

27.11.2025

Present : Group Captain Subrata Roy, Contemnor/Review
Applicant in person.
: Ms. Vasu Singh, Counsel for R-2, RCS.

1. The Applicant contended that he has filed contempt petition seeking initiation of contempt proceedings against R-1/Society. On further query by this court regarding what grievance is left as the Inspection Report has already been carried out and report submitted, the Review Applicant contended that his part of representation is not reflected in the order dated 10.10.2025 passed by this court.
2. The Contemnor also contended that the said inspection order was issued by RCS on 16.05.2025 and consequently inspection report was also submitted but the said inspection was carried out against the previous Managing Committee and he was not a part of the previous M.C.
3. The Counsel for R-2, RCS submitted that the RCS has not been provided a copy of the present contempt petition by the Contemnor.
4. The Contemnor is directed to supply a copy of the present contempt petition immediately to the R-2, RCS for their reply before the next date of hearing.
5. Issue notice to the R-2, Society alongwith a copy of contempt petition to appear and defend the case on the next date of hearing, failing which the matter shall proceed ex-parte.
6. Adj. to 16.01.2026 for further arguments.

**Financial Commissioner,
Delhi**

Case No. 198 of 2025

27.11.2025

Present : Shri Sandeep Kumar, Counsel for Petitioner, Society.
: Ms. Vasu Singh, Counsel for R-1, RCS.
: Shri Rajiv Parashar, Impleadment Applicant under 1/10.

1. The decision on the application dated 24.11.2025 under Order 1 Rule 10 Sub-Rule 2 of the CPC, 1908 for impleadment of the Applicant in the present case, shall be taken on the next date of hearing.
2. The Counsel for Petitioner contended that the impugned order is not a speaking order. Secondly, without issuing any show cause notice to the Society, the order dated 15.09.2025 was passed by Assistant Registrar, RCS.
3. R-1, RCS is directed to file reply with advance copy to the Petitioner and come prepared on the next date of hearing.
4. The inspection may continue. However, no coercive action may be taken thereon by the RCS till the next date of hearing.
5. Adj. to 08.01.2026 for further arguments.


**Financial Commissioner,
Delhi**

Case No. 221 of 2024

27.11.2025

Present : Shri Sabhya Chaudhary, Counsel for Petitioner.
: Shri Rajiv Vig, Counsel for R-2, Society.
: Ms. Vasu Singh, Counsel for Respondent RCS.

1. Counsel for Petitioner filed proof of cost paid by him on record. Counsel for Petitioner contended that 44 residents members of the Society including the petitioner made complaint regarding serious financial irregularities, non-conduct of audit and also Society is not paying the water bills to DJB and other mismanagement in the Society.
2. An Inspection Officer appointed in 2007 confirmed these irregularities, but no action was taken by R-1, RCS. The Managing Committee continued to collect monthly maintenance charges but failed to pay water dues of over Rs.88 lakh and also withheld membership certificates. The petitioner and others again complained in 2023. Although a show-cause notice was issued, the Special Registrar ultimately dismissed the complaint on 26.02.2024 in an arbitrary manner, relying on a reply of the Society that was never provided to the petitioner. Petitioner further submits that he tried to obtain the audit report through RTI but R-1 did not provide the same stating that reports are not traceable.
3. The Petitioner pointed to Order dated 17.06.2025 of RCS wherein Inquiry officer was appointed to look into the matter of defaulting Managing Committee only. The other issues of Petitioner's complaint i.e. non-conduct of Annual General Meeting (AGM) and audit report have not been dealt with. The Petitioner further pointed out towards report of inspecting officer wherein it is mentioned that neither proper books of accounts are being maintained nor regular audits taking place. And inspite of society's claim about regular GBM's being called yet no evidence was shown to this effect.

4. Counsel for R-2, Society submitted that Petitioner has only raised the issue of AGM only in his rejoinder which is not permissible in revision. He further submits that vide order dated 26.02.2024, Special RCS had duly considered all the facts and no inspection was made out. Counsel also submitted that Petitioners are defaulters since 2009 and membership cannot be transferred to defaulters. That inspecting officer was appointed on the request of the Petitioner along with other members and he submitted the report dated 12.10.2007. Petitioner is approaching this court after gap of 18 years which is barred by limitation.
5. Counsel for RCS pointed out to the impugned order passed by Special, RCS wherein Administrator was appointed to conduct Society elections within 90 days. Counsel also submitted that impugned order has taken into consideration all the complaints of the Petitioner along with the other complainants.
6. On query as to how audit reports have been accepted without holding AGM, RCS and Respondent Society shall reply on the next date of hearing.
7. Respondent Society is directed to file Audit Reports as well as Minutes of AGM from the year 2000 till date. The society may also furnish proof of service of notice regarding AGM on all members, including the complainant members on the next date of hearing.
8. Respondent RCS is directed to confirm that Audit reports and AGM minute filed by society are valid and accepted by RCS.
9. Adj. to 08.01.2026.



**Financial Commissioner
Delhi**

Case No. 04 of 2025

**Naveen Sagar
Vs.
Asstt. Collector, Gr.I/II & Ors.**

27.11.2025

Present : Shri Akshay Bhardwaj, Counsel for Petitioner.
: Ms. Vasu Singh, Counsel alongwith Shri Surender Narang,
ARCS and Shri Shahid, Sr. Asstt. for R-1, RCS.

1. It has been contended by the Counsel for the Petitioner that he stood surety for a Rs.3,00,000/- loan, but despite Rs.3,92,000/- already deducted from his salary, recovery proceedings continue without transparency. The Society has not provided any records even after an RTI request. The Petitioner challenges the arbitrary salary attachment orders and seeks proper information and relief.
2. The Counsel for R-1, RCS has already filed reply and contended that the petitioner has challenged the attachment orders in Execution Case No. 483/2020-2021. The R-3, Shri Nirpal took a loan of ₹3,00,000 from R-2, T/C Society herein in 2017, and Petitioner herein Shri Naveen Sagar stood as surety. On default, an award dated 10.01.2020 was passed in Arbitration Case No. 4168/2018-2019. Based on this award, Recovery/Execution Case No. 483/2020-2021 was initiated, and attachment/summons/warrants were issued as per the DCS Act and Rules. The loan bond clearly provided interest @ 15% plus 3% penal interest, which is correctly reflected in the award and the Recovery Certificate dated 20.03.2020. There is no error in the award. The petitioner is liable to pay the outstanding amount. As on date, Rs.3,19,074/- remains due in the execution case. The loan is public money, and granting a stay would cause financial loss to the Government.
3. On query by this court regarding rate of interest, the Respondent, RCS submitted that as per award the rate of interest is 18%, including penal interest. This court observed that the rate of interest which is being charged is exorbitant. Further, clubbing penal interest with the interest on loan amounts to capitalising the penal interest, something specifically barred by the Hon'ble Supreme Court of India in

judgment dated 18.10.2001 in SLP (C) No.2421 of 1993 titled "**Central Bank of India Vs. Ravindra & Ors.**" in which the Hon'ble Supreme Court has held that the penal interest cannot be capitalized and the Court has the power to exercise its discretion in awarding interest pendente lite and post-decree interest at a lower rate or even decline awarding the interest at all.

4. It is noted that the petitions are being filed before this Court against the recovery proceedings in execution which are necessarily the result of award passed by the arbitrator. However, there is no challenge preferred against the Award on the disputed assessment by Arbitrator before the Competent Court. This Court is of the considered view that in interest of justice, it is vital that the parties exhaust all the remedies before approaching this Court so that the amount payable under the Award of Arbitrator is rightly determined by the Competent Authority. If any further legal disputes arise on the execution proceedings, the parties are free to approach this Court in the revision petition.
5. Therefore, the Petitioner is directed to approach the appropriate forum for redressal of his grievances within next 60 days. No coercive action including on recovery, shall be taken against the Appellant during this period.
6. It is noted that the R-2, T/C Society is not appearing in the matter despite notices since beginning, which casts aspersions about bonafides of its claim.
7. Accordingly, the appeal bearing No.04/2025 is disposed of in terms of the above.
8. File be consigned record room after completion.

(PRASHANT GOYAL)
Financial Commissioner

Case No. 132 of 2025
Shri Naresh Kumar
Vs.
Registrar Cooperative Societies & Anr.

27.11.2025

Present : Shri Vidya Bhushan, Counsel for Appellant.
: Ms. Vasu Singh, Counsel alongwith Shri Surender Narang, ARCS, Shri Shahid, Sr. Asstt. and Shri Dhananjay, Jr. Asstt. for R-1, RCS.

1. Counsel for Petitioner contended that the attachment order passed on 21.10.2020 was issued without giving him adequate opportunity to present his defense. Proper notices and summons were not served on him, which hindered his ability to respond in time. The appellant asserts that he had borrowed Rs.1,00,000/- on 15.03.2007 and has repaid Rs. 45,000 in instalments, yet the society claims an inflated balance of Rs.13,64,592/- which is incorrect and unfair. He further contended that the calculation of interest and the total debt amount lack clarity and transparency. Further, monthly salary deductions of Rs.14,286/- since 2020 have caused him severe financial hardship especially since the deductions already exceed the principal loan amount. Therefore, he has prayed that the Court may set aside the impugned attachment order, review the entire execution case, grant an interim stay on further salary deductions until the appeal is disposed of, and condone any delay in filing this appeal. The appellant seeks any other relief deemed just and proper by the court in the interest of justice.
2. Counsel for R-1, RCS stated that the applicant took a loan of Rs.1,00,000/- in 2007 from the Society. Due to default, the Society filed a case under Section 70 of the DCS Act. An award dated 20.02.2020 was issued for Rs.10,39,507/- against the applicant. A

certificate to the award was issued on 07.09.2020, leading to execution proceedings against the applicant and sureties. The loan bond specifies interest at 14% plus 3% penal interest. However, the award and recovery certificate incorrectly mention 17% monthly compounded interest, which was not part of the original loan bond. The petitioner has not challenged this award. The petitioner must pay the outstanding amount of Rs. 13,64,592/- as per the execution proceedings.

3. On query by this court regarding rate of interest, the Respondent, RCS submitted that as per arbitral award the rate of interest is 17%, including penal interest. This court observed that the rate of interest which is being charged is exorbitant. Further, clubbing penal interest with the interest on loan amounts to capitalising the penal interest, something specifically barred by the Hon'ble Supreme Court of India in judgment dated 18.10.2001 in SLP (C) No.2421 of 1993 titled "**Central Bank of India Vs. Ravindra & Ors.**" in which the Hon'ble Supreme Court has held that the penal interest cannot be capitalized and the Court has the power to exercise its discretion in awarding interest pendente lite and post-decree interest at a lower rate or even decline awarding the interest at all. It is noted that the petitions are being filed before this Court against the recovery proceedings in execution which are necessarily the result of award passed by the arbitrator. However, there is no challenge preferred against the Award on the disputed assessment by Arbitrator before the Competent Court. This Court is of the considered view that in interest of justice, it is vital that the parties exhaust all the remedies before approaching this Court so that the amount payable under the Award of Arbitrator is rightly determined

by the Competent Authority. Consequent to Competent Authority's decision, if any further legal disputes arise on the execution proceedings, the parties are always be free to approach this Court in the revision petition.

4. Therefore, the Appellant is directed to approach the appropriate forum for redressal of his grievances within next 60 days. No coercive action including on recovery, shall be taken against the Appellant during this period.
5. It is noted that the R-2, T/C Society is not appearing in the matter despite notices since beginning. This apparently shows that it is trying to hide from justifying the exorbitant claim.
6. Accordingly, the appeal bearing No.132/2025 is disposed of in terms of the above.
7. File be consigned record room after completion.

(PRASHANT GOYAL)
Financial Commissioner
Delhi

Case No. 133 of 2025

**Shri Ved Prakash
Vs.
The Parishad Cooperative Bank Ltd. & Anr.**

27.11.2025

Present : Shri Nishant Kumar, Counsel for Appellant.
: Ms. Vasu Singh, Counsel alongwith Shri Surender Narang, ARCS, Shri Shahid, Sr. Asstt. and Shri Dhananjay, Jr. Asstt. for R-2, RCS.

1. Counsel for Petitioner stated that the petitioner being the principal borrower has already paid Rs.17,19,890/- as a full & final amount on 06.08.2024 in terms of arbitral award. In addition, he has also paid Rs.25 lacs against the interest component in lieu of default made, the amount was paid and he further sought NOC from the R-1.
2. The Assistant Collector/ARCS in person stated that the R-1, Bank is under liquidation and the execution case pertaining to the Petitioner is now settled after Cancellation of Execution/Recovery order dated 17.09.2025 passed by Asstt. Collector Gr. I, RCS. Therefore, nothing survives in the present case as the matter has become infructuous and Petitioner is not required to pay anything further.
3. Since the principal borrower has already settled the loan amount and the judgment creditor/R-1, Bank is under liquidation; and execution case being closed by RCS, nothing remains hence, the case is dismissed being infructuous in terms of the above. Hence, the case bearing no. 133/2025 is dismissed.
4. File be consigned to record room after completion.

(PRASHANT GOYAL)
Financial Commissioner
Delhi