

GOVT. OF NCT OF DELHI
OFFICE OF THE REGISTRAR CO-OPERATIVE SOCIETIES
OLD COURT BUILDING, PARLIAMENT STREET, NEW DELHI-110001
(SECTION-5)

No: F.47/538/CGHS/Sect.-5/2020/700

Dated: 10/06/2025

ORDER

In the matter of :-

Nav Nirman CGHS Ltd.

This Order shall dispose of the proceedings initiated vide letter dated 01.07.2024, Under Rule 80 of the DCS Rules, 2007, wherein, the Ex-MC of the Nav Nirman CGHS Ltd was directed to Show Cause as to why the Special Audit should not be Ordered for the period referred in the complaint dated 15.03.2024 against the Ex-Management Committee of the said society.

Brief Facts of the case :-

Dr. Vijay Laxmi Singh, President of the Society and Sh. Kamal Singh Chauhan, Secretary of the Society submitted a complaint dated 15.03.2024 against the Ex-Management Committee of the society regarding financial irregularities of accounts and violation of DCS Act & Rules during 2020-21 & 2021-22 and also requested to Order for Special Audit of the said society.

The complaint dated 15.03.2024 filed by the complainants regarding Special Audit of the Society was considered and consequently a letter dated 01.07.2024 was issued wherein an opportunity to be heard was provided to the Ex-President/Secretary and Auditor(s) concerned and they were directed to appear before the Ld. RCS on 03.07.2024.

Hearings were also provided on 07.08.2024, 04.09.2024 & 04.10.2024 to the complainant as well as Ex-President/Secretary and Auditor(s) concerned.

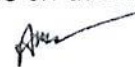
During the hearing conducted on 04.09.2024, it was directed to present MC to allow Ex MC to inspect the record pertaining to the points of Special Audit on 09th September and 22nd September 2024. Further, it was directed that the Ex-MC will file its final written submission on next date of hearing & copy of the same will be supplied to the present MC at least 3 days before the NDOH (i.e. 04.10.2024).

In the hearing conducted on 04.10.2024, Ex-MC filed written submission dated 03.10.2024 and the copy of the same had been handed over to the complainant.



During the course of arguments, complainants presented that the main allegations in the complaint dated 15.03.2024 are:-

- i) 99 members filed the complaint against previous MC regarding the period 2020-21 for financial irregularities of accounts and violation of DCS Act & Rules in the Society affairs to the RCS Office on 08.04.2021. Further, RCS Office conducted the Inspection U/s 61 of the DCS Act, 2003, against previous MC and Inspection Officer Sh. K.K. Satija, appointed by the RCS Office recommended the Inquiry U/s 62 of the DCS Act, 2003 to RCS as per his report on dated 22.04.2022. We don't understand why Assistant Registrar (Sec-V) Inquiry is denied after recommendation of Inspection Officer Sh. K.K. Satija.
- ii) The previous MC (2018-21) also did not conduct the AGBM of FY 2020-21 within 180 days and violated the mandatory provision of Section 31 of the DCS Act, 2003.
- iii) The Previous Management (2018-21) did not conduct the Audit of the account of the Society for the year 2020-21 within 120 days till the last day of working of previous MC dated 10.11.2021 thereby violated the mandatory provision of section 60(1) of the DCS Act, 2003 which states that "A co-operative Society shall get its accounts audited annually by an auditor selected from the panel prepared by the Registrar in the prescribed manner within the period of (One hundred twenty days from the prescribed date of making up its accounts for the year)".
- iv) The Previous Management (2018-21) has filed its Annual Return to the Registrar within thirty (30) days of holding the AGBM which they had not conducted the AGBM within 180 days thereby violated mandatory provision of Section 32 of DCS Act, 2003, which itself is an offence and attracts the provision of Section 118(8) of DCS Act, 2003.
- v) The Previous MC (2018-21) also stopped (time 1.15PM) the Video-graphy at the time of Resolution No. 11 & 12 of AGBM dated 14.03.2021 intensely and evidence collected by your Inspection Officer and attached on his Inspection Report.
- vi) The previous Management (2018-21) finalized the Audited Balance Sheet of FY 19-20 late and auditor signed the balance sheet on dated 21.12.2020 (after 120 days) and submitted to RCS Office with annual return dated 23.12.2020. Next year also, the audited balance sheet FY 2020-21 was finalized late & signed by the Auditors on dated 28.10.2021 (after 120 days) and submitted Annual Return to RCS Office on dated 11.11.2021



- vii) Previous MC (2018-21) did financial manipulation & violated the rule of Execution of Tender process of laying of water supply pipe line for Ankur Apartment work of appx. Rs. 30 lakhs and tender allotted after manipulation to M/s Ravi Construction Company. During 2020-21 & 21-22 Hony. Treasurer did not raise the parking rent demand against self during 2018-21.
- viii) During Audit of FY 2021-22 the Statuary Auditor pointed out so many financial anomalies in the Audit Report of FY 21-22.
- ix) The Management Committee did not consider receivable in accounts and also illegally printed new Share Certificates and issued same share certificate number to old members and new members.

The respondents submitted reply dated 03.10.2024, whereby, refuted all the allegations with the following averments and stated that the allegations of the complainant are false, fabricated, malicious and not sustainable:-

1. The Audit report of FY 2020-21 exhibits true and correct account of the state of affairs of Society as per the actual receipt based accounting system being followed since inception for about 40 years. And his report has been accepted by the RCS without any question. All the points/reasons mentioned by Complainant are denied.
2. The Audit report of FY 2020-21 was put up by the complainants before the AGBM dated 15.01.2023 and it was approved.
3. The complainants changed the accounting system while preparing the account of FY 2021-22. From actual receipt based accounting system to accrual based accounting system. Further, the onus of correction regarding observations of Auditor(s) is a process to be further done by the MC of successive year(s).
4. The accrual based accounting system adopted in the FY 2021-22 cannot be applied with Retrospective effect on the Audit Report of FY 2020-21.

In the reply of the respondents, they have also clarified the aspects related to other alleged miscellaneous aspects/transactions.

As regards point No. (i) above that matter is altogether under a different provision of Act and the then RCS after considering all the facts and circumstances decided the matter. The aggrieved had legal recourse for such matter and such aspect does not hold good now for Special Audit. Further, the aspects mentioned at point No. (ii)-(vi) above are regarding delays and these also does not hold good for Special Audit. The aspects referred in point (ix) is regarding printing of share certificates etc also does not attract Special Audit.



I have gone through the matter as well as the documents presented before me including the written submissions from both sides and also heard the arguments of both sides. It is observed that in the allegations made by Dr. Vijay Laxmi Singh, President of the Society and Sh. Kamal Singh Chauhan, Secretary of the Society in complaint dated 15.03.2024 there is nothing to suggest that the audit of accounts of the society was not held properly. The complaint does not contain any substantial ground for Special Audit of the Society.

In view of the above facts and circumstances, I, Anil Kumar Singh, Registrar of Co-operative Societies, Govt. of NCT of Delhi, in the exercise of powers vested in me under Rule 80 of the DCS Rules, 2007, hereby Order that on consideration of the reply alongwith written submissions and arguments, the complaint dated 15.03.2024 is not found tenable. Therefore, the complaint dated 15.03.2024 submitted by Dr. Vijay Laxmi Singh, President of the Society and Sh. Kamal Singh Chauhan, Secretary of the Society requesting therein Order for Special Audit of the said society is hereby dismissed.



(ANIL KUMAR SINGH)
REGISTRAR CO-OPERATIVE SOCIETIES

Copy to:-

1. The President/Secretary, Nav Nirman CGHS Ltd., Plot No. 7, I.P. Ext., Delhi-110092.
2. Ex- President/Secretary, Nav Nirman CGHS Ltd., Plot No. 7, I.P. Ext., Delhi-110092.
3. Asstt. Registrar (H/Sec-05), O/o the RCS, Parliament Street, New Delhi-110001.
- ✓ 4. Asstt. Registrar (Computer Cell) with the request to upload the Order on the Official website of the Department.
5. Guard file.



(ANIL KUMAR SINGH)
REGISTRAR CO-OPERATIVE SOCIETIES