

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

F.No.47/582/ARH/Sec-III/GH/RCS | 4333 - 4345

Dated: 17/9/25

**ORDER**

**IN THE MATTER OF:**

**Fakharuddin Memorial CGHS.....**

**Petitioner**

**VS**

**Registrar Cooperative Societies**

**&**

**Ajay Arora.....**

**Respondent**

This order will dispose of the proceedings initiated pursuant to the Order dated 02.02.2024 passed by the Hon'ble Financial Commissioner in Revision Petition bearing No. 122/2023, titled as Fakhruddin Memorial CGHS Vs Registrar of Cooperative Societies & Ajay Arora wherein Hon'ble Financial Commissioner had remanded back the case to this office to revisit the issue and pass appropriate orders as per law after affording adequate opportunity of hearing to all the concerned parties.

**Brief History of the case**

The Fakhruddin Memorial Co-operative Group Housing Society Ltd. was registered in the year 1983 and was allotted a single plot of land by the Delhi Development Authority in 1994 for the construction of five blocks namely A, B, C, D and E. The Society initially undertook the construction of Blocks A and C, which were completed during the years 2002-2003. Thereafter, between the years 2003-2004 and 2010, the Society enrolled fresh members for Blocks B and D.

Ms. Renuka Verma became a member of the Society in April 2008. At the time of her admission, she was informed that she would be required to pay a sum of Rs. 27,01,800/- towards the total cost of an "A Deluxe" category flat with servant quarter and a reserved car garage. However, subsequently, the Society demanded an additional sum of Rs. 6,13,587/- from her over and above the said cost.

On 17.02.2017, a show cause notice was issued to the claimant by the Administrator of the Society proposing her expulsion under Section 86 of the Delhi Co-operative Societies Act, 2003. In the elections held thereafter for the Managing Committee of



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the Society, the claimant was declared a defaulter and her name was excluded from the list of members eligible to vote.

Aggrieved by these actions, Ms. Renuka Verma approached the Deputy Registrar, Co-operative Societies, by filing a dispute under Section 70 of the Act. Deputy Registrar, vide order dated 24.11.2017, held that a dispute exists between the claimant and the Society in respect of the additional demand of Rs. 6,13,587/- and accordingly admitted the claim.

Registrar Co-operative Societies, thereafter referred the dispute under Section 71 of the DCS Act 2003 to the Sh. G.K Marwah appointed as arbitrator for adjudication, vide order No. RCS/ARB/GH/CASES/2017-15/1632 dated 20.02.2018.

The operating part of the award is as under –

*Having carefully examined the entire record available on file and having heard the learned counsel for both parties, I am of the considered view that the doubts and ambiguities surrounding the functioning of the Society can only be dispelled, and a transparent picture can emerge, if an enquiry under Section 62 of the Delhi Co-operative Societies Act, 2003 is conducted. Such enquiry shall encompass the entire process beginning from the tendering for construction of different blocks and categories of flats, up to the determination of the cost of construction of each flat, and the subsequent demands raised against the members by the Administrator vide letter dated 08.10.2016.*

*Until such time as the actual cost of the flats is duly ascertained and the demands raised against the claimant and other members are rationalized as a result of the said enquiry, the present demand of Rs. 6,13,587/- against the claimant shall remain in abeyance, and the claimant shall not be treated as a defaulter.*

In pursuance of the said award, the Registrar, Co-operative Societies (RCS) appointed an Inquiry Officer, Administrative Officer (DFS), vide order dated 19.06.2020. However, no conclusive report was submitted. Subsequently, on 07.07.2021, another Inquiry Officer, a Retired ADM, was appointed. This inquiry too remained inconclusive owing to the non-cooperation of the Society's Managing Committee.

Thereafter, the RCS issued the impugned order dated 02.03.2023, directing a detailed inquiry under Section 62 of the DCS Act, covering the tender process for construction of flats, the cost of construction, and the demands raised upon the members.

Aggrieved by the order dated 02.03.2023, the Society preferred a revision petition before the Court of the Financial Commissioner. The learned Financial Commissioner, vide order dated 02.02.2024 in Case No. 122/2023, was pleased to pass the following operative directions-

*Accordingly, the impugned orders dated 02.03.2023 passed by the Assistant Registrar (Sec-III/GH) are hereby set aside on account of procedural lapses*





*committed by the office of the Registrar, Co-operative Societies. Consequently, all proceedings arising therefrom also stand vitiated and are rendered unsustainable in the eyes of law.*

*During the pendency of the present case, an application dated 15.01.2024 under Order I Rule 8A of the Code of Civil Procedure, 1908 in Case No. 122/2021 was filed by four applicants, namely, Smt. Renuka Verma, Smt. Sarita Singh, Sh. Manish Mahajan and Smt. Bindu Chaudhary, seeking leave of this Court to intervene in the proceedings, or in the alternative, to treat the said application as one for impleadment. However, since the impugned orders themselves have been set aside on the ground of non-compliance with the procedure prescribed for appointment of an Inquiry Officer under Section 62 of the DCS Act, no useful purpose would be served in entering into the issue of intervention at this stage.*

*In view of the above, the matter is remanded back to the learned Registrar, Co-operative Societies, to revisit the issue and to pass appropriate orders strictly in accordance with law, after affording adequate opportunity of hearing to all concerned parties.*

During the course of hearings before the Registrar, Co-operative Societies, applications for impleadment were filed by Smt. Renuka Verma, Bindu Chaudhary, Azad Singh Toor, Manish Mahajan Smt. Sarita Singh, claiming themselves to be affected parties. Upon consideration, their impleadment was allowed and they were made parties to the proceedings.

The members submitted that vide application FMCGHS/MF/Case No. 122/1/1/2024 dated 17.02.2024, detailed facts were placed before the RCS. Pursuant thereto, the RCS issued letter No. F.47/582/ARH/Sec-III/GH/RCS/1301 dated 22.02.2024 to the third Inquiry Officer, Sh. Ajay Arora, Assistant Director, Department of Administrative Reforms, Delhi, abruptly directing that the inquiry be stopped without any urgency or justification, and even without marking a copy of the said communication to the complainants. The members further submitted that it is incomprehensible as to why, when after due diligence the then RCS Sh. Virender Kumar, IAS had ordered inquiry on 19.06.2020, the subsequent RCS chose to halt the same without examining the material on record.

The members also submitted that the core issue in Case No. 122/2023 is the unjustified and arbitrary demand of approximately Rs. 10 lakhs or more (along with penal interest) from each complainant as dues. Such demand, they pointed out, is in direct violation of as many as ten Arbitration Awards, including Award No. 27/GH/DR/ARB/2017-18 and others, passed between October 2018 and July 2022. Since the Society failed to produce records under Section 133 of the DCS Act, 2003 to show that the deemed cost of flats had been duly approved in a General Body Meeting, the Arbitrator recommended that the cost of flats be recalculated through an inquiry under Section 62 of the Act. They also submitted that despite clear evidence that certain persons were unlawfully projected as primary members in the Society elections held on 11.12.2022, even after more than two years the Managing Committee has not been dismissed.





That despite issuance of notices for hearing dated 11.07.2024 and 12.11.2024, the respondent Society failed to appear before the undersigned. Thereafter, a further notice was issued granting the Society a last and final opportunity to appear on 19.12.2024. On the said date, the respondent Society submitted that it had not been furnished with a copy of the complainant's submissions. Accordingly, the same was supplied and the Society was directed to file its written reply with a copy to the complainant. Subsequently, on hearing dated 01.04.2025, the Society was again afforded an opportunity to submit its reply within seven days therefrom. However, the respondent Society, in utter disregard of the directions of this court, neither appeared nor filed its reply.

#### **Inspection of co-operative societies.**

61. (1) *The Registrar may, on the request made by a creditor or, not less than one thirds of the members of the committee, or not less than one fifths of the total number of members, of a co-operative society, undertake inspection of a co-operative society or class of co-operative societies by general or special order in writing and authorise any person by order in writing in this behalf, to make an inspection into the constitution, working and financial condition of a co-operative society.*

*\* Provided that where a serious complaint is made by a member or a public servant in writing about the affairs of a co-operative society or committee or office bearers, to the Registrar or to any person authorized by him in this regard not below the rank of Joint Registrar and if the Registrar is prima-facie satisfied, after recording his views in writing in against whom complaint has been made, he may order an inspection in respect of only issue or issues as the case may be, raised in the complaint and the inspection shall be conducted by a person not below the rank of an Assistant Registrar. (Added vide Notification No. F.14(31)/LA-2004/16 dated 17/01/2005)*

(2) *For the purpose of inspection under sub-section (1), the Registrar or a person authorised by him under that sub-section shall at all times have access to all books, accounts, papers, vouchers, securities, stock and other property of that society and may, in the event of serious irregularities discovered during inspection, take into custody and shall have power to verify the cash balance of the society and subject to general or special order of the Registrar, call a meeting of the committee and also a general body meeting of the society, where general body meeting is, in his opinion, necessary.*

(3) *Every officer or member of a co-operative society shall furnish such information with regard to working of the society as the Registrar or the person making such inspection may require.*

(4) *A copy of the inspection under this section shall be communicated to the co-operative society within a period of ninety days from the date of completion of such inspection.*





In view of the facts and circumstances stated hereinabove and the Act & Rules positions, I, Krishna Kumar Singh, Registrar, Co-operative Societies, Government of NCT of Delhi, in exercise of the powers conferred upon me under Section 61 of the Delhi Co-operative Societies Act, 2003, hereby direct an inspection of the affairs of Fakhruddin Memorial Co-operative Group Housing Society Ltd.

The inspection shall specifically cover the issues flagged in the Arbitration Award dated 16.10.2018 passed by the learned Arbitrator (Public Servant), as well as the grievances raised by Smt. Renuka Verma, Bindu Chaudhary, Azad Singh Toor, Manish Mahajan against the additional demands raised upon members. The scope of inspection shall, inter alia, include the entire process of tendering and execution of construction works for different blocks and categories of flats, the fixation of cost of construction in respect of each flat, and the legality of demands raised upon members by the Administrator vide his letter dated 08.10.2016.

For this purpose, Sh. Ram Kumar Savant (Section Officer) is appointed as the Inquiry Officer, who shall be entitled to an honorarium of ₹15,000/- payable from the funds of the Society. The Inquiry Officer shall conduct the inspection strictly in accordance with law, afford adequate opportunity of hearing to all concerned stakeholders, and submit a detailed report to this Authority within 60 days from the date of this order.



16/9/25  
Krishna Kumar Singh (IAS)  
REGISTRAR COOPERATIVE  
SOCIETIES

Sent to

1. President/Secretary, Fakharuddin Memorial Cooperative CGHS, Prakash Plot No.18 Sector -10, Dwarka -110075.
2. Sh. Ram Kumar Savant (Section Officer ) Inquiry Officer C-II/106, Lodi Colony, New Delhi-110003.
3. Ajay Arora, Inquiry officer/SDM, Delhi Cantt. C/o 12/A, Jam Nagar House, New Delhi-110069.
4. Renuka Verma, Flat No. D-703, Fakharuddin Memorial CGHS Ltd., New Delhi - 110075.
5. Bindu Chaudhary, Flat No. D-106, Fakharuddin Memorial CGHS Ltd., Plot No. 18, Sec -10, Dwarka, New Delhi - 110075.
6. Sarita Singh, Flat No. B-604, Fakharuddin Memorial CGHS Ltd., Plot No. 18, Sec -10, Dwarka, New Delhi - 110075.
7. Sarita Singh, 19, Rajdhani Nikunj, Plot No. 94, I P Extension, Patpar Ganj, Delhi 110092.
8. Azad Singh Toor, Flat No. D-203, Fakharuddin Memorial CGHS Ltd., Plot No. 18, Sec -10, Dwarka, New Delhi - 110075.
9. Manish Mahajan, Flat No. D-603, Fakharuddin Memorial CGHS Ltd., Plot No. 18, Sec -10, Dwarka, New Delhi - 110075.
10. Ms. Sunita Sood, Flat No. C-106, Fakharuddin Memorial CGHS Ltd., Plot No. 18, Sec -10, Dwarka, New Delhi - 110075.

11. Su-3 AR

12. Computer Cell

13. General File

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