

**GOVT. OF NATIONAL CAPITAL TERRITORY DELHI**  
**IN THE COURT OF THE REGISTRAR COOPERATIVE SOCIETIES**  
**OLD COURT BUILDING, PARLIAMENT STREET, NEW DELHI-110001**

F.No. 47/965/RCS/Sec-05/2024 / 3202 - 3206

Dated: 16/5/25

**ORDER**

In the matter of:-

Nav Sansad CGHS Ltd.

This order shall dispose of the proceedings initiated vide Show Cause Notice dated 05.11.2024 wherein the Nav Sansad Vihar CGHS Ltd. has been directed to show cause as to why the inspection under section 61 of DCS Act, 2003 should not be carried out on the complaint dated 09.06.2023 received from Sh. Subarata Roy , requesting to take action in accordance with the Section 61 of the DCS Act, 2003 .

**Brief Facts of the Case-**

Sh. Subrata Roy, a member of the society, vide his complaint dated 09.06.2023 stated that the Management Committee (MC) is engaged in serious financial mismanagement and procedural violations, causing significant losses to the society and its members. The MC unilaterally cancelled contracts without consulting the Society General Body (SG), resulting in adverse arbitration rulings and financial losses amounting to crores. Additionally, over ₹5,00,000 was misused from the extension account to fight legal battles, including those of a personal nature involving MC members. Further, an expenditure of approximately ₹9,50,000 for a mandatory structural audit was wrongfully debited from the extension account instead of the appropriate fund.

The complainant further submitted that The MC has also failed to comply with the DDA's speaking order, leading to financial losses for members, and has violated Section 33 of the RCS Act. Moreover, the engagement of an MC member's son as legal counsel, with a payment of ₹45,448 from the extension account, raises serious concerns of nepotism and conflict of interest. These actions reflect a blatant misuse of power, financial irregularities, and non-compliance with statutory provisions. Therefore, requested an urgent inspection under Section 61 of the RCS Act is requested to scrutinize these violations and take necessary corrective action

Pursuant to the complaint filed by Sh. Subrata Roy, the then Ld. Special Registrar passed an order dated 28.02.2024, appointing Sh. Prahlad Singh, Retired Senior Accounts Officer, as the Inspecting Officer under Section 61(1) of the RCS Act to conduct a detailed inspection of the affairs of Nav Sansad Vihar CGHS Ltd. However, the inspection could not be carried out due to the non-availability of records.

In the meantime, the President and Secretary of Nav Sansad Vihar CGHS Ltd. challenged the aforesaid order of the Ld. Special Registrar dated 28.02.2024 before the Hon'ble Financial





Commissioner. The Hon'ble Financial Commissioner, vide its order dated 16.05.2024, categorically held as under:

*Para-2 of order of Hon'ble FC "The Respondent (Sh. Subrata Roy) appeared in person and agreed to the submission of the petitioners (MC) that the inspection can be carried out from 01.04.2019 in case the Ld. RCS so orders, so that truth is revealed in the best interest of the society.*

*Pura-3 of order of Hon'ble FC "To that extent, since complaint does not specify any particular date but the petitioner society here is open to the inspection for a date much prior to current MC taking charge, it will be in the interest of justice to remand back the case to Ld. RCS who will consider the prayer of the Petitioner to have the inspection w.e.f. 01.04.2019. Accordingly, the case is remanded back to RCS."*

As per order of Ld. FC , a hearing was being conducted on dated 17.12.2024 and all respondent and complainant submitted their written submission

The respondent, a former Secretary of Nav Sansad Vihar CGHS Ltd. (2019-2021), submits the following response regarding allegations of mismanagement. The present Management Committee (MC) assumed office on 05/09/2021 after taking charge from the Administrator appointed by RCS. The financial records and society bank balances were handed over by the Administrator. Allegations of fund misappropriation from 2021 onwards pertain solely to the present MC and not the previous one.

During the tenure of the previous MC, the 'Repair and Extension' project was duly approved by the General Body in meetings held on 19/05/2019 and 25/08/2019, with 84 members submitting undertakings and contributing ₹2 lakh each. A Building Repair Extension Committee (BREC) was formed to maintain transparency, and a separate bank account was opened to manage project funds. Upon the appointment of the Administrator, all records and accounts were officially handed over. Since then, the previous MC has had no involvement in society affairs.

Former secretary further submitted that the current MC, led by the President, has taken unilateral decisions, including the cancellation of the project without consulting stakeholders. This led to legal disputes, and the construction agency challenged the termination, resulting in an arbitration award of ₹97,71,164 against the society. The present MC's mismanagement and arbitrary actions have caused financial losses, and instead of taking responsibility, they are attempting to shift blame onto the previous MC. The previous MC further stated that the allegations against the former MC are baseless, as all approvals were obtained, and proper procedures were followed. The financial crisis faced by the society is a direct result of the present MC's unilateral decisions and mismanagement.

The present Society submitted written response regarding the allegations raised by the complainant in the RCS hearing. The current Management Committee (MC) took charge on 05/09/2021 after the tenure of the Administrator appointed by RCS. All financial records and society bank balances were handed over by the Administrator. Allegations regarding financial mismanagement pertain solely to the current MC and not the previous one. The 'Repair and Extension' project was approved by the General Body in meetings on 19/05/2019 and 25/08/2019. Undertakings were given by 84 members, each contributing ₹2 lakh. A Building Repair Extension Committee (BREC) was formed to ensure transparency, and a separate





bank account was created for project funds. Upon appointment of the Administrator, all financial records and accounts were handed over. The previous MC has had no involvement in society affairs since then.

The present Managing Committee (MC) submits that response to the allegations raised by Mr. Subrata Roy and certain members of the previous MC. It is pertinent to highlight that Mr. Alok Rai, is a real estate agent and builder with vested interests in the illegal Extension/FAR project. He, along with Mr. Subrata Roy, has manipulated Society affairs for personal financial gains.

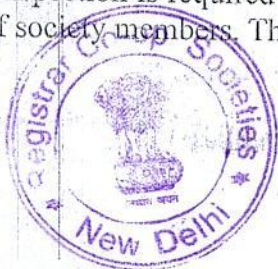
The allegation that ₹70 lakh was illegally spent on legal cases is misleading. The previous MC had already collected ₹2.58 crore for the Extension project, out of which ₹2.70 crore was spent, exceeding the collected amount. Additional liabilities of ₹66 lakh further indicate financial mismanagement. The present MC has sought an inspection under Section 61 of the DCS Act to investigate these irregularities. The complainant's objection that the inspection cannot proceed due to the matter being sub-judice is baseless. The ongoing case in the Hon'ble Delhi High Court pertains to alleged violations by the DDA and was filed by individual members, not by the Society. Moreover, Mr. Subrata Roy himself sought an inspection, contradicting his own argument.

The Extension project was initiated during COVID-19 without following the legal procedures under the DCS Act. The validity of the General Body Meeting (GBM) minutes is questionable, and the Hon'ble Arbitrator declared the contract "null and void," recommending financial recovery from the responsible members of the previous MC. The project was also sanctioned without a mandatory structural audit, and a fabricated audit report was produced five months after approval, raising serious safety concerns.

Despite strong opposition, the Extension was forced upon the Society. Out of 256 flats, only 68 members opted for it, many under coercion. Additionally, ₹23 lakh was misappropriated during the six-month suspension of the MC. Furthermore, Mr. Alok Rai, who admitted to owning three flats, has violated the DCS Act, and his expulsion, along with that of his brother, has been proposed.

I have gone through the complaint filed by the complainant, reply submitted by the current MC and previous MC of Nav Sansad Vihar CGHS and after careful analysis of the submissions made by both the complainant and the respondents, it is evident that there are serious allegations and counter-allegations concerning financial mismanagement, procedural irregularities, and misuse of society funds. The primary disputes include the unilateral cancellation of contracts by the present MC, financial liabilities arising from arbitration rulings, alleged misappropriation of funds from the extension account, and concerns over transparency in decision-making. Additionally, allegations have been raised against the previous MC regarding irregularities in the initiation and execution of the Extension/FAR project, with questions over procedural compliance and financial accountability.

The Hon'ble Financial Commissioner, in its order dated 16.05.2024, has remanded the case back to RCS, directing consideration of an inspection from 01.04.2019 onwards, a period agreed upon by both parties. Given the complexity of the issues and the need for an unbiased assessment, a thorough inspection is required to ascertain the truth, ensure transparency, and safeguard the interests of society members. The inspection shall encompass the tenure of both





the previous and present MCs to bring clarity to the financial and administrative affairs of the society.

In view of the above facts and circumstances, I, Anil Kumar Singh, Registrar of Cooperative Societies, Govt. of NCT of Delhi, in the exercise of powers vested in me under Section 61 of the DCS Act, 2003, hereby order an inspection of Nav Sansad Vihar CGHS Ltd. under Section 61 of the DCS Act, 2003, based on the complaint dated 09.06.2023 received from Sh. Subrata Roy, a member of the society.

Further, Sh. Sh. Gulshan Ahuja (BDO South West ) is appointed as the Inspecting Officer under Section 61(1) of the DCS Act, 2003, to conduct the inspection. The inspection shall cover the period starting from 01.04.2019 onwards and shall be carried out in accordance with Section 61 of the DCS Act, 2003, read with Rule 82 of the DCS Rules, 2007. The Inspecting Officer shall submit the report within a period of ninety (90) days. An honorarium of ₹15,000/- (Rupees Fifteen Thousand Only) shall be paid to the Inspecting Officer from the society's funds for conducting this inspection.



  
A.K Singh  
Registrar Cooperative Societies

Sent To:-

1. Sh. Subrata Roy, R/o 461 Nav Sansad Vihar CGHS Ltd. Plot No. 04 Sector -22 , Sector - 22 , Delhi -110077.
2. The President / Secretary , Nav Sansad Vihar CGHS Ltd. Plot No. 04 Sector -22 Delhi-110077.
3. Ex The President / Secretary (01/04/2019 -2022) , Nav Sansad Vihar CGHS Ltd. Plot No. 04 Sector -22 Delhi-110077.(through present MC)
4. Sh. Gulshan Ahuja, BDO (Inspection officer) , Office of the Block Development Officer (S-W)/ND New Roshanpura, Najafgarh, New Delhi-110043
5. Incharge Computer Cell for uploading on the website of the Department.