

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

F.No.47/2009/GH/Sec-V/2022/4577 - 82

Dated: 10/11/25

**ORDER**

**IN THE MATTER OF:**

**Kamal Dudani .....**

**Appellant**

**Vs**

**R.N Sinha & Anr.....**

**Respondents**

This order shall dispose off the proceedings initiated vide Notice dated 30.06.2025 issued under section 118(6) of DCS Act 2003 filed by Sh. Kamal Dudani.

**Brief History of the Case**

The present application has been filed against Sh. R. B. Verma (Ex-President) and Sh. R. N. Sinha (Ex-Secretary) of Naveen Kunj Co-operative Group Housing Society Ltd., who held their respective offices till February 2019. The complaint was lodged by the complainant along with several residents of the Society, alleging mismanagement, financial irregularities, and misappropriation of Society funds by the said respondents.

Upon receiving the complaint, both respondents appeared before the office of the Registrar, Co-operative Societies (RCS), and represented themselves as Ex-President and Ex-Secretary of the Society. After considering the submissions and evidence, the office of the RCS ordered an inquiry under Section 61 of the Delhi Co-operative Societies Act, 2003, vide order dated 22.07.2020.

In compliance with the said order, Sh. Manmeet Singh, Assistant Legal Officer, was appointed as the Inquiry Officer, vide order dated 12.11.2020. Subsequently, upon completion of the inquiry, the Ld. RCS passed another order dated 17.02.2021, appointing Sh. J. P. Sharma, Adhoc DANICS Officer, as Inquiry Officer under Section 62 of the DCS Act, 2003, to further examine the irregularities.

In pursuance of this, Sh. J. P. Sharma conducted and submitted a detailed Inquiry Report dated 16.04.2021, confirming irregularities and financial lapses on the part of the respondents. On perusal of the complete file and inquiry reports, the Assistant Registrar (South), with the approval of the competent authority, appointed M/s. J. N. Mittal & Co. as Special Auditor to conduct a special audit for the period 01.03.2016 to 31.07.2019, vide order dated 14.03.2022.





The Special Audit Report, now submitted to the office of the RCS, also points towards serious financial irregularities, misappropriation of funds, and violations of statutory provisions by the respondents. In total, three inquiries under Section 61 of the DCS Act, 2003, have been conducted confirming the acts of fraud, cheating, and forgery by the respondents.

In view of the established irregularities and findings of successive inquiries, the applicant seeks that prosecution be sanctioned under Section 118(6) of the DCS Act, 2003, against Sh. R. B. Verma (Ex-President) and Sh. R. N. Sinha (Ex-Secretary) for their alleged involvement in financial misappropriation and fraudulent activities causing wrongful loss to the Society and corresponding wrongful gain to themselves.

The respondent Sh. R.N. Sinha submitted that the allegations made in the complaint are baseless and relate mostly to past periods. He stated that the maintenance demand of ₹4,240/- was raised with majority consent and later refunded with 18% interest; the consultant for electricity load reduction was duly appointed through AGM, and the related criminal case was dismissed. He further clarified that ₹10,000/- with interest was refunded in the parking matter, and there is no evidence regarding any penalty payment to DDA. The Income Tax Returns were regularly filed by the Chartered Accountant appointed from the RCS panel, and the expenditure of ₹2,37,858/- on the boundary wall was incurred transparently from society funds, not MLA LAD funds. The respondent also stated that he purchased the flat through Power of Attorney, and the possession was issued by the complainant's father, who was then Treasurer of the society. He denied any wrongdoing and submitted that the allegations are unfounded and made with mala fide intent.

For clarity, Section 66(2) of the Delhi Co-operative Societies Act, 2003 provides that:

66. (1) *If in the course of an audit, inspection, inquiry or the winding up of a co-operative society, it is found that any person who is or was entrusted with the organisation or management of such co-operative society or who is or has at any time been an officer or an employee of the co-operative society had made any payment contrary to this Act, the rules or the bye-laws or has caused any deficiency in the assets of the co-operative society by breach of trust or wilful negligence or has misappropriated or fraudulently retained any money or other property belonging to such co-operative society, the Registrar may, of his own motion, or on the application of the committee, liquidator or any creditor, inquire himself or direct any person authorized by him by an order in writing in his behalf, to inquire into the conduct of such person.*
- (2) *Where an inquiry is made under sub-section (1), the Registrar may, after giving the person concerned an opportunity of being heard make an order requiring him to repay or restore the money or property or any part thereof with interest at such rate or to pay contribution and costs or compensation to such extent as the Registrar may consider just and equitable.*





Upon careful examination of the entire case record, it is observed that the allegations raised in the complaint have already been subjected to statutory scrutiny through multiple stages of proceedings under the Delhi Co-operative Societies Act, 2003. An inspection under Section 61 and an inquiry under Section 62 have been duly conducted, and the respective reports have been submitted to the competent authority confirming certain irregularities. Subsequently, the proceedings under Section 66(1) have also been completed by the office of the Registrar, wherein necessary findings regarding financial lapses and mismanagement were recorded.


At present, the matter stands pending adjudication under Section 66(2) of DCS Act 2003 of the said Act before the undersigned, wherein the determination of responsibility and recovery, if any, from the concerned individuals is under consideration.

It is pertinent to note that the statutory framework under the Delhi Co-operative Societies Act, 2003 contemplates a sequential procedure — commencing with inspection under Section 61, followed by inquiry under Section 62, then proceedings under Section 66(1), and finally adjudication under Section 66(2). This stepwise mechanism ensures compliance with due process and the principles of natural justice before any coercive or penal action is taken.

Therefore, in the interest of justice, it is essential that the pending proceedings under Section 66(2) be allowed to reach their logical conclusion before any further action under Section 118(6) is initiated in compliance of Hon'ble High Court order dated 01.03.2024. Since the notice dated 30.06.2025 issued under Section 118(6) pertains to the same subject matter and set of allegations which are already under examination in the pending proceedings under Section 66(2), initiating prosecution at this stage would be premature and contrary to the statutory scheme.

In view of the above, the proceedings initiated vide notice dated 30.06.2025 under Section 118(6) of the Delhi Co-operative Societies Act, 2003 are hereby dropped.



  
Krishna Kumar Singh IAS  
REGISTRAR CO-OPERATIVE SOCIETIES

1. Sh. Kamal Dudani, Flat No. 404, Naveen Kunj CGHS Ltd. Pocket -06, Plot No. 22, Sector-1A, Dwarka, New Delhi -110034.
2. Sh. R.B Verma (Ex-President), Naveen Kunaj CGHS Ltd. Pocket -06, Plot No. 22, Sector-1A, Dwarka, New Delhi -110034.
3. Sh. R.N Sinha), Naveen Kunaj CGHS Ltd. Pocket -06, Plot No. 22, Sector-1A, Dwarka, New Delhi -110034.

4. See - 5
5. Computer bill
6. Guard file