Case No. 199 of 2024

Sohan Rawat
Vs.
Bestway cooperative (U) Thrift & Credit Society Ltd.
(Through its Manager) & Anr.

27.02.2026

Present : Mr. Ashwini Kumar, Counsel for Appellant.
: Mr. Manish Jethi, A.R. for R-1, T/C Society.
: Mr.Shahid, Sr.Assistant for R-3, RCS.

1. The Appellant filed the present appeal under Section 112 (1)(k) of the Delhi Cooperative Societies Act, 2003 before this court against the attachment order dated 04.07.2024 issued by Account officer (Claim), BSNL Ltd.

2. The Counsel for Appellant submitted that a person name Raj Singh had taken a loan of Rs.2,00,000/-, whom Appellnat do not know personally, from Bestways Co-operative Urban Thrift and Credit Society Ltd. in April 2017 and during the process of pendency of loan the appellant had gone in the office of registration of society where, one inspector of Co-operative Societies asked, appellant to become a witness of Raj Singh well known to and sign on some papers, and in good faith, Appellant became surety of Sh. Raj Singh.

3. The Counsel for Appellant further contended that the Appellant has already paid Rs.1.70 lakh and sought time to pay the balance amount as soon as possible. He also contended that the Appellant is a class-IV employee and his salary is very low.

4. This court raised query that under Rule 130 of DCS Rules, 2007 what efforts have been made by society to recover the amount from the Principal Borrower and other sureties. In rebuttal, the AR for R-1 submitted that efforts are being made to recover the balance amount. Principal Borrower is retired and even warrants were issued against him. Further, one surety has been terminated. The other surety has shifted its residence and could not be traced out. He

however failed to clarify what action has been taken against movable/immovable properties of borrower/other surety ?

5. The Petitioner however agreed that he is jointly and severally responsible for payment under Sections 42 and 43 of the Indian Contract Acts, 1872.

6. In the light of the above submissions made by both the parties, this court is of the considered view that the Appellant is liable to pay the balance amount of loan severally and jointly and hence recovery may be made by DDO of Petitioner but in strict compliance with Section 60 CPC and Rule 132 of DCS Rules, 2007. Further, on retirement of Petitioner, no recoveries shall be made from gratuity, pension, Leave Encashment, etc. and R-1 shall be able to pursue recoveries through other available means under Rule 130 of DCS Rules, 2007. The Petitioner would also be free to pursue recoveries from borrowers and other sureties for the amount paid by him on their behalf. Hence, the appeal bearing No.199 of 2024 titled Sohan Rawat Vs. Bestway cooperative (U) Thrift & Credit Society Ltd. (Through its Manager) & Anr. is dismissed. Accordingly, the case is disposed of in terms of the above.

5. File be consigned to record room after completion.

(PRASHANT GOYAL)
Financial Commissioner
Delhi

Case No. 201 of 2025

27.02.2026

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

1. Counsel for Petitioner appeared and requested to bring the main counsel with official who is well versed with the procedure of the society and of this case so that the arguments can be concluded as the R-2, Society has been appearing by the Proxy Counsel and seeking adjournments repeatedly.

2. Proxy Counsel for R-2, Society filed list of documents and copy of the same is given to the Petitioner and requested for adjournment as the main counsel is not available due to bereavement in his family. Request is allowed as a final opportunity to come prepared to answer the query posed by this Court on the last date of hearing i.e. 15.01.2026 as to what steps have been taken by the R-2, Society to recover the amounts from the LRs of the Principal borrower and as well as from the other sureties who are jointly and severally responsible and further to file proof of independence source of income of the wife of the Petitioner based on which she was make a surety of her husband. AR for R-2 alongwith R-2's main counsel to be definitely present.

3. Adj. to 06.03.2026 for further arguments.

Financial Commissioner
Delhi

Case No. 14 of 2026

27.02.2026

Present : Shri Anil Kumar, Counsel for Petitioner.
: Ms. Vasu Singh, Counsel alongwith Shri Shahid, Sr. Asstt. for Respondents, RCS.

1. Counsel for Petitioner primarily argued that his client should not be liable for the 5% recovery charges or the interest. He relied upon the judgment dated 02.12.2021 passed by the Hon'ble High Court in WPC No. 2836/2018 which established that because the borrower deposited the settlement amount directly with the bank, the recovery machinery of the RCS was never actually utilized. Counsel contended that under Rule 125 of the DCS Rules, recovery charges are meant to be a deduction from the amount recovered for the decree-holder (the bank) rather than an additional penalty imposed on the debtor. Counsel for Petitioner sought a refund of the interest accrued held by the RCS and insisted that the interest accrued on that amount during the litigation should also be granted to his client (bank).

2. Counsel for Respondents, RCS submitted that the department's side was not represented in the High Court proceedings. She further submitted that once a decree-holder approaches the RCS to set the recovery machinery in motion, the statutory process begins and costs are incurred and hence the RCS office needs to be compensated by the decree holder who choses to use the services of RCS. She stated that parties should not be able to avoid legal recovery fees simply by settling "out of court" after the government has already initiated the execution process. In fact, if payment of borrowers and sureties routes through the Recovery Officer, RCS can check that there is no over-payment to the lender. Counsel for RCS requested further time to go through the specific directions of the High Court and undertook to clarify on the next date of hearing whether the RCS intends to challenge that order. She emphasized that the department must protect the integrity of the recovery process.

3. Adj. to 20.03.2026 for arguments.

Financial Commissioner
Delhi

Case No. 136 of 2025

Prof. (Dr.) K. C. Gandhi & Anr.
Vs.
Indian Airlines CGHS Ltd. & Anr.

27.02.2026

Present : Shri S. K. Sharma, Counsel alongwith P-1 in person.
: Shri Sagar Khanna, Administrator in person for R-1, Society.
: Ms. Vasu Singh, Counsel alongwith Shri Bhavesh Kumar, ASO and Shri Shahid, Sr. Asstt. for R-2, RCS.

1. The Counsel for Petitioners filed the list of documents which are taken on record. Counsel for Petitioner contended that the previous Managing Committee misappropriated funds exceeding Rs.3 Lakh for the renovation of a "Welcome Room". Counsel further contended that while a 2016-17 General Body Meeting (GBM) on 17.04.2016 may have authorized the work, it failed to approve a specific budget or expenditure limit and hence can't be called as a GB authorization for the work. He added that work was actually carried out in 2017-18 although that year AGM not only include any amount for the work but also did not even mention the need for the work to be carried out. To support his claim of financial irregularity, he cited an audit report stating that bills and vouchers for Rs.2,84,000/- of the expenditure were completely unavailable.

2. Counsel for Petitioner further submitted that as per the Audit Report dated 23.01.2021 audited by Chartered Accountant opined that there was no budgetary approval for "Welcome Room" renovation expenses, total expenditure on this project is Rs.3,58,774/-.

3. Counsel for Petitioner stated that while the society is used to assign budget in GBM even for expenses as low as Rs.300, this large renovation lacked any specific budget allocation. Counsel for Petitioner sought to have the current inquiry report set aside on this account and a fresh inquiry ordered to recover the unauthorized funds from the former managing committee members.

4. Representative for R-1, Society appeared in person and filed Minutes of the AGM. Representative submitted that he is serving as the Administrator only for the past three months and can provide a perspective based on available records only. He admitted that he has no personal knowledge of the events and relies solely on the minutes, which indicate that while three specific budget provisions were approved for the 2017-18 period, the "Welcome Room" was notably absent from that specific list.

5. Representative for R-1, Society also highlighted the difficulty of the situation by noting that many members of the former committee have either left the society or are elderly and fragile making it difficult to collect information. He also confirmed that the physical work on the Welcome Room was indeed completed and suggested that the former committee members should be made parties in this case to explain the lack of documentation directly.

6. Counsel for R-2, RCS submitted that the renovation was procedurally valid because it was included as an approved agenda item in the 2016-17 records. She argued that the society followed its internal processes, as the accounts were eventually audited and approved by the General Body. Counsel submitted that strict governmental financial rules, such as the General Financial Rules (GFR), should not

be applied rigidly to a housing society where members serve in a voluntary, honorary capacity. She however could not clarify that upon GBM of 2016-17 and that of 2017-18, assigned specific budget to various items of expenditure, why specific allocation for 'Welcome Room' went missing. She could not clarify why the specific points raised by Auditor in its report for 2017-18, were not specifically probed into by the Inquiry Officer.

7. Keeping in view of the above arguments made by both the sides, this Court is not satisfied with meticulousness behind the inquiry report. It is a "non-speaking report" because it failed to address the auditor's specific findings regarding the missing vouchers and no budgetary approval for the work. Ignoring these objections and holding the complaint as baseless is simply non-application of mind. Consequently, the matter is remanded to the RCS for a fresh, detailed inquiry only on the issue of whether expenditure made in respect of "Welcome Room" was a bonafide expenditure, backed by due authorisation. If not, who is culpable in the matter. The IO may also establish a clear path for recovering those funds from the responsible parties.

8. Accordingly, the revision petition bearing no. 136/2025 titled ***Prof. (Dr.) K. C. Gandhi & Anr. Vs. Indian Airlines 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. 222 of 2025

27.02.2026

Present : Shri Jagjit Singh, Proxy Counsel for Petitioners.
: Shri Pawan Singh, Proxy Counsel for R-1, Society.
: Shri Rajiv Vig, Counsel for R-2 to R-6.
: Ms. Vasu Singh, Counsel for newly impleaded respondent, RCS

1. Counsel for R-2 to R-6 filed reply of respondent no.2 & 3 and supplied copy of the same to the petitioner. Reply of R-5 & R-6 has already been filed.

2. Proxy Counsel for Petitioners stated that amended memo of parties is already on record and he supplied the copy of petition to newly impleaded respondent, RCS. Proxy Counsel requested for adjournment as the main counsel is in personal difficulty today and stated that they will file the rejoinder to the replies of R-2 to R-6 except R-4.

3. Reply of R-1/Society is on record.

4. Adj. to 06.03.2026 for final arguments.

Financial Commissioner
Delhi

Case No. 359 of 2024

27.02.2026

Present : Mr. Ayush Saxena, Son/LR No.1C of deceased Petitioner.
: Mr. Jaffar Abbas, Counsel for Respondent, RCS.

1. The Son/LR No.1C of deceased Petitioner requested for adjournment as the main counsel is not available today. He submitted that the property in question has been inherited by his mother through maternal grandmother.

2. Counsel for RCS stated that the petitioner was holding dual membership in his or in the name of his spouse in Bhagwati CGHS Ltd. and IDC CGHS Ltd., which is not legally permissible.

3. Adj. to 06.03.2026 for arguments.

Financial Commissioner
Delhi