition was filed on 26.08.2025

which exceeded 90 days. Moreover, allegations made by the Petitioner are baseless and petition deserves to be dismissed.

6. In the interest of justice, the minor delay beyond limitation is waived off. It is noted that the RCS order of 23.05.2025, has essentially reproduced the claims and counter-claims of complainant and society. It is not a speaking order bringing out basis of the judgment of RCS. Accordingly, the matter is remanded back to the RCS with the direction to hear both the sides and pass a speaking order on the allegations of the complainant.
7. Accordingly, the revision petition bearing no. 180/2025 titled *Indu Raheja Vs. RCS & Anr.* is disposed of in terms of the above.
8. File be consigned to record room after completion.


(PRASHANT GOYAL)
Financial Commissioner
Delhi

12.12.2025

Present : Shri Sandeep Kumar, Counsel for Petitioner.
: Ms. Vasu Singh, Counsel alongwith Shri Balinder and Shri Shahid, Sr. Asstt. for Respondent, RCS.

1. Counsel for Petitioner contended that the Petitioner is a registered Cooperative Group Housing Society governed by the Delhi Cooperative Societies Act, 2003. Elections were last held on 16.04.2023 under the supervision of an Administrator-cum-Returning Officer appointed by the RCS. Prior to this, due to the resignation of the earlier Managing Committee elected on 25.08.2019, the RCS had appointed successive Administrators under Section 35(5) during 2021-22 & 2022-2023. During the tenure of the Administrators, the statutory audits for the financial years 2021-22 and 2022-23 were not conducted on time. After the new Managing Committee assumed charge in April 2023, it was required to digitise the Society's previously manual accounts and request the RCS to appoint an Auditor. The RCS appointed Aangrishi Karnatak & Co. as an Auditor, who completed and submitted the audits for 2021-22 and 2022-23 on 02.02.2024 & 29.02.2024, which were approved without any penalty on 05.02.2024 & 05.04.2024 respectively.
2. Petitioner further contended that for the audit of FY 2023-24, the RCS again appointed the same Auditor on 16.05.2024. The Society supplied all required documents promptly, but the Auditor delayed completion due to other statutory deadlines and furnished the draft report only on 28.09.2024 and the final report on 03.10.2024. The Society circulated the report to members for suggestions up to 10.10.2024, signed it on 17.10.2024, and the Auditor submitted it to the RCS on 23.10.2024. Thereafter, a Show Cause Notice (SCN) dated 22.11.2024 was issued by RCS under Section 60(1), DCS Act, 2003 for delay in filing audit report, to which the Society filed its reply on 22.12.2024. The RCS, however, passed the impugned order dated 09.01.2025 imposing a penalty of Rs. 1,500/- on the Managing Committee, which was not served upon the Society and came to its knowledge only on 10.02.2025 through the Auditor.

3. The Petitioner submitted that the delay was not attributable to the Managing Committee as it came into existence only on 16.04.2023, but resulted from the Administrator's failure to get earlier audits conducted and from circumstances beyond the Society's control, including digitisation of old accounts and delay on the part of the Auditor appointed by the Registrar.
4. Counsel for Respondent, RCS contended that the Society had applied online for appointment of the auditor for FY 2023-24 on 02.05.2024 and the auditor was appointed on 16.05.2024 who submitted the audit report on 23.10.2024. The Society thus violated Section 60(1) of the DCS Act, 2003, which mandates completion of annual audit within 120 days from the prescribed date (i.e. 01.05.2024) for making up its account for the year. In view of this admitted delay, the Registrar rightly imposed a penalty of Rs. 1,500/- under Rule 167 of the DCS Rules, 2007. Therefore, the impugned order dated 09.01.2025 is legal, justified, and calls for no interference. The Revision Petition is devoid of merit and liable to be dismissed.
5. This Court is inclined to accept the contention of the petitioner, society that the previous audit report for FY 2022-23 was accepted on 17.04.2024 and previous year's audit is the base document for next year's audit. The annual circular for FY 23-24 was issued by the Department only on 27.04.2024 and the society immediately applied on 02.05.2024. The RCS could have well issued the circular, say in Jan/Feb of 2024, allowing the Society to seek appointment of auditor, in advance. This would have cut down sometime. The Auditor approved by RCS could have given a deadline to submit report. Further Society had to choose auditor from RCS panel, and the auditor furnished the draft audit report itself beyond 120 days. Hence, the delay cannot be attributed to the society. Keeping in view the above averments, the revision petition is allowed and the impugned order is set aside.
6. The revision petition bearing no. 60/2025 titled *Canara CGHS Ltd. Vs. RCS* is disposed of in terms of the above.
7. File be consigned to record room after completion.

(PRASHANT GOYAL)
Financial Commissioner
Delhi

12.12.2025

Present : Mr. Rajiv Vig, Counsel for Petitioner.
: Ms. Vasu Singh, Counsel for R-1, RCS.
: Ms. Praveena Bisht, Counsel for R-2.
: Mr. T.S. Nanda, Counsel along with Shri L.G. Bhardwaj for R-3, DCHFC.

1. The Counsel for Petitioner contended that the Petitioner filed the present petition to set aside the impugned order dated 16.05.2025 passed by Asstt. Registrar (Audit) whereby the society was offered final opportunity to reimburse the tax invoice Bill amounting to Rs.76,700/- of the auditor failing which action under Section 37 (1) would be taken against the MC of society.
2. On query by this court to the R-1, RCS regarding the amount of audit fee being exorbitantly high (vis a vis annual audit fee for entire society) and when audit with reference to transactions of only one individual was to be carried out, the Counsel for R-1, RCS submitted that the audit was for multi years. Also, as per sub-Rule 4 of Rule 79 of DCS Rule, 2007, *"the audit fee fixed by the Registrar shall be paid to the auditor by the Cooperative Society directly on the receipt of audit report acknowledged by the Cooperative Department"*.
3. Further, R-1, RCS referred the letter dated 21.06.2021 of Assistant Registrar (Audit) alongwith copy of ledger of the Petitioner society regarding appointment of C.A. in the execution case No.526/2008-09 in the matter of DCHFC Ltd. Vs. Neelkamal CGHS Ltd. & Ms. Alpana Banerjee to examine the records/accounts and C.A. Reports whereby C.A was directed to call all the parties for submission of their records and accounts to be examined and submit its report.
4. The Counsel for R-1, RCS submitted that the RCS has filed reply and copy of the same provided to the Petitioner. The Reply of R-3, DCHFC is also on record.
5. On query of the court, the RCS Counsel admitted that Rule 79(4) is in context of annual audits and not such specific audits. Also, she was not able to clarify why RCS order is silent about the fee payable in its order appointing the auditors.

6. On query of court to DCHFC as to why and in what capacity it 'offered' before the high court on 01.11.2018 to use a Chartered Accountant to examine the accounts of society when it did not what to pay, there was no convincing reply.
7. All the parties are directed to file their brief written submission, if any, within two weeks whereby orders shall be passed on the basis of the documents available on record.
8. The case is reserved for pronouncement of orders on 16.01.2026.

**Financial Commissioner,
Delhi**