

16.01.2026

Present : Shri Anil Kumar, Counsel alongwith Shri Jitender Singh, AR for Petitioner, Bank (in both cases).
: Ms. Vasu Singh, Counsel alongwith Shri Vishwas Gautam, Sr. Assistant for R-1, RCS (in both cases).
: Shri Rajinder Gulati and Shri Atul Bhardwaj, Counsels for Applicants for impleadment (in both cases).

1. The applications for impleadment under Order 1 Rule 10 r/w Section 151 of Code of Civil Procedure, 1908 have been received from 9 ex-Directors of the Bank for impleadment in both the cases. In the absence of any opposition by Petitioner as well as RCS and in the interest of justice, the applications for impleadment are allowed. Counsel for Petitioner is directed to file amended memo of parties in both the cases before the next date of hearing.
2. Counsel for Petitioner contended that the petitioner is the Delhi State Cooperative Bank Ltd. and R-2, Shri Lalit Kumar was a bailiff at the Narela branch. He was issued receipt books for loan recoveries but committed serious irregularities. He issued receipts for cash from borrowers without depositing the full amounts in bank accounts and left key columns blank in several receipts, mutilated counterfoils with chemicals in receipt book no. 151 and submitted fake deposit slips. This led to misappropriation of funds. Thereafter, Petitioner, Bank issued a Show Cause Notice dated 28.02.2009 to R-2 and conducted a detailed inquiry and terminated his services on 14.01.2010 after he deposited Rs.18,35,000 as part payment. Since then, R-2 has filed repeated false complaints against the Petitioner, Bank to harass and defame it.
3. Counsel for Petitioner further contended that as per Section 61 of the DCS Act, 2003, the Registrar can undertake inspections on requests from creditors, or not less than 1/3rd members of committee, or 1/5th of total members of Cooperative Society. In this regard, Petitioner, Bank also referred to Rule 82(1)(c) of DCS Rules, 2007 wherein specific points on which inquiry can be carried out were set out while authorizing any person to conduct an inquiry under Section 61 of DCS Act, 2003. Despite this, R-1, RCS

has ordered inspection based solely on R-2's complaints, exceeding, legal limitation. Earlier, inspection order dated 18.07.2018 was challenged in Revision Petitions nos. 321/2018 and 335/2018 (pending). The Hon'ble High Court in WP(C) 12370/2018 granted Stay vide order dated 19.11.2019. After a lapse of six months, subsequent orders were issued by ARCS (Banking) on 20.07.2020 and 08.07.2022 appointing Inquiry Officer to conduct Inquiry which were also challenged. In another case no. 135/2022, the Petitioner, Bank has challenged the order dated 08.07.2022 passed by ARCS (Banking) approving inspection of the Bank u/s 61 of the DCS Act and also appointed inspection officer. The Predecessor Financial Commissioner vide order dated 11.01.2024 set aside the order dated 08.07.2022 of ARCS (Banking) directing- "*It would be more appropriate for the office of Registrar Cooperative Societies to see whether there is any substance or cause of fresh action against the petitioner, bank before embarking on fresh inquiry/inspection. In case the Vigilance wing finds there is further cause of action against the petitioner, Bank, the RCS is at liberty to take action as per law.*"

4. Counsel for Petitioner further contended that R-2 filed a complaint dated 18.09.2020 before Hon'ble LG which was forwarded to R-1, RCS. The R-1, RCS found it necessary to conduct a preliminary inquiry on the complaint and Assistant Registrar was directed to submit his report on the complaint. The fact-finding report dated 06.01.2023 clearly stated that there is no substance in the allegation no. 1 which was duly noted by the predecessor Financial Commissioner in order dated 11.01.2024 whereby the inspection ordered vide order dated 08.07.2022 was set aside. However, the RCS again initiated inspection proceedings against the Petitioner, Bank without either waiting for the final decision of this Court in case no. 135/2022 or fresh cause of action against the Bank vide show cause notice dated 07.03.2022. Petitioner, Bank replied to the notices repeatedly on 28.03.2023, 10.08.2023 and 15.01.2025 raising objections on maintainability and without following due process for conduct of inspection/inquiry. The O/o the RCS vide order dated 19.03.2025 appointed Shri K. S. Meena as Inspection Officer

u/s 61 who submitted his report dated 03.07.2025 recommending a detailed investigation u/s 62 of DCS Act, 2003. Accordingly, R-1, RCS appointed Shri Anil Pratham as inquiry officer under Section 62 of DCS Act, 2003 against the Bank. The inquiry officer submitted his report on 26.12.2025.

5. Counsel for R-1, RCS submitted that the inspection officer clearly established that there is substance on some of the issues in the complaint submitted by R-2, therefore, the inquiry u/s 62 was found necessary. However, the inquiry report which was submitted by Inquiry Officer could not be proceeded with as the Inquiry was conducted by a Retired Officer who is not authorized to conduct Inquiry under Section 62 of the DCS Act, 2003. Accordingly, the Inquiry report was declared invalid vide order dated 15.01.2026. She further requested for adjournment as the case file is under 'submission for approval' by the Competent Authority for decision on the course of action in the matter and undertook to come prepared for arguments on the next date of hearing. Request is allowed.
6. Counsel for impleadment applicants sought a copy of the Petition alongwith all connected documents for filing reply. He stated that the ex-Directors were not given an opportunity of being heard before appointing Inspection Officer and before appointing Inquiry Officer.
7. In view of the above, Counsel for Petitioner is directed to file amended memo of parties within a week alongwith chronology of dates and events. Counsel for R-1, RCS is also directed to file reply alongwith chronology of dates and events by 31.01.2026 with an advance copy to the parties.
8. The Interim order dated 09.09.2025 passed by this Court directing 'to proceed with the inquiry however, no coercive be taken against the Petitioner', to continue till the next date of hearing in case no. 182/2025.
9. Adj. to 06.02.2026 for further arguments.


**Financial Commissioner
Delhi**

**Geeta Chaudhary
Vs.
Bestway Co-operative Society & Anr.**

16.01.2026

Present : Shri Rahul Raj Sharma Husband of Petitioner.
: Shri B.K. Mishra, Counsel for R-1, Society.
: Ms. Vasu Singh, Counsel alongwith Shri Sandeep,
Section Officer for R-2, RCS.

1. The present revision petition has been filed by Petitioner u/s 116, Delhi Cooperatives Societies Act, 2003 for setting aside the attachment notice dated 21.01.2025 passed by Recovery Officer, Co-operative Societies.
2. The Petitioner submitted that she an amount of Rs.1,00,000/- loan was taken by her in the year 2016 and due to non-payment of the outstanding loan, the Petitioner became defaulter and R-1 initiated arbitration proceedings. After passing of Award dated 09.01.2021 execution proceedings were initiated. The Petitioner, a Government employee, challenges the ex-parte arbitral award and consequential salary attachment initiated by R-1 without issuance or service of any notice, in violation of mandatory provisions of the Delhi Co-operative Societies Act and principles of natural justice. The arbitration was initiated when the alleged outstanding amount was about Rs.45,000/-, which was illegally inflated by adding cheque bounce charges, penal interest, and impermissible compound interest.
3. Respondent R-1, RCS submitted after initiation of execution proceedings, summon/attachment were issued to the principal debtor and her sureties as per provisions of DCS Act & Rules. As per the statement of execution case an amount of Rs.1,01,466/- is due as on date. Further, there is no infirmity in the rate of interest mentioned in award as well as in loan bond which was duly executed by principal debtor. The Petitioner has no valid and legal reason for challenging the orders in the present petition.

4. Husband, authorised representative of Petitioner, appeared and filed written submissions and loan statement. Petitioner submitted that total outstanding amount against the Petitioner is much less as compared to the recovery of loan has already been made through her attached salary, share money compulsory deposit with the society at the time of extending loan and dividend. Petitioner further submitted that she has already paid Rs.1,49,450/- . The Petitioner submitted that she is still ready to settle the matter out of Court if the settlement is made on correct and lawful figures.
5. It is seen from the arguments of the two sides that the main dispute between the parties is regarding the exorbitant award when compared to loan amount. This issue falls in the ambit of DCT. Since the Petitioner is willing to settle the matter outside the Court, liberty is granted to Petitioner to attempt to settle the dispute with the R-1/Society amicably. Two months' time is granted from today for the same and during this time, no coercive action to be taken against the Petitioner. In case the Petitioner is not satisfied with the mutual settlement amount she may at any stage proceed to DCT to settle the award amount. In case dispute still survive post a future execution proceeding, the Petitioner shall have the liberty to approach this Court.
6. The revision petition bearing no.130/2025 titled '**Geeta Chaudhary Vs. Bestway Co-operative Society & Anr.**' is disposed of accordingly in terms of above.
7. File be consigned to record room after completion.



(PRASHANT GOYAL)
Financial Commissioner
Delhi

**Shabbir Hussein Abdullabhai Shaikh
Vs.
Bestway Cooperative Society Ltd. & Anr.**

16.01.2026

Present : Shri S. P. Das, Counsel for Petitioner.
: Shri B. K. Mishra, Counsel for R-1, Bestway Coop. Society.
: Ms. Vasu Singh, Counsel alongwith Shri Sandeep, Section Officer for R-2, RCS.

1. The present revision petition has been filed under section 116 of Delhi Cooperatives Societies Act, 2003 to set aside the attachment order dated 29.11.2022 issued by the Recovery Officer/Asstt. Collector Grade-I.
2. The petitioner herein submitted that he had availed loan of Rs.2,00,000/- from Respondent No.1/Co-operative T/C Society on 17.07.2018. The arbitration proceedings initiated by R-2, RCS under the DCS Act were conducted without giving any show cause notice and in violation of mandatory procedural safeguards, rendering the proceedings void ab initio. Pursuant to the ex-parte arbitral award, attachment orders were issued to the petitioner's salary disbursing authority, and deductions amounting to Rs.3,48,921/- were made between January 2019 and December 2020, thereby satisfying the alleged award amount. Despite full satisfaction of the purported dues, Respondent continued recovery by issuing a subsequent attachment notice dated 29.11.2022 to the petitioner's banker (UCO Bank), leading to further deductions of Rs.10,000/- per month from November 2022 to April 2024, aggregating Rs.1,69,800/-. It is alleged by the petitioner that a compound interest of 19.80% per annum was wrongfully applied quarterly, contrary to the agreed annual compounding and unlawful imposition of penal interest (at maximum permissible), and capitalisation of interest rates.

3. Counsel for R-1, Bestway Coop. Society contended that the petitioner had taken a loan of Rs.3 lacs instead of Rs.2 lacs as contended by Petitioner and the sureties affirmed the same in their affidavit. The R-1/Society raised objections to the inordinate delay in filing revision petition and absence of an application for condonation of delay and contended that the Petitioner is a wilful defaulter who had voluntarily executed the loan agreement after accepting all terms and conditions. R-1/Society further submitted that the arbitration proceedings were lawfully initiated under the DCS Act, 2003 after issuing notices and an award was passed due to non-appearance of the Petitioner and denied that the loan amount has been fully recovered. He contended that the salary and bank deductions were made strictly in accordance with law without any irregularity, manipulation, or collusion with authorities. The allegations of forgery, fabricated attachment orders, illegal interest calculation and violation of Section 60 of the CPC are categorically denied. The R-1/Society submitted that statutory requirements regarding recovery periods were complied with and that no maximum limitation exists for recovery. The Petitioner has concealed material facts including obtaining loans from multiple cooperative societies and defaulting therein. The arbitral award is valid, lawful and the loan amount remains outstanding and there is no procedural or substantive illegality in the execution or attachment proceedings.
4. Counsel for R-2, RCS submitted that the petitioner defaulted on repayment of a loan of Rs.3 Lakhs obtained in the year 2017 from R-1/Society and execution proceedings were initiated under Section 70 of the DCS Act, resulting in an award dated 10.08.2018 against the petitioner and his sureties for Rs.3,48,921/- . Consequently, execution proceedings were undertaken in Execution Case No. 950/2018-2019 and an amount of Rs.2,57,308/- remains outstanding and payable by the

petitioner as on date. As per award dated 10.08.2018, the interest rate is 16.8% plus 3% penal interest. The matter is at execution stage and under Rule 151 of the DCS Rules, 2007, the Recovery Officer shall not alter the decree or certificate nor entertain any objection as to validity or legality or correctness of the same. The attachment orders were cancelled in compliance with the order dated 22.08.2024 passed by the predecessor Financial Commissioner. Since public money is involved, it is duty of the judgement debtors to pay the loan amount. Any stay in execution of award would cause monetary loss of revenue to the Govt. exchequer.

5. Counsel for Petitioner stated that the Rule 124, sub-rule-3 of DCS Rules, 2007 has not been complied with by the RCS and attachment order dt. 29.11.2022 is incomplete on this account. Counsel for R-1/Society stated that legal aspect regarding Rule-124 (3) is not raised in the revision petition by the petitioner and is an afterthought. Counsel for RCS added that Rule 124 (3) had been complied with keeping in view the award passed by the arbitrator and is a necessity to pass the execution order.
6. From the arguments, the main dispute between the parties seems to be regarding the payment of loan amount (interest w.e.f. 01.04.2018 @ 16.8% + 3% on monthly compounded basis as per award dated 10.08.2018) that the petitioner claims to be excessive as the awarded amount of Rs.3,48,921/- has already been recovered from the petitioner. The Petitioner submitted that he is willing to settle the matter outside the Court. During the proceedings before this Court on 20.11.2025, the Counsel for R-1/Society submitted that they have already offered the petitioner to settle the amount balance loan without penal interest. However, the petitioner did not turn up before the Society.
7. Since the Petitioner is willing to settle the matter outside the Court, liberty is granted to Petitioner to attempt to settle the dispute with the R-1/Society amicably. Two

months' time is granted from today for the same and during this time, no coercive action to be taken against the Petitioner. In case the Petitioner is not satisfied with the mutual settlement amount, he may at any stage proceed to DCT as the instant issue falls in the ambit of DCT to rectify the award to the extent of interest chargeable. In case dispute still survive post a future execution proceeding, the Petitioner shall have the liberty to approach this Court.

8. With the above directions, the revision petition no.173/2024 titled "***Shabbir Hussein Abdullabhai Shaikh Vs. Bestway Cooperative Society Ltd. & Anr.***" is disposed of.
9. File be consigned to record room after completion.


(Prashant Goyal)
Financial Commissioner
Delhi

***Praveen Arora
Vs.
Anil Kumar Singh, RCS***

16.01.2026

Present : Shri Chirag Sharma, Counsel for Applicant for Praveen Arora.
: Ms. Vasu Singh, Counsel alongwith Shri Sandip, S.O. RCS for Respondent, RCS.

1. The brief facts of the case of the Petitioner are :
 - i. The Petitioner filed revision petition under Section 116 (bearing No.164/2017) against the order dated 19.06.2017 passed by Assistant Registrar (Sec-7 Branch). The predecessor Financial Commissioner vide order dated 24.08.2023 held that - RCS revisit the list of eligible members vis-a-vis strength of society by way of clear speaking order keeping in view the orders passed by Hon'ble High Court of Delhi and Hon'ble Supreme Court and whereby the RCS was directed to complete the task in the next six months. The Petitioner filed present Contempt Application before this court against RCS for non-implementation of the order dated 24.08.2023 passed by this Court.
 - ii. The Counsel for Petitioner contended that specifically para Nos. 18, 20 & 23 of the order dated 24.08.2023 passed by predecessor Financial Commissioner are not complied with which read as under :

"18. It is seen that the RCS has not followed the orders passed by this Court. This is a lapse. Clearly on the face of it, the impugned orders dated 19.06.2017 are neither speaking nor reasoned and have also not addressed the specific observations made by this Court on 07.02.2017."

"20. When the three orders of the RCS dated 07.02.2017, 19.06.2017 and 06.07.2017 are seen, it is not clear as to how the RCS has found only 54 members to be eligible when total members are 124 and the total membership has been increased to 148 by the Hon'ble High Court vide order dated 28.07.2010, upheld by the Hon'ble Apex Court vide orders on 03.05.2018."

148 by the Hon'ble High Court vide order dated 28.07.2010, upheld by the Hon'ble Apex Court vide orders on 03.05.2018."

"23. In fact, it will help matters to have a final list of eligible members against the total strength of the society of 148 before proceedings with the elections and not just deciding the case of the applicants. Anything otherwise will only lead to further litigation by other left out members found ineligible for voting."

2. The Counsel for Petitioner further contended that 15 months have elapsed and the Respondent, RCS has yet not complied with the aforesaid order. Therefore, the applicant has no remedy but to approach this court with request to direct the RCS to implement the order dated 24.08.2023.
3. In rebuttal, the Counsel for Respondent, RCS submitted that Shri S.P.Mishra & Ors. approached the Hon'ble High Court of Delhi in WPC No.14975/2023 against the order dated 24.08.2023 and the Counsel sought time till the outcome of the said writ petition which is pending for adjudication in Hon'ble High Court of Delhi and the next date of hearing in the matter is 22.01.2026.
4. However, the Petitioner submitted that **CONT.CAS(C) 1881/2024** titled "*Seema Sharma vs. Anil Kumar Singh*" pending before the Hon'ble High Court was filed by some other member who is distinct from the present Applicant. The Petitioner further submitted that W.P.(C) No.14975/2023 titled "*S.P. Mishra & Ors. vs. The Financial Commissioner, Delhi*", was filed against the order dated 24.08.2023 passed by the predecessor Financial Commissioner and there is no stay granted by the Hon'ble High Court as on date to proceed further in the matter.
5. Keeping in view the submissions of the parties, this Court is of considered view that the RCS has failed to comply with the directions passed by the predecessor Financial Commissioner vide order dated 24.08.2023 in the time frame granted by this Court. Therefore, one more opportunity is granted to the Registrar Cooperative Societies to comply with the directions already passed by the predecessor Financial Commissioner vide order dated 24.08.2023 positively within

next three months of this order by passing a reasoned and speaking order.

6. Accordingly, the application bearing No.363/2024 titled ***Praveen Arora Vs. Anil Kumar Singh, RCS*** is disposed of in terms of the above.
7. File be consigned to record room after completion.



(PRASHANT GOYAL)
Financial Commissioner
Delhi

**Group Captain Subrata Roy
Vs.
Nav Sansad Vihar CGHS Ltd. & Anr.**

16.01.2026

Present : Group Captain Subrata Roy, Contempt/Review
Applicant in person.
: Shri Shashi Bhushan. Counsel for R-1, Society.
: Ms. Vasu Singh, Counsel for R-2, RCS.

1. The contemnor/Review applicant sought a review that the order sheet dated 10.10.2025, R-2, RCS inadvertently mentioned in place of R-1, Society.
2. This is found correct and hence, 'R-2, RCS' stands replaced by 'R-1, Society' in para 1 of the order sheet dated 10.10.2025. Rest of the contents of the order dated 10.10.2025 in case no. 29/2025 remains unchanged.
3. In light of the above, the contempt/review application bearing no. 29/2025 titled **Group Captain Subrata Roy Vs. Nav Sansad Vihar CGHS Ltd. & Anr.** is disposed of.
4. File be consigned to record room after completion.


(PRASHANT GOYAL)
Financial Commissioner
Delhi

16.01.2026

Present : Mr.M.Qayam-Ud-Din, Counsel for Petitioner.
: Mr.Vinod Sharma, Proxy Counsel for R-3.

1. On query of this court regarding deposit of cost of Rs.5000/- imposed on the last date of hearing, the Counsel for Petitioner requested to waive off the cost so imposed on the last date of hearing as by mistake junior Counsel could not represent as per instructions and she requested this court to adjourn the matter, on the last date of hearing rather than seeking replies of respondents. The request is allowed and the cost is waived off.
2. The Counsel for Petitioner contended that he filed revision petition bearing No.205/2023 under Section 116 before this court against the order dated 20.12.2022 whereby the Assistant Registrar (Sec.II/GH branch) issued notice to the Petitioner to make appearance in Execution Case filed by Bimal Kumar Jana (R-3 herein) to execute infructuous award dated 10.08.2016 passed by Shri G. K. Marwah, Arbitrator. The Financial Commissioner vide order dated 15.03.2024 dismissed the matter for non-pursuance. Thereafter, Petitioner filed the present restoration application and the same was allowed by the predecessor Financial Commissioner on 17.04.2025.
3. The Counsel for Petitioner further contended that the Petitioner sought to set aside the entire execution proceedings under Section 105 (b) of DCS Act, 2003 against the Petitioner society which are initiated for execution of award dated 10.08.2016 passed by Shri G. K. Marwah, Arbitrator and for further declaring the award as infructuous and non-executable as R-3 has not been expelled by the Society vide resolution dated 27.06.2010 in view of findings

of Hon'ble High Court vide Its judgment dated 29.05.2015 in WPC No.1746/2014.

4. In rebuttal, the Counsel for Respondent, RCS sought time to file reply on the next date of hearing. The Respondent, RCS is directed to file brief written submissions before the end of the month with advance copy to the other Respondents.
5. The reply with dates of events has already been filed by R-3 and is placed on record.
6. The Petitioner is directed to file list of dates of events alongwith copy of Award, with advance copy to the other Respondents before the next date of hearing
7. Adj. to 06.02.2026 for final arguments.



**Financial Commissioner
Delhi**