

**OFFICE OF THE REGISTRAR CO-OPERATIVE SOCIETIES
GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
OLD COURT BUILDING, PARLIAMENT STREET, NEW DELHI-110001
(HOUSING SECTION-II)**

F.No. 47/1796/AR/GH-II/RCS/2023/906-412

Dated: 15/10/2026

ORDER

This order shall dispose of the proceedings initiated in compliance with the order dated 10.07.2026 in W.P.(C) No. 8999/2026-Delhi Union CHBS Ltd. & Anr. Vs. RCS & Ors. passed by the Hon'ble High Court.

Background of the Case

The petitioner/society has challenged this office order dated 28.04.2026, passed under Section 37 of the Delhi Cooperative Societies Act, 2003, whereby the Managing Committee of the Delhi Union CHBS Ltd. was superseded and an Administrator i.e. Sh. Ajay Rathee was appointed under Section 37 of the DCS Act, 2003, on the ground of its failure to comply with the orders/directions issued by this office.

In this regard, a complaint dated 11.07.2024 was received from Sh. Sushil Kumar Aggarwal against the Managing Committee of the Society, alleging open and blatant violation/non-compliance of the order dated 21.02.2024 passed by the Registrar, Cooperative Societies under Section 86 of the DCS Act, 2003, the orders/directions dated 20.03.2023 issued by the Assistant Registrar, Section-II, and the award dated 29.02.2024 passed by the Ld. Arbitrator under Section 71 of the DCS Act, 2003.

The aforesaid complaint was examined by this office, and upon consideration of the material available on record, the Managing Committee was found to have failed to comply with the aforesaid orders/directions. Consequently, the impugned order dated 28.04.2026 was passed under Section 37 of the DCS Act, 2003, superseding the Managing Committee of the Society.

Consequently, Superseded MC filed a writ petition against impugned order before the Hon'ble High Court. The Hon'ble High Court order dated 11.05.2026 disposed of the writ petition W.P.(C) No. 6336/2026- Delhi Union CHBS Ltd. & Anr. Vs. RCS & Ors. with following direction:-

“8. Accordingly, the writ petition is disposed of in the following term:

- (i) The learned FC is requested to take up the appeal, annexed as Annexure B to this writ petition on 19 May 2026, or the stay application filed therewith, tentatively at opening of the Court.
- (ii) Till that date, the petitioners are protected from any coercive action on the basis of the order dated 28 April 2026.”

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Further, the impugned order dated 28.04.2026 was challenged by the petitioner before the Ld. Financial Commissioner in Case No. 63/2026. However, the appeal was dismissed vide order dated 03.07.2026, whereby the order dated 28.04.2026 passed by the Registrar, Cooperative Societies was upheld.

The aforesaid order dated 03.07.2026 passed by the Ld. Financial Commissioner was also challenged before the Hon'ble High Court of Delhi in W.P.(C) No. 8999/2026 titled *Delhi Union CHBS Ltd. & Ors. vs. RCS & Ors.* The Hon'ble High Court, vide order dated 09.07.2026, disposed of the matter with the following directions for compliance:-

"15. In the present case, the broad allegations against the Managing Committee of the Society are:

- (i) In respect of unreasonable amount of penalty being imposed qua maintenance dues against the members of the Society;*
- (ii) One of the members was expelled, and despite directions, the membership was not reinstated; and*
- (iii) The award dated 29th February, 2024 was not implemented and penal interest was continued to be levied by the Managing Committee.*

16. The RCS is the supervisory authority over societies and the managing committees do have an obligation to comply with the directions given by the RCS from time to time.

17. Under Section 37 of the Delhi Co-operative Societies Act, 2003, the RCS has the power to supersede the Managing Committee if there is continuous default or negligence by the Managing Committee. The said power having been exercised in this case was also upheld by the Ld. Financial Commissioner. In the opinion of this Court, the elected Managing Committee of the Society ought to have complied with the requisitions of the RCS.

18. The Court having heard the Counsels for the parties today is of the opinion that usually the elected Managing Committee ought not to have been superseded. However, the judgment in Sanjay Nagayach (Supra) itself provides exceptions and in the facts of this case, this Court is of the opinion that the elected Managing Committee of the Society ought to agree to comply with the directions of the RCS and also comply with the same within a reasonable time.

19. Accordingly, let three members of the present elected Managing Committee appear before the RCS on 16th July, 2026 at 03.00 PM, and the RCS shall list out the compliances to be undertaken by the Managing Committee. Reasonable time of 30 days shall be granted to the Managing Committee to take the remedial action with cooperation of the Administrator, who is presently been appointed by the RCS.

20. Upon the compliances being undertaken within one month thereafter, the RCS after recording satisfaction shall pass appropriate orders for restoration of the Managing Committee in accordance with law.

21. If the members of the Managing Committee in co-operation with the Administrator fail to render the compliance, the impugned order shall stand.

22. The Administrator shall render full co-operation to the members of the Managing Committee of the Society for compliance with the RCS. ”

In compliance with above mentioned direction of the Hon'ble High Court, the MC of the society as well complainant present before this office. Accordingly this office had issued order dated 17.07.2026 to MC of the society with following direction:-

“Accordingly, you are hereby directed to ensure strict compliance with the directions of the Hon'ble High Court and to take necessary action on the following pending matters:-

1. Office order dated 21.02.2024 passed under section 86 of the DCS Act, 2003 and the Rules.
2. Order/Direction dated 20.03.2023 issued by the Assistant Registrar (Housing Section-II).
3. Arbitration Award dated 29.02.2024 passed by the Learned Arbitrator.”

Submission and Objection of the concerned parties

The Petitioner's Society submitted its compliance Affidavit dated 25.07.2026, wherein, it is held that:-

“3. I further say that, in the said meeting, the entire record of the dispute, concerning these issues were also placed before the Quorum as also the Hon'ble Administrator for their kind consideration and necessary cooperation and action. The Quorum has considered all the materials placed before it and considering the factual matrix, the following observations are made:-

- a) So far as Direction No.1, i.e., Compliance of Order dated 21.02.2024 is concerned, the Society has filed an Appeal No.09/2025, before the Hon'ble Delhi Cooperative Tribunal, however, admittedly there is no Stay granted by the Hon'ble Delhi Cooperative Tribunal, hence, it is unanimously resolved to **Restore the Joint Membership of Sh. S.K. Aggarwal, Sh. Rajeev Aggarwal and Smt. Bimla Devi at their Membership No. 127 with effect from 21.02.2024, subject to the outcome of the Appeal No.09/2025 pending before the Hon'ble Delhi Cooperative Tribunal.**
- b) So far as the Direction No.2, i.e., Compliance of the Order dated 20.03.2023 passed by the Assistant Registrar is concerned, although the Society has already withdrawn

the Penalty Clause vide the General Body Resolution dated 24.08.2025, however, it is again unanimously resolved and clarified that **the PENALTY CLAUSE OF PENALTY at the rate of Rs. 1.00/- per every Rs. 100/- per day will not be taken till actual payment of the security charges, is hereby WITHDRAWN, and the Society will charge the same as per DCS Act & Rules.**

- c) So far as the Direction No.3. i.e. compliances of the directions passed in the Arbitration Award dated 29.02.2024, it is seen that even previously also, the Society had not pressed any of the demands against any of such claimants namely Sh. Sushil Kumar Aggarwal, Sh. Ramesh Aggarwal, Sh. Girwar Prasad Gupta and Sh. Roop Kishore Maheshwari, which was subject matter of the Arbitration Case No. 17/GH/DR/ARB/2023-24. As the Society had already filed an appeal against the said award and as there is no stay on the operation of the said award, it is hereby unanimously resolved to **Not to Press /Issue the Demands of Rs.24,465 against any of the Claimants till the final outcome of the Appeal No. 52/2024 pending before the Hon'ble Delhi Cooperative Tribunal.**

The copy of the Minutes of the Managing Committee Meeting dated 25.07.2026 is enclosed herewith.

4. I further say that in the present manner, the Managing Committee has fully complied with the compliances as set out in the Letter dated 17.07.2026 and also the Order dated 09.07.2026 passed by the Hon'ble High Court of Delhi in W.P.(C) 8999/2026.

Objection filed by complainants Sh. Sushil Kumar Agarwal and Sh. Anil Agarwal on compliance affidavit dated 25.07.2026 filed by the Society.

Preliminary objections:

1. That the Compliance Affidavit sworn and submitted by Sh. Ramesh Chander Garg is nothing but another malafide attempt to avoid full and complete compliance in letter and spirit of three directions/orders issued by the RCS office to the Society for compliance, as mentioned in order dated 09.07.2026 of the Hon'ble High Court of Delhi and this office letter dated 17.07.2026, as disclosed here-in-below:
 2. It is submitted that the alleged compliances as mentioned in the compliance affidavit are not full and complete compliance at all, but a conditional and qualified performance dressed up as compliance. It is submitted that a direction to comply admits of no half-measures i.e. compliance either occurs, unconditionally and in full, or it does not occur.
- (a) First direction / order was dated 21.02.2024 passed by Ld. RCS rejecting the proposal of the Society for expulsion of Sh. Sushil Kumar Agarwal (S.K. Agarwal), Bimla Devi, Rajeev Agrawal (Joint membership No.127), member of Delhi Union Cooperative House Building Society Ltd.

In para 3(a) of compliance affidavit, it is stated that in the MC meeting called on 25.07.2026 it was unanimously resolved to restore the joint membership of Sh. S.K. Agarwal, Sh. Rajeev Agarwal and Smt. Bimla Devi at Membership No.127 with effect from 21.02.2024, subject to outcome of the appeal No.09/2025 pending before DCT.

Objections to affidavits and things still not done by MC:

- i. The joint membership No. 127 in the joint names of Sh. S. K. Agarwal, Rajeev Agarwal and Smt. Bimla Devi was illegally expelled by the then MC on 19.08.2023, which was not approved, rather rejected by RCS vide order dated 21.02.2024, and therefore joint membership liable to be restored **from 19.08.2023 with all rights of membership including but not limited to participation of AGBMs/GBMs, elections etc. of Delhi Union CHBS Ltd.** and not from 21.02.2024 as mentioned in compliance affidavit.
 - ii. The MC has not issued letter to joint members **formally informing them that since their expulsion was not approved by Ld. RCS, their membership stands restored with all membership rights from 19.08.2023 and they continue to be members of the Society.**
 - iii. The MC, despite rejection of its proposal of expulsion vide order dated 21.02.2024, did not include the names of above-named joint members in the list of members submitted by it along with audit reports for FY 2023-24 and 2024-25. **MC therefore must give any undertaking in writing to Ld. RCS that joint names of Sh. S. K. Agarwal, Rajeev Agrawal and Smt. Bimla Devi shall be included in the list of members as on 31.03.2026 to be filed with audit report for FY 2025-26.**
 - iv. That membership cannot be restored subject to the outcome of the appeal No.09/2025 for the simple reason that said appeal of the Society was pending even when order dated 28.04.2026 u/s 37 of the Act was passed by Ld. RCS; when order dated 03.07.2026 was passed by Ld. Financial Commissioner, Delhi and when order dated 09.07.2026 was passed by the Hon'ble High Court Delhi. Society had taken this plea of pending of its appeal before all these courts, however still all these courts rejected the said pleas of the Society.
 - v. It is submitted that after the passing of order of the Hon'ble High Court of Delhi which society has not challenged and complying with, nothing remains in the appeal of the Society. Nonetheless, whatever would be the final order the same will take its course as per law. However, conditional compliance like subject to outcome of appeal cannot be accepted when no such indulgence shown by the Hon'ble High Court of Delhi.
- (b) Second order was dated 20.03.2023 passed by the Ld. Assistant Registrar, on the complaint of Sh. Anil Agarwal, directing the society to charge interest, on default of payment of dues, as per Rule 32 of the DCS Rules, 2007 which provide maximum

rate of interest on any default @ 10% p.a. simple interest. This direction was issued because Society was charging interest in the form of penalty/late payment charges / surcharges @ Rs.1.00 for per Rs.100/- per day, which comes to 365% p.a., on the basis of resolutions dated 12.02.2023 & 22.12.2024. The Assistant Registrar further asked the Society to roll back/refund money to those from whom illegal penalty/Surcharge was charged.

So far as the order dated 20.03.2023 is concerned, the same was neither challenged by the Society nor complied with for more than three years and therefore, Ld. RCS superseded the MC u/s 37 for open and flagrant violation of its orders.

In para 3(b) of the compliance affidavit, it is stated that the Society has already withdrawn the Penalty Clause vide General Body Resolution dated 24.08.2025 and it is again resolved that penalty @ Rs.1.00 for per Rs.100/- per day will not be taken.

Objections to affidavits and things still not done by MC:

In fact, the above statement is totally false and misleading for the reasons give below and clearly proves the malafide conduct this office bearers:

Society since 2016 charging late payment surcharge @ Rs.1.00 for per Rs.100/- per day and the AGBM held on 12.02.2023, presided over by Sri Bhagwan, the then Vice-President, and the SBGM held on 22.12.2024 presided over by Sri Bhagwan, the President of Superseded MC again resolved to follow same penalty.

In the AGBM dt.24.08.2025, it was resolved to withdraw late payment surcharge @ Rs.1.00 for per Rs.100/- per day, However, in the same AGBM resolution, they again resolved to charge penalty @ Rs.1000/- per quarter besides normal interest @15% p.a. which comes to 460%. And this penalty of Rs. 1000/- per quarter, this MC has not withdrawn. It is evident from the copies of demand notices issued by it to Anil Agarwal (the complainant) and other members of the society, wherein interest / late payment surcharge is charged at 365% p.a. or more which is again in violation of order dated 20.03.2023 and Rule 32 and Rule 102.

Thus, Society by replacing its earlier penalty clause @ Rs. 1.00 for per Rs. 100/-per day which comes to interest @365% p.a. by its new penalty clause of Rs. 1000/- per quarter besides interest @15% p.a. the Society has enhanced the actual penalty from 365% to 460% p.a. The calculation sheet of interest & additional penalty which comes to 460% p.a. is enclosed separately.

- (i) Society must withdraw all penalty clauses and must undertake to charge interest @10% p.a. simple interest as per Rule 32 of DCS Rules, 2007 as directed in the order dated 20.03.2023 by the Ld. Assistant Registrar, which was never challenge or set-aside and even Hon'ble High Court of Delhi has also directed the Society to comply the said order and therefore society cannot charge interest/penalty more than 10% p.a. simple interest. There is no compliance whatsoever of this order by the Society.



- (ii) Society must also undertake to roll back/refund excess money charged from members under illegal penalty clauses within a specific period.
- (c) Third was award dated 29.02.2024, whereby illegal demand of Rs.24,465/- against Sh. S.K. Agarwal & Others was set-aside being illegal. Society filed an appeal in the Hon'ble DCT neither ever pressed for stay nor any stay was granted not complied with the award and therefore Ld. RCS superseded the MC.

In para 3(c) of the compliance affidavit, it is merely stated that it is seen that even previously also, the Society had not pressed any of the demands against any of claimants which was subject matter of Arbitration Case No.17/GH/DR/ARB/23-24 and has now in its meeting dated 25.07.2026 resolved not to press/issue demands of Rs.24,465/- till the final outcome of its appeal.

This is another example of malafide intention of the superseded MC because a demand which has been set-aside cannot be legally pressed, so by stating that it will not press or demand against claimants/ Sh. S. K. Agrawal, the MC is not obliging the claimant.

Society must give in writing, as it raises its illegal demands against its members, to each of the claimants that it has withdrawn its illegal demand of Rs.24,465/- earlier raised vide letter dated 22.3.2023 without subject to any outcome of appeal No.52/2024.

It is submitted that demand cannot be not pressed or withdrawn subject to the outcome of the appeal No.52/2025 for the simple reason that said appeal of the Society was pending even when order dated 28.4.2026 u/s 37 of the Act was passed by Ld. RCS; when order dated 3.7.2026 was passed by Ld. Financial Commissioner, Delhi and when order dated 9.7.2026 was passed by the Hon'ble High Court Delhi. Society had taken this plea of pendency of its appeal before all these courts, however still all these courts rejected the said pleas of the Society and upheld its supersession for violation of these three orders.

Thus, now allowing Society to do partial compliance like subject to final outcome of its appeals will defeat the whole purpose for which the aforesaid three orders were passed by three different courts. Superseded MC of Society after loosing before all courts cannot now still press for conditional compliance.

Thus, the Superseded MC is required to do the following in full and complete compliance of Hon'ble High Court of Delhi's order dated 09.07.2026 passed in W.P.(C) No. 8999/2026 (Delhi Union CHBS Ltd. & Ors. v. Registrar Cooperative Societies & Ors.) and this Office's letter dated 17.07.2026 bearing F.No.47/1796/AR/GH-II/RCS/2023:

- (i) Office Order dated 21.02.2024 passed under Section 86 of the DCS Act, 2003 and the Rules.

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- (ii) Order/Direction dated 20.03.2023 issued by the Assistant Registrar (Housing Section -II)
- (iii) Arbitration Award dated 29.02.2024 passed by the Learned Arbitrator.

Compliance Affidavit dated 18.08.2026 filed by the Petitioner, Managing Committee of Delhi Union CHBS Ltd. as under:-

1. That I in continuation of my earlier compliance affidavit, I further say that :-
 - a. So far as Direction No.1, i.e., Compliance of Order dated 21.02.2024 Society undertake to register **the Joint Membership of Sh. S.K. Aggarwal, Sh. Rajeev Aggarwal and Smt. Bimla Devi at their Membership No. 127 as per their Seniority, the order of the Hon'ble Courts will prevail on this issue, if any.**
 - b. So far as the Direction No.2, i.e., Compliance of the Order dated 20.03.2023 passed by the Assistant Registrar is concerned, although the Society has already withdrawn the Penalty Clause vide the General Body Resolution dated 24.08.2025, however, it is again unanimously resolved and clarified that **the PENALTY CLAUSE OF PENALTY at the rate of Rs.1.00/- per every Rs.100/- per day will not be taken till actual payment of the security charges, is hereby WITHDRAWN, and the Society will charge the same as per DCS Act & Rules.**
 - c. So far as the Direction No.3, i.e., compliances of the directions passed in the Arbitration Award dated 29.02.2024, it is seen that even previously also, the Society had not pressed any of the demands against any of such claimants namely Sh. Sushil Kumar Aggarwal, Sh. Ramesh Aggarwal, Sh. Girwar Prasad Gupta and Sh. Roop Kishore Maheshwari, which was subject matter of the Arbitration Case No. 17/GH/DR/ARB/2023-24. The Society undertake not to **Issue the Demands of Rs.24,465/-against any of the Claimants, the order of the Hon'ble Courts will prevail on this issue, if any."**

Objection submitted by the Complainant, Sh. Sushil Kumar Agarwal on the Compliance Affidavit dated 18.09.2026:-

It is thus evident that the fresh Compliance Affidavit dated 18.08.2026 is nothing but a verbatim reproduction of the earlier non-compliant Compliance Affidavit dated 25.07.2026, filed moreover beyond the period of 30 days granted by the Hon'ble High Court, and does not constitute full, complete or unconditional compliance of any of the three directions contained in the order dated 09.07.2026 of the Hon'ble High Court read with this Office's letter dated 17.07.2026. The solitary, cosmetic step of including the name of one joint member in an internal list - without a formal letter of restoration, and without removing the condition attached to pendency of the appeal - falls far short of what is required, and the illegal charging of interest/penalty on delayed maintenance charges has not been rectified or withdrawn at all.

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Furthermore, this office issued a notice dated 22.09.2026, directing the Ex-Managing Committee, the Administrator and the complainant to appear before the Ld. RCS on 28.09.2026 at 03:30 PM, along with the relevant records and documentary proof of compliance in respect of the deficiencies pointed out in the said notice. However, due to unavoidable circumstances, the hearing could not be held on the scheduled date and was accordingly rescheduled for 29.09.2026 at 11:30 AM.

Submission made by the Petitioner/Managing Committee of Delhi Union CHBS Ltd., in response to this office Notice dated 22.09.2026:-

In strict compliance with the directions contained in paragraphs 19 and 20 of the judgment dated 09.07.2026 passed by the Hon'ble High Court of Delhi in W.P.(C) No. 8999/2026, and in response to the subsequent Notice dated 22.09.2026, the present reply is being filed by the elected Managing Committee of the Society.

At the very outset, the Managing Committee place on record their profound objections to the issuance of the Notice dated 22.09.2026. The present Notice attempts to arbitrarily expand the scope of compliances beyond what was directed in the RCS's own letter dated 17.07.2026 and ignores the substantial, documented actions already taken by the Society on 25.07.2026 and 18.08.2026. However, to ensure absolute satisfaction of the Ld. RCS and to facilitate the immediate restoration of the democratically elected body, we submit the following detailed factual and legal reply.

1. Arbitrary expansion of scope and moving goalposts:-Pursuant to the Hon'ble High Court's directive on 09.07.2026 for the RCS to 'list out the compliances, the RCS issued a letter dated 17.07.2026. This letter explicitly restricted the required compliances to exactly three matters: (a) Office Order dated 21.02.2024 (regarding expulsion), (b) Order/Direction dated 20.03.2023 (regarding interest/penalty), and (c) Arbitration Award dated 29.02.2024. The Society immediately convened a meeting on 25.07.2026, in cooperation with the Administrator passed necessary resolutions, and submitted Compliance Affidavits demonstrating full adherence. The issuance of the new Notice dated 22.09.2026 introduces entirely new, hyper-technical demands (such as insisting on specific written intimations and formal rescissions of infructuous resolutions) that were never part of the original 17.07.2026 directive. This constitutes an arbitrary moving of goalposts seemingly designed to delay the restoration of the Managing Committee.
2. Ignorance of superseding factual developments:-The Notice erroneously insists on the withdrawal of the 28.06.2025 resolution regarding Joint Membership No. 127. The RCS has inadvertently failed to appreciate the factual matrix placed on record: the cessation of that joint membership was not a punitive action by the Society, but rather a direct consequence of letters dated 26.06.2025 received from the actual co-owners (Smt. Bimla Devi and Sh. Rajeev Agrawal) explicitly withdrawing their authorization and NOCs in favor of



Sh. Sushil Kumar Agarwal. The Society was legally bound to act upon the withdrawal of consent by the majority co-owners. Insisting that the Society must unilaterally reinstate a Voting Rights against the express written wishes of the property's co-owners is legally untenable and perverse. Copy of the Sale Deed and Withdrawal Request Letters are enclosed herewith. However, the Joint Membership is already restored as the same can be confirmed from the Audit Report of F.Y. 2025-26 duly submitted in the Office of Registrar Cooperative Societies on 27.08.2026 and the name of Mr. Sushil Kumar Aggarwal, Smt. Bimla Devi, and Sh. Rajeev Aggarwal is duly depicting at Serial No. 111 in the List of Members as on 31.03.2026. Not only this, a separate sheet has also been enclosed in the said Audit Report where alongwith the newly enrolled members, the fact of restoration of Membership of Mr. Sushil Kumar Aggarwal, Smt. Bimla Devi, and Sh. Rajeev Aggarwal is also depicting. When the Audit Report is in public domain, there is no further requirement as alleged to send specific intimations to persons. It is further apt to mention that, in the Compliance Affidavit, submitted on 18.08.2026, in para 1, the Society has specifically stated that the membership of persons has been restored as per their seniority. Copy of the said Compliance Affidavit is enclosed.

3. Unlawful penalization for acts of the erstwhile committee:- The present Managing Committee was democratically elected on 24.11.2024. As settled by the Hon'ble Supreme Court in State of M.P. v. Sanjay Nagayach (AIR 2013 SC 1921), 'Elected Committee in office be not penalized for the shortcomings or illegalities committed by the previous Committee'. Furthermore, the Supreme Court mandated that 'Supersession of an elected managing Committee/Board is an exception and be resorted to only in exceptional circumstances. The present MC has shown no deliberate inaction; on the contrary, it has proactively withdrawn the penalty clause via AGM on 24.08.2025 (as confirmed in the Order dated 28.04.2026 and passed compliance resolutions on 25.07.2026. The continued supersession is a direct violation of the Supreme Court's mandate and an assault on cooperative democratic principles.
4. Doctrine of approbate and reprobate:- The Notice insists on penalizing the Society for the 15% interest / penalty surcharge. However, the record clearly demonstrates that the penalty structure was originally implemented and supported by the complainants themselves (Sh. Sushil Kumar Agarwal and Sh. Anil Agarwal) during their tenure/in the 2019 AGM. They cannot be permitted in law to approbate and reprobate-supporting a policy when in power and weaponizing it when they become defaulters. Regardless, to show utmost compliance, the present MC already had this clause withdrawn by the General Body on 24.08.2025.
5. Issue of refund-rollback of the penalty amount:- That so far as the aspect of refund the excess amount or rolling back the penalty amount so received is

concerned, it is again very vehemently submitted that it is for the incumbent members to file their respective proceedings to get their claims adjudicated, as per the Penalty taken by the Complainant S.K. Aggarwal supported by the another Complainant Sh. Anil Aggarwal during their tenure, and the Registrar Cooperative Societies may be pleased to pass the orders to get the money refunded to the members from the personal pockets of the erring Complainants itself.

6. Issue of consequential compliances as per award dated 29.02.2024:- That as stated above, the Society through their resolutions, has already resolved to not press the demands as per the notice dated 22.02.2023 till the adjudication of its appeal, against the award dated 29.02.2024, pending before the Hon'ble Delhi Cooperative Tribunal. However, it is very pertinently pointed out that office of Registrar Cooperative Societies cannot be used to as a tool or an arm twisting technique to intimidate and pressurize the Society to acquiesce or give up their legal and constitutional right to avail all legal remedies against the said award, which the Society is availing legally only. It is furthermore submitted that the Complainant must be restrained by the Office of Registrar Cooperative Societies from raising such issue when the pending appeal is being fought tooth and nail, and RCS should also abstain from being used as a tool, under the guise of superseding the elected Managing Committee of the Society under section 37 of the Delhi Cooperative Societies Act, 2003 for non compliance of the order, even when there is no execution has been filed by the Claimant in the said award.

It is been again pointed out very categorically that as per the order dated 09.07.2026 of the Hon'ble High Court of Delhi, the compliances, which were required to be done, are necessarily to be done as per the satisfaction of the Registrar Cooperative Societies. However, it is very much difficult to understand that from where the office of Registrar Cooperative Societies is gaining the perspective that the compliances should be done as per the satisfaction of the complainant. Furthermore, it is very well to see that the office of Registrar Cooperative Societies is taking leaps, inventing loopholes and bypassing the entire legal mechanism of adjudication of rights and liabilities, seemingly, just to facilitate or even espouse the causes of the Complainant, for the reasons best known to the office of Registrar Cooperative Societies.

The facts outlined above irrefutably demonstrate that the Managing Committee, acting in tandem with the Administrator, has bent over backwards to comply with every demand, no matter how belated or technically exacting, raised by the RCS. The persistence of the supersession order against a newly elected, compliant Managing Committee for the alleged administrative delays of a previous committee is a gross miscarriage of justice and contrary to the law of the land.

It is therefore humbly prayed that the Ld. RCS, having been presented with incontrovertible proof of absolute compliance, record immediate satisfaction under



paragraph 20 of the Hon'ble High Court's judgment dated 09.07.2026, and pass appropriate orders for the immediate restoration of the Managing Committee, thereby recalling the order dated 28.04.2026.

Submission made by the Complainants, Sh. Sushil Agarwal, in response to this office Notice dated 22.09.2026:

1. That objector had already filed two objections dated 01.08.2026 & 05.09.2026 to the compliance affidavits dated 01.08.2026 & 25.07.2026 of the Society/MC Member respectively. The said objections, together with their enclosures, are already on record of this office and are reiterated and read as part and parcel of the present objections without repeating the same for the sake of brevity.
2. That a fresh Notice dated 22.09.2026 had been issued by this office to the various parties to appear before this Hon'ble Court on 28.09.2026 at 3.30 p.m. which was adjourned to 29.09.2026 at 11.30 a.m. and hearing has been done on 29.09.2026 at 11.30 am in connection with the said Notice dated 22.09.2026 issued by this office. The complainant Sushil Kumar Agarwal along with His counsel Advocate Sh. Rajiv Vig, Administrator Sh. Ajay Rathee and Ex- Secretary Sh. Ramesh Chander Garg along with his counsel Advocate Sh. Sandeep Kumar were appeared.
3. That in the said notice dated 22.09.2026, therein five specific discrepancies are brought to the notice of the Managing Committee and of the administrator for removal for satisfactory compliance of the Orders/direction/ award of the RCS Office.
4. That during the above said proceedings one important issue/development in the affairs of the society came up. The Complainant Sushil Agarwal informed your Honour that the Administrator has already been operating one bank account of Delhi Union Cooperative House Building Society Ltd with Kotak Mahindra Bank Ltd, Pitam Pura, Delhi. The Administrator has also confirmed this fact during the proceedings being held.
5. That in view of the above fact, it is clear that the Administrator has already taken over the charge from the Ex-office bearers of the superseded managing committee and operating above mentioned bank account of the society.
6. That during the proceedings, It was also discussed by the counsel of the complainants that none of the deficiencies as mentioned in the notice dated 22.09.2026 issued by this office has been removed by the member of superseded MC of the society.
7. That in the said notice dated 22.09.2026, It is also directed to that the MC/Administrator to ensure that an advance copy of the compliance report is directly served upon the complainant before the dated of hearing. This direction has also not been complied with.

8. That the per direction dated 09.07.2026 of the Hon'ble High Court, In para no. 19, "Reasonable time of 30 days shall be granted to Managing Committee to take the remedial action with cooperation of the Administrator who is presently been appointed by the RCS". Further in para no. 21, "If the members of the Managing committee in cooperation with the Administrator fail to render the compliance, the Impugned order shall stand"
9. That the period of 30 days as per Order dated 09.07.26 of the Hon'ble High Court has been over by 14.08.2026.
10. That the notice dated 22.09.2026 issued by this office which has mentioned Five specific deficiencies in compliance, shows that no compliance has been rendered with in a period of 30 days which already been expired on 14.08.2026, with the satisfaction of the Hon'ble RCS and therefore, as per said order dated 09.07.2026 of the Hon'ble High Court, the impugned order dated 28.04.2026 under section 37 of the DCS Act, 2003 shall stand.

It is clear crystal that the order/direction / award have not been complied with in compliance of the order 09.07.26 of the Hon'ble High Court the MC Members of the society in cooperation with the Administrator and that too within stipulated time given. Therefore, as per para no. 21 of the order of the Hon'ble High Court, the impugned order dated 28.04.2026 shall, stand.

Submission dated 08.10.2026 by the Managing Committee of Delhi Union CHBS Ltd.

This in reference to the above mentioned letter no, you are hereby informed that the communication regarding the restoration of join membership no. 127 with its seniority has been communicated to the Sh. S.K. Aggarwal, Smt. Bimla, Sh. Rajiv Aggarwal. Copy of the letter with postal receipt is enclosed herewith.

It is further trite to mention that all the three compliance i.e. restoration of joint membership with Seniority, recall of penalty clause and non implementation of the amount subject to the arbitration award, has been done at the end of the Society.

In view of the above, you are one more time humbly requested to recall the order of superseding the Managing Committee.

CONCLUSION

The matter has been examined afresh in the light of the material available on record, including the compliance affidavits dated 25.07.2026 and 18.08.2026 filed by the Managing Committee of Delhi Union CHBS Ltd., the objections and submissions made by the complainant, Sh. Sushil Kumar Aggarwal, the relevant provisions of the Delhi Co-operative Societies Act, 2003 and the applicable Rules, as well as the directions contained in the order dated 09.07.2026 passed by the Hon'ble High Court of Delhi in W.P.(C) No. 8999/2026.

The supersession order dated 28.04.2026 was passed under Section 37 of the DCS Act on the basis of certain alleged failures on the part of the Society in complying with the orders and directions issued by the competent authorities. The Hon'ble High Court, while considering the challenge to the said order, directed reconsideration of the matter, including the effect of subsequent compliance and the fact that the present elected Managing Committee should not be penalized for lapses attributable to the erstwhile Managing Committee. Accordingly, the matter has been reconsidered with reference to each of the grounds forming the basis of the supersession order, the subsequent developments and the material placed on record.

1. Joint membership and Office Order dated 21.02.2024

The first ground relates to compliance with the office order dated 21.02.2024 issued under Section 86 of the DCS Act concerning the expulsion of the joint members, namely, Sh. Sushil Kumar Aggarwal, Sh. Rajeev Aggarwal and Smt. Bimla Devi, in respect of Membership No. 127.

In its compliance affidavit, the Managing Committee has submitted that the joint membership in question has been restored in accordance with the seniority of the members concerned. The Society has further relied upon the Audit Report for the financial year 2025-26 in support of its submission regarding restoration of the membership.

The said submission and the supporting material have been considered. The restoration of the joint membership, as reported by the Society and reflected in the aforesaid audit report, constitutes a subsequent development relevant to the assessment of compliance with the directions concerning the membership in question. The material presently available indicates that corrective action has been undertaken by the Society in respect of this issue.

Accordingly, for the purpose of reconsidering the continuation of the supersession order, this ground has been examined in the light of the subsequent restoration of membership. The alleged non-compliance relating to the earlier period must also be considered in the context of the directions of the Hon'ble High Court regarding the responsibility of the present elected Managing Committee for acts or omissions attributable to its predecessor.

2. Direction dated 20.03.2023 concerning interest/penalty

The second ground relates to the direction dated 20.03.2023 issued by the Assistant Registrar, Housing Section-II, concerning the levy of interest/penalty.

In its compliance affidavit dated 18.08.2026, the Society has submitted that the penalty clause providing for a penalty at the rate of ₹1 per ₹100 per day until actual payment of the security charges was withdrawn pursuant to the resolution passed by the General Body/Annual General Meeting dated 24.08.2025. The Society has further stated that the levy shall be governed by the provisions of the Act and the applicable Rules.

The aforesaid submission has been taken into consideration. The withdrawal of the penalty clause by the Society through a subsequent resolution is a material development bearing upon the issue that formed part of the basis of the supersession order. The Society's stated position that any levy shall be governed by the applicable statutory provisions has also been noted.

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The issue is, therefore, required to be assessed in the light of the subsequent resolution and the corrective steps reported by the Society, rather than solely on the basis of the position prevailing when the earlier action was initiated. For the limited purpose of determining whether supersession of the present elected Managing Committee should continue, the subsequent withdrawal of the penalty clause weighs in favour of reconsideration of this ground, subject to compliance with the DCS Act and the Rules.

3. Arbitration Award dated 29.02.2024

The third ground relates to the Arbitration Award stated to be dated 29.02.2024 in Arbitration Case No. 17/GH/DR/ARB/2023-24, concerning the demand of ₹24,465/- against the claimants, namely, Sh. Sushil Kumar Aggarwal, Sh. Ramesh Aggarwal, Sh. Girwar Prasad Gupta and Sh. Roop Kishore Maheshwari.

In its compliance affidavit dated 18.08.2026, the Society has submitted that it has not pressed or sought to enforce the aforesaid demand against the claimants pending the final outcome of Appeal No. 52/2024 before the Delhi Co-operative Tribunal (DCT).

The submission has been considered in the context of the pending appeal and the subsequent position adopted by the Society. The decision not to press or enforce the demand pending the final outcome of the appeal is a relevant subsequent development while assessing whether the earlier ground continues to justify supersession of the present elected Managing Committee.

It is clarified that the present consideration is confined to the question of continuation of the supersession order. It shall not be construed as a determination of the merits of Appeal No. 52/2024, the validity or final enforceability of the disputed demand, or the rights and liabilities of the parties, which shall remain subject to the decision of the competent appellate forum and applicable law.

4. Consideration of the objections and the effect of subsequent compliance

The objections raised by the complainant, Sh. Sushil Kumar Aggarwal, and the material submitted by the Society have been considered. The grounds forming the basis of the supersession order have been examined individually as well as cumulatively, having regard to the subsequent compliance reported by the Society.

It emerges from the material placed on record that:

- a) The joint membership relating to Membership No. 127 has been reported as restored and is stated to be reflected in the Audit Report for the financial year 2025-26.
- b) As per the proposal dated 24.08.2025, the relevant penalty clause has been withdrawn, and the Society has clarified that the security charge shall be levied strictly in accordance with the provisions of the DCS Act and the Rules.
- c) The Society has stated that the demand of ₹24,465/- shall not be pressed or enforced against the concerned claimants pending the final adjudication of Appeal No. 52/2024 before the Delhi Co-operative Tribunal.

- d) The developments that have occurred since the order dated 28.04.2026, including the withdrawal of the relevant penalty clause and the Society's decision not to enforce the demand of ₹24,465/- pending the outcome of Appeal No. 52/2024, are relevant to assessing whether the grounds on which the order was passed still justify the continued supersession of the Society's Managing Committee. However, these developments do not automatically establish full compliance. The Society remains under an obligation to comply with all applicable statutory provisions, rules and lawful directions issued by the competent authorities.

The directions of the Hon'ble High Court concerning the present elected Managing Committee have also been duly considered. The alleged defaults relate to matters arising during an earlier period, and the present Managing Committee was elected subsequently. In the absence of sufficient material establishing that the present elected Managing Committee has failed to undertake the corrective measures reported on record, continuation of supersession must be assessed on the basis of the present circumstances and the statutory requirements governing such action, rather than solely on the basis of defaults attributable to the erstwhile Managing Committee.

Upon an overall assessment, the subsequent developments and corrective measures reported by the Society materially affect the basis on which the supersession order was passed. The objections of the complainant have been considered, however, the material presently available does not establish sufficient justification for continuing the supersession of the present elected Managing Committee on the aforesaid grounds, particularly in view of the subsequent compliance and the directions of the Hon'ble High Court.

Findings and decision

In view of the foregoing discussion, the material available on record, the compliance affidavits, the objections and submissions of the concerned parties, and the directions contained in the order dated 09.07.2026 passed by the Hon'ble High Court of Delhi in W.P. (C) No. 8999/2026, this office is of the considered view that the continuation of the supersession order dated 28.04.2026 against the present elected Managing Committee of the Society is not justified on the grounds examined herein.

This conclusion is based on the subsequent corrective measures reported by the Society, the present status of the issues forming the basis of the supersession order, and the requirement to consider the responsibility of the present elected Managing Committee separately from lapses attributable to the erstwhile Managing Committee. The decision is confined to the question of continuation of supersession and shall not be construed as condoning any independent violation of the Act or the Rules, or as dispensing with compliance with any subsisting lawful order or direction of a competent authority.

Accordingly, I, the undersigned, in compliance with the directions of the Hon'ble High Court of Delhi and upon reconsideration of the matter on the basis of the material available on record, hereby revoke the supersession order dated 28.04.2026, passed under Section 37 of the Delhi Co-operative Societies Act, 2003, in respect of the Managing Committee of Delhi Union CHBS Ltd.

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Consequently, the present elected Managing Committee shall continue to function and discharge its duties and responsibilities in accordance with the provisions of the Delhi Co-operative Societies Act, 2003 and the Delhi Co-operative Societies Rules, 2007.

The Society shall remain under an obligation to ensure compliance with all applicable statutory requirements and lawful directions issued by the competent authorities. Nothing contained in this order shall affect the proceedings pending before the Delhi Co-operative Tribunal in Appeal No. 52/2024, or prejudice any determination to be made by the competent forum in accordance with law.

The matter is disposed of accordingly.

F.No. 47/1796/AR/GH-II/RCS/2023
Copy to:

906-912


Krishna Kumar Singh, IAS
Registrar Cooperative Societies
KRISHNA KUMAR SINGH, IAS
Registrar Co-operative Societies
Govt. of N.C.T. of Delhi
Parliament Street, New Delhi-110001

1. PA to RCS
2. DRCS, Section -2/H, O/o RCS
3. DRCS (IT), O/o RCS
4. Sh. Ajay Rathee, Administrator, Adhoc DANICS, Retd. R/o 41/35, Main Rohtak Raod, 4th Floor, Above Nexa Showroom, West Punjabi Bagh, Delhi-110026.
5. President/Secretary, Delhi Union CHBS Ltd., 1st floor Satsang Bhawan, Kapileshwar Mandir, Kapil Vihar, Pitam Pura, Delhi-110034.
6. Sh. Sushil Kumar Agarwal & Others, R/o 26, Kapil Vihar, Pitam Pura, Delhi-110034.
7. Guard File.