Case No. 201 of 2025

Shri Rajesh Kumar
Vs.
RCS & Ors.

06.03.2026

Present : Shri Prajwal Sharma, Counsel for Petitioner.
: Ms. Vasu Singh, Counsel alongwith Shri Shahid, Sr. Asstt. for R-1, RCS.
: Shri Nitin Mittal, Counsel along with Shri Deepak Mittal, AR for R-2, Society.

1. The Petitioner has filed the present revision petition against the impugned order dated 22.05.2024 passed by Assistant Collector I/II, RCS for calling the records of R-2/Society and pass an order accordingly.

2. Counsel for Petitioner contended that the society has not made sufficient efforts to recover from the primary borrower's assets or from other sureties, such as the wife, who reportedly has an independent income from a jewellery business. Counsel further contended that the original debt of ₹2 lakhs has reached an unjustified amount of nearly ₹9 lakhs due to interest. He also felt aggrieved at the unjustifiedly high amount of award by Arbitrator.

3. Counsel for R-2, Society submitted that the procedural limitations and actions have been taken under Rule 130 of the DCS Rules. He clarified that the Society has initiated recovery against the surety's salary, but legal mandate prevents the Society from attaching more than one-third of his total pay. Notices and summons have been issued to other parties, including the primary borrower's wife. R-2, Society efforts have been hampered because the wife cannot be legally arrested under current statutes. Counsel further submitted that R-2 maintained following the standard "manner of execution" which prioritizes movable property (like salary) before proceeding to immovable assets.

4. Counsel for R-2, Society further stated that the society is legally entitled to pursue the surety here because, under

the Contract Act, liability is joint and several and he justified in targeting the petitioner because he is an employee of the Delhi Jal Board, making his income the most accessible "movable property" for debt satisfaction. Counsel for R-2 asserted that Society has fulfilled its legal obligations by serving notices to all relevant parties, including the borrower's legal heirs. However, on the query of Court of proceeding with attachment of immovable properties, the Society had not much to say.

5. Keeping in view of the above arguments, this Court is of considered view that Rule 130 of the Delhi Cooperative Societies Rules, 2007 has to be read coherently with the provisions of the Indian Contract Act, 1872. Rule 130 lays down the procedural framework governing *recovery of dues by cooperative societies*. The rule contemplates that when a loan becomes overdue, the society shall initiate recovery proceedings in a structured manner, including issuance of demand notices and taking appropriate recovery steps against the principal borrower and the available security. The intent of the rule is to ensure that reasonable efforts are first made to recover the dues from the principal debtor, and that sureties are not selectively proceeded against without the society demonstrating bonafide attempts to recover the amount from the borrower and other liable parties.

6. At the same time, it is also noted that under Section 43 of the Indian Contract Act, 1872 the liability of the principal debtor and the sureties is joint and several, and a creditor may legally proceed against any one of the persons liable for recovery of the entire debt. **However, Rule 130 of the Delhi Cooperative Societies Rules operates as a procedural safeguard within the cooperative regulatory framework, regulating the manner in which recovery powers are exercised by cooperative societies.** Thus, while the legal liability of the surety remains intact, a lending cooperative society is expected to demonstrate that reasonable recovery measures have been undertaken against the principal borrower and other

liable parties before seeking to enforce recovery exclusively against a single surety. In the present case, the material placed on record does not indicate that adequate recovery steps have been taken against the principal borrower or the other sureties, and more so against the properties of deceased borrower and other immovable properties before proceeding only against the appellant. Such action would not be consistent with the procedural discipline contemplated under Rule 130 of the Delhi Cooperative Societies Rules, 2007.

7. Accordingly, the respondent Delhi Swastik Cooperative Urban Thrift & Credit Society is directed to initiate and pursue recovery proceedings in accordance with the procedure prescribed under Rule 130 of the Delhi Cooperative Societies Rules, 2007, including appropriate steps against the movable and immovable assets left behind by the principal borrower and other liable parties, including his wife who is the likely beneficiary of immovable assets left by the borrower (her husband) and is also one of the surety for the borrower with her own independent income, as brought out by the lender society, before seeking to enforce recovery solely against one surety here, namely the Petitioner.

8. The Society admitted that principal borrower (PB) has paid an amount of ₹ 1 Lakh till he expired in 2023. No further action of recovery be taken against the Petitioner herein for now. The attachment order issued by the Assistant Collector shall remain suspended indefinitely until the Society satisfies the RCS that the Rule 130 has been complied with in letter and spirit, and how much recoveries it has been able to secure from other movable/ immovable properties of principal borrower and his wife. The efforts will also include reporting loan payment defaults against all other parties, including sureties to CIBIL. In case recoveries still remain pending, the Society would be free to approach the RCS yet again, bringing out the amount yet to be recovered, and issue revised attachment order for the balance amount against the Petitioner and other

sureties here in keeping with their joint and several liability.

9. The Counsel for Petitioner also admitted that although the Petitioner is not satisfied with the unjustifiably high award amount, out of ignorance he has not challenged it before DCT. He, however, intends to do so, since the amount of award is unjustified.

10. Keeping in view of the above arguments, the revision petition bearing no. 201/2025 titled ***Shri Rajesh Kumar Vs. RCS & Ors.*** is dismissed with liberty to the Petitioner to approach the Delhi Cooperative Tribunal (DCT) to agitate his case in case he so choses.

11. A copy of this order be furnished to the RCS to ensure compliance of the directions of this Court as above.

12. File be consigned to record room after completion.

(PRASHANT GOYAL)
Financial Commissioner
Delhi

Case No. 148 of 2025

Smt. Meeta Mittal
Vs.
Guru Ram Dass CGHS Ltd. & Anr.

06.03.2026

Present : Shri O. P. Gupta alongwith Shri Ashok Tomar, Counsels for Petitioner.
: Ms. Vasu Singh, Counsel alongwith Shri Shahid, Sr. Assistant for R-2, RCS.

1. This revision petition filed under Section 116 of DCS Act, 2003 for setting aside the impugned order dated 26.05.2025 passed by the Registrar, RCS.

2. As directed by this Court on the last date of hearing i.e. 20.02.2026, Counsel for Petitioner filed affidavit regarding source of money for purchasing property and details of bank transactions in GRDC Group Housing Society Ltd. However, no information has been furnished regarding property no. C-3/72, Janak Puri, Delhi.

3. Counsel for Petitioner contended that the affidavit is not the central issue rather the focus should be on whether the property was truly an independent acquisition.

4. None appeared for R-1, Society despite notice.

5. Counsel for R-2, RCS submitted that at the time of applying for membership or allotment, individuals are required to submit an affidavit stating that neither they nor their dependents own any property in Delhi. She submitted that if the petitioner now claims independent income and ownership, it contradicts the likely contents of that original affidavit. Counsel for R-2, RCS stated that the petitioner has not come with clean hands and cannot now take recourse to a High Court decision after filing a wrong affidavit for getting the membership. She further stated that the affidavit is the starting point for eligibility for claiming membership under the Delhi Cooperative Societies (DCS) Act.

6. The Counsel for Petitioner disputed the relevance of a 30 years old affidavit, stating that he would need to search for it, and claims that he did not submit any "wrong" information. Counsel for Petitioner relied on the High Court orders to support his client's claim to the property despite the ownership rules mentioned by the RCS.

7. Keeping in view of the above arguments, the matter is remanded to the RCS with the direction to call the record from Society to examine and assess the facts of other properties submitted by the Petitioner in the affidavit to the Society to secure membership. The affidavit about the source of income of the Petitioner acquiring the membership would be assessed. This will however be judged on the anvil of law provision as prevailed at the time when the membership was granted. The High Court judgments in WPC 6154/2007 dated 15.09.2010 & WPC No. [63 (1996) DLT 655 (DB)] may also be kept in view in this context.

8. In short, before coming to a conclusion the RCS shall examine if the member was eligible under Act/Rules prevailing on the date of his enrolment and disclosures/ claims made at that point of time. Of course, no relief shall be extended to Petitioner if he committed fraud by concealing ownership of Property filed false affidavit or obtained membership through other misrepresentation since **fraud vitiates everything**.

9. Accordingly, the Revision Petition bearing no. 148/2025 titled ***Smt. Meeta Mittal Vs. Guru Ram Dass Cooperative Group Housing Society Ltd. & Anr.*** is disposed of in terms of the above.

10. File be consigned to record room after completion.

(PRASHANT GOYAL)
Financial Commissioner
Delhi

Case No. 222 of 2025

Suresh Bhatia
Vs.
Kunj Vihar CGHS Ltd. & Ors.

06.03.2026

Present : Shri Bharat Bhushan Bhatia, Counsel for Petitioners.
: Shri Rohit, Civil Engineer for R-1, Society.
: Shri Rajiv Vig, Counsel for R-2 to R-6.
: Ms. Vasu Singh, Counsel alongwith Shri Shahid, Sr. Asstt. for Respondent, RCS

1. This revision petition filed under Section 116 of DCS Act, 2003 against the Inquiry Report dated 16.06.2025 filed by the inquiry officer and appointed by the RCS.

2. Counsel for Petitioner contended that the Management Committee committed fraud and embezzled money from the society. Counsel pointed out that the initial findings under Sections 61 and 62 of DCS Act supported the allegations, proving the charges "stood true." However, Counsel for Petitioner further contended that the subsequent Section 66 report was flawed because the inquiry officer failed to examine the relevant records and dismissed the charges. Counsel further prayed that the matter should be revised because the current inquiry results are totally against the allegations.

3. Representative for R-1, Society appeared and requested for adjournment as the Counsel is not available.

4. Counsel for RCS submitted that the Section 66 inquiry has been completed and the report has been submitted to the RCS. She further submitted that the allegations under Section 61 and 62 were not proven in the final under Section 66 report. Counsel for RCS confirmed that the report was forwarded to the concerned parties with the prior approval of the Registrar. She, however, admitted that the RCS has not taken any conclusive decision on the Inquiry Report submitted under Section 66 of the DCS Act, 2003.

5. Counsel for R-2 to R-6 submitted that the initial findings under Sections 61 and 62 were legally insufficient and procedurally flawed. He further submitted that the inspection under Section 61 is a preliminary step that cannot decide on allegations of misconduct. Furthermore, he asserted that the subsequent report under Section 62 was "baseless" because the inquiry officer reached conclusions without actually examining the society's financial records.

6. Counsel for R-2 to R-6 further defended the final report under Section 66 which cleared the management of the embezzlement charges. Counsel explained that this specific inquiry was the first to involve a proper examination of the records, which ultimately showed that the evidence was totally against the allegations made by the Petitioner. Counsel stated that no liability was established in this final report, there is no legal basis for the prosecution or recovery actions the Petitioner is demanding.

7. It is clear that there no final order of RCS regarding his satisfaction or otherwise on the Inquiry Report submitted under Section 66 of the DCS Act, 2003. Consequently, the matter is remanded to the RCS with the direction to examine the final Inquiry Report submitted under Section 66 of DCS Act, 2003 and record his conclusion thereon after giving an opportunity to both the sides to submit their contention.

8. Accordingly, the Revision Petition bearing no. 222/2025 titled ***Suresh Bhatia & Anr. Vs. Kunj Vihar CGHS Ltd. & Anr.*** is disposed of in terms of the above.

9. File be consigned to record room after completion.

(PRASHANT GOYAL)
Financial Commissioner
Delhi

Case No.359 of 2024

S.P. Saxena (Since deceased through LRs)
Vs.
Registrar of Cooperative Societies

06.03.2026

Present : Shri Anil Mittal, Counsel for Appellant.
: Mr.Jaffar Abbas, Counsel for Respondent, RCS.

1. The Counsel for Appellant contended that the Appellants filed an appeal under Section 112 of the Delhi Cooperative Societies Act, 2003 for quashing the order dated 10.09.2014 passed by the RCS whereby the membership of the Appellant was ceased w.e.f. the date of his enrolment i.e.19.02.1995 on the ground that he and his wife Smt.Madhu Saxena have been holding dual membership in Bhagwati CGHS and IDC CGHS Ltd. at some point of time. However, the original member Shri S.P. Saxena who expired in the year 2023 is one of the promoter members of Anjuman CGHS Ltd.

2. The Counsel for Appellant further submitted that the RCS has prima-facie ceased the membership of Shri S.P. Saxena in Anjuman CGHS Ltd. with effect from the date of his enrolment i.e. 19.02.1995 despite neither he nor his wife has membership in any other societies except the membership which was inherited by Smt.Madhu Saxena as a nominee/LR of her mother in Jagjiwan CGHS Ltd. The Appellant has only one membership in the Anjuman CGHS Ltd. and Appellant neither himself nor in the name of his spouse or dependents has any property in Delhi. He further pointed out in impugned order dated 10.09.2014 that said order is not on clear cut observations and is based on prima-facie claims as pointed out in para 2 of Facts of the case : *"So, prima-facie, Sh. S.P. Saxena and his wife Smt.Madhu Saxena enjoyed dual membership in two different societies during the period*

30.10.1992 to 27.07.2002..." and last para of impugned order *"Thus, holding that Sh.S.P.Saxena, S/o Sh.R.B. Saxena and his wife Smt.Madhu Saxena have/had been holding dual membership in Bhagwati CGHS Ltd. and IDC CGHS Ltd., at one point of time or the other, which prima-facie attracts disqualification u/s 41(1)(d) of DCS Act, 2003 r/w Rule 29(1)(c)(ii) of DCS Rules, 2007,..."*. He further submitted that an impugned order must be on the clear finding rather than on assumptions.

3. In rebuttal, the Counsel for Respondent, RCS submitted that the Assistant Registrar (CND Zone) confirmed that as per available record, Smt. Madhu Saxena was enrolled as member of Bhagwati CGHS Ltd. vide Resolution dated 05.11.1992 against application dated 30.10.1992 and her resignation was accepted by the MC of the society vide Resolution dated 27.07.2002. So, Sh.S.P. Saxena and his wife Smt.Madhu Saxena enjoyed dual membership in two different societies during the period 30.10.1992 to 27.07.2002 and since Sh.S.P. Saxena was enrolled in Anjuman CGHS Ltd. in the intervening period i.e. on 19.02.1995, he clearly attracted disqualification under Section 41(1)(d) of DCS Act, 2003 read with Rule 20(1)(c)(iii) of DCS Rules, 2007.

4. After perusing the so called 'Impugned Order' the court expressed dismay that the Counsel of Appellant has apparently not even bothered to read the last para of impugned order which only refers to a 'prima facie' observation of RCS and the legal liability in such cases. There is no finding in the present case. The mistake equally lies on part of Counsel of RCS to not bring this out.

5. Hence, the ends of justice would therefore be served if the office of RCS revisits its so called order dated 10.09.2014, gives notices to the Appellant and Society

and comes to a conclusive finding after hearing them out.

6. With the above directions, the appeal bearing No.359 of 2024 titled ***S.P. Sexena (Since deceased through LRs) Vs. Registrar Cooperative Societies*** is disposed off.

7. File be consigned to record room after completion.

(PRASHANT GOYAL)
Financial Commissioner
Delhi

Case No. 05, 06, 07, 08, 09 & 10 of 2026

06.03.2026

Present : Shri Rahul Dev Sharma along with Shri G.S. Thakur, Counsels for Appellants in all the cases.
: Shri Anuj Kumar Garg, Counsel for Respondents in all the cases.

1. The Counsel for Appellant(s) submitted that the present appeal is against order dated 24.04.2024 passed by the CA (Slum), DUSIB whereby the application of the respondents under section 19 of the Slum Act 1956 was allowed and permission was granted to institute a civil suit for eviction of the appellant from respective properties at Bhagirath Palace, Chandni Chowk, Delhi. The Counsel for Appellant(s) further submitted that the respondents have misled this Court by claiming absolute ownership while they are actually the co-owners of an un-partitioned HUF property. Counsel also contended that there is no established landlord-tenant relationship between the appellants and the respondents here and challenged the validity of the sale deeds which are defective. The appellant(s) have been paying rent to the erstwhile landlord and that the properties in question continued to be HUF property without partition and the respondents are the subsequent purchasers. In absence of clear ownership or identification of the tenanted shop, the respondents lacked locus standi to seek permission for eviction and hence the impugned order suffers from jurisdictional error, non-consideration of relevant material and violation of settled legal principles.

2. Counsel for Appellants further raised three questions of laws (i) whether permission under section 19 of the Slum Act can be granted without a reasoned finding on undue hardships and likelihood of creation of a slum and beyond the purview of law? (ii) Whether the Competent Authority can proceed on assumptions, conjectures and reverse burden of proof, contrary to settled Law? (iii) Whether

failure to conduct a meaningful and objection inquiry vitiates the order as perverse and void in law, attracting appellate interference?

3. In rebuttal, Counsel for Respondents contended that respondent(s) have full ownership of the properties in question and the petitioners herein are the tenants. Counsel for Respondents further raised the issue of maintainability in the light of order dated 14.10.2025 passed by this Court wherein this Court relied upon judgement of Hon'ble High Court dated 13.08.1979 in matter of ***Usha Bhasin Vs. Competent Authority*** which clearly bars the tenant to invoke provisions of Section 20 of Slum Act, 1956 to challenge the impugned order. The Counsel for Respondent further added that the Appellant(s) herein has only disputed the landlord-tenant relationship without disputing the sufficiency of his income to arrange for an alternative property, if evicted.

4. Both sides are directed to file their written arguments/submissions alongwith citations, if any, in support of their contentions by 13.03.2026.

5. The case is reserved for pronouncement of orders on 20.03.2026.

Financial Commissioner
Delhi