

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

No. 47/ARH/Sec-II/RCS/2025

Dated :-

ORDER

In the matter of :-

Canara CGHS Ltd.

This Order shall dispose of the proceedings initiated Under Rule 79(8) of the DCS Rules, 2007, vide this Office Notice dated 03.03.2026, whereby, the MC of the Society, M/s A. Dhingra & Associates (Special Auditor) and Sh. Rajiv Parashar (complainant) was directed to appear before the Registrar Co-operative Societies on 06.03.2026 at 03.00 PM in connection with the observations in the Special Audit Report, for consideration of the need, if any, for re-audit for the financial years 2016-17 to 2020-2021.

The brief facts of the case :-

1. Sh. Rajiv Parashar submitted a letter dated 08.12.2022 in the RCS Office with the request to conduct Special Audit of the Society for the financial years 2016-17 to 2020-21.
2. Sh. Aaskaran Dhingra, Special Auditor, A Dhingra & Associates, submitted 03 (Three) Special Audit Reports dated 16.10.2025 to the Assistant Registrar (Audit).
3. The Assistant Registrar (Audit) vide letter dated 04.12.2025 submitted his observations on Special Audit Reports as under :-

Action Taken :-

In view of the above findings of the Special Auditor, a letter was issued to the MC of the Society vide letter dated 21.11.2025 to provide the appointment of the auditor duly approved by the O/o RCS for the period of 2016-17 to 2020-21. Further, it was also directed to provide the explanation on the engagement of the auditor who already holds the membership of the Society, which violates the DCS Rules, 2007 within 03 days. However, till date no response in the matter has been received in this branch so far.

Observation :-

In this regard, it is seen that after examining the special audit report submitted by the special auditor it has been observed that the approval of the appointment of auditor from FY 2016-17 to 2020-21 had not been taken by the Society from the O/o RCS. Also, it is also observed that audit report of one financial year was signed/audited by two different CA firms i.e. in FY 2016-17, Canara CGHS Fund audit done by M/S KASG & Co. and Canara CGHS Development Funds audit done by M/S SRP & Co. in same FY 2016-17.

Suggestion :-

Keeping in view the above findings and facts, it is clear that the Society did not adhere to the prescribed rules and guidelines while conducting the audit of its accounts for the FY 2016-17 to 2020-21. Further, the audit reports for the said financial years were also not submitted to this office. Accordingly, the society has violated several provisions of the DCS Act and Rules.

In view of the above violations and not responding of the concerned society in the matter, it is suggested that the entire matter may be placed before the Registrar to decide what necessary action may be taken against the society in the matter, whether conducting of re-audit of the said FY 2016-17 to 2020-21 is needed or not.


4. In view of the observations made the Assistant Registrar (Audit) on the findings of the Special Auditor, Notice Under Rule 79(8) of the DCS Rules, 2007, dated 04.02.2026 was issued, whereby, the MC of the Society, M/s A. Dhingra & Associates (Special Auditor) and Sh. Rajiv Parashar (complainant) was directed to appear before the Registrar Co-operative Societies on 06.03.2026 at 03.00 PM in connection with the observations in the Special Audit Report, for consideration of the need, if any, for re-audit for the financial years 2016-17 to 2020-2021.
5. Hearings were also provided on 06.03.2026, 16.03.2026 & 27.03.2026.
6. During the hearing conducted on 06.03.2026, Sh. Rajiv Parashar, complainant, apprised the facts of the case and shown the various financial irregularities committed by the Management Committee of the Society. The proxy counsel appeared on behalf of the Society requested for another date as the main counsel was out of station.
7. During the hearing conducted on 16.03.2026, Sh. Vinod Sharma, Counsel on behalf of the Society, submitted an application to provide the copy of Special Audit Reports on which the Notice U/r 79(8) was issued. Accordingly, copy of Special Audit Reports were provided to him.
8. During the hearing conducted on 27.03.2026, Sh. Vinod Sharma, Counsel on behalf of the Society, submitted reply on behalf of the Society but did not attend the hearing. Sh. Rajiv Parashar, complainant also submitted his final written submission.
9. The Society through Abhishek Gupta & Associates Advocates in its reply dated 27.03.2026 has submitted as under :-
 - (i) The present notice under reply, is issued to the society whereas firstly the Special Audit was done for the tenure of 2016-17 to 2020-21, wherein, the tenure of the present managing committee has started from April 2023, thus the Special Audit which has been done of the tenure which had no concern with the managing committee of the present tenure, that thus seeking explanation from the present managing committee of the violations done in the previous managing committee tenure is itself makes the notice under reply illegal qua the managing committee of the society, thus the same is liable to be withdrawn against the society.

(ii) That it is further submitted that as you have mentioned that as per rule 79(8) of DCS Rules, 2007, provides that no order in respect of Special Audit or re-Audit should be passed without giving reasonable opportunity of being heard to a co-operative society but in the present case the order of the Special Audit dated 09.03.2023 was passed only on a single complaint made by a single member who is the habitual complainant, that too without even issuing any show cause notice to the cooperative society then, and now after the alleged Special Audit which has been done that too which are in violation of the basis accounting principles, the issuance of the present notice is just a Eyewash of the earlier illegality committed while passing the order dated 09.03.2023.

(iii) That it is submitted that the society has challenged the order dated 09.03.2023 for appointment of Special Auditor, but however as the Special Audit was already under process thus the Financial Commissioner has passed the order that the payment of the Special Auditors has to be decided by the Registrar of Co-operative Societies as no opportunity was granted to the society before the order conducting the Special Audit was passed, and now thus as after the Special Audit there is no illegality or misappropriation of funds has been found which itself shows that the basis of conducting the Special Audit on the complainant of one single member was itself illegal, and thus now if any payment to the special auditor has to be made the same has to be recoverable from said single member namely Rajiv Parasher, as even during the Special Audit not even a single letter/notice has been given by the Special Auditor to the Society seeking any reply/comments which is itself against the basic principle of the accounting and thus the society has not liability to pay the same. The said order the Hon'ble Financial Commissioner has directed the office of the RCS to look into the aspect of cost of the Special Audit to be borne in this case, as only on complaint of one single member the Special Audit was directed by the RCS that too without even hearing the Society.

10. Sh. Rajiv Parashar, complainant, in his final written submission dated 27.03.2026 has submitted as under :-

(A) That on 16.10.2025 the appointed special auditor filed the special audit reports in the office of the RCS vide Diary No. 49608, 49610 and 49612 dated 16.10.2025 of all three accounts of the Society i.e. Canara CGHS Account, Canara Apartment Maintenance Fund and Canara Development Fund. It is pertinent to mention here that the Audit report filed by the Special Auditor shows material discrepancies in the accounts of the Canara CGHS. It is further pertinent to mention here that the Audit Report of Canara Apartment Maintenance Funds for the period of 2016-17, 2019-20, 2020-21 were not available/found in the Society office as per the seizure memo dated 04.09.2024 by SDM Alipur. According to the DCS Rules, 2007 Schedule-I the Audit Reports should be retained permanently. That some of the observations of the special audit reports are being reproduced below for the kind perusal of the Hon'ble Court :-



a) Canara CGHS Account 2016-17 till 2020-21.

- i. Bank Balance mismatch to balance-sheet.
- ii. No appointment of auditor from the panel of the RCS.
- iii. No letter from RCS /respondent No.2 regarding approval of final account.
- iv. Payments done to architect namely M/s Designwell (India) Pvt Ltd and Contractor namely M/s Helicon Construction Pvt Ltd without Tax Deduction which is again a violation of Income Tax Laws/Rules.
- v. No annual budget prepared which is in direct violation of Section 93 of DCS Act 2003 and Rule 102 of the DCS Rules 2007.
- vi. Water Tank repair work tender was not awarded to the lowest eligible bidder.
- vii. Minutes of Meetings of the MC are signed by only 2 office bearers and not signed by other members.
- viii. No UDIN mentioned by the auditor in the audit report which is a mandatory compliance as per the ICAI.
- ix. Rs 55,000/- legal expenses was shown in income and expenditure account of financial year 2020-21 but payment against this been made through Canara Maintenance account as on 31.03.2021.
- x. No consolidated balance-sheet prepared by respondent No.8 for all three accounts.
- xi. No certificate from the bank is made available to confirm the income of Rs.1,31,789/-.
- xii. Interest paid of Rs.45,919/- shown in income and expenditure account to whom this payment made is not known.
- xiii. Expenses Voucher not properly serially numbered and counterfoils not properly filled.
- xiv. Receipt No.4962 of Rs.7100/ whereas the counterfoil for the same is of Rs.1000/-.

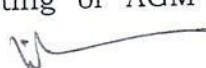
b) Canara Maintenance Fund 2016-17 till 2020-21.

- i. Water charges as per bill of Delhi Jal Board of Rs.11,99,307/- paid to Delhi Jal Board but income and expenditure account is charged by Rs.12,47,307 and amt of Rs.48,000/- excess charged shown in balance-sheets in year 2017-18.
- ii. ATM rent Rs.1.5 Lakhs yearly but no rent agreement provided by the Respondent No.8 in the year 2017-18. The actual rent in reality is Rs.20,000/-
- iii. ATM rent shown as Rs.1,62,500/- in the year 2018-19.
- iv. ATM rent shown as Rs.4,06,750/- in year 2019-20. (As admitted by the respondent No.8 in Inspection proceedings)
- v. ATM rent shown as Rs.2,40,000/- in year 2020-21. (As admitted by the respondent No.8 in Inspection

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- proceedings)
- vi. Fixed Deposit of Rs.6,58,744/- in the year 2017-18 and 2016-17 for which the interest shown in balance-sheet as Rs.38,635/- and Rs.49,274/- respectively. The FD is same but interest difference is Rs.10,639/-.
 - vii. Electricity receipt of Rs.72,000/- but the basis of the receipt of this amount is not available in the year 2017-18.
 - viii. Amount for Fountain Repair i.e. Rs.15,900/- whereas no fountain is shown in the list of fixed assets of the balance-sheet in the year 2017-18.
 - ix. Lease rent payable- Rs.5,50,000/- is carried forward from the year 2016-17 is not squared up in the financial year 2017-18. What basis of any bill from the DDA etc. or was it is a contribution from members against lease rent.
 - x. Water charges as per bill of Delhi Jal Board of Rs.13,44,451/- paid to Delhi Jal Board but income and expenditure account is charged by Rs.13,96,451/- and amt of Rs.52,000/- excess charged shown in balance-sheets in year 2018-19.
 - xi. Audit reports for F.Y.2016-17, 2019-20 and 2020-21 not provided by the respondent No.8.
 - xii. No appointment of auditor from the panel of the RCS.
 - xiii. No letter from RCS /respondent No.2 regarding approval of final account.
 - xiv. No annual budget prepared which is in direct violation of Section 93 of DCS Act 2003 and Rule 102 of the DCS Rules 2007.

c) Canara Development Fund 2016-17 till 2020-21.

- i. No appointment of auditor from the panel of the RCS.
 - ii. No letter from RCS /respondent No.2 regarding approval of final account.
 - iii. No annual budget prepared which is in direct violation of Section 93 of DCS Act 2003 and Rule 102 of the DCS Rules 2007.
 - iv. Audit of FY 2016-17 CANARA CGHS Account done by Geeta Shankar & Co. whereas the audit of the Canara Development Fund done by one SRP and Co.
 - v. Audit of FY 2016-17 till 2020-21 of Canara Development Fund done by SRP & Co. on 21/08/2021 and no UDIN mentioned by the auditor in the audit report which is a mandatory compliance as per the ICAI.
 - vi. Cash withdrawal of Rs.24,000/- in FY 2016-17 towards maintenance expenses for which no proper/regular voucher is available on record. As per income tax Act cannot incur cash expenditure exceeding Rs.20,000/- at one go and previous years balance-sheet of this account not in record.
 - vii. Rs.25,000/- received as development fund contribution. No basis, No minutes of meeting of AGM for this
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- amount.
- viii. Tempering and Negative cash: Negative cash balance on 5/4/2016 to 8/4/2016 and respondent No.8 has incurred cash expenditure in case of negative cash balance.
- ix. Counter foil not properly entered.
- x. Rs.75,000/- received but no receipt are issued to the payer/members in FY 2017-18.
- xi. Rs.25,000/- cash expenses towards Diwali expenses and Rs.25,000/- for repair and maintenance expenses is not supported by regular/proper voucher in the year 2017-18.
- xii. In FY 2017-18 Rs.1,58,000/- received as development fund contribution. No basis, No minutes of meeting of AGM for this amount.
- xiii. Rs.1,58,000/- towards development charges is utilized against repair and maintenance and Diwali expenses showing a profit of Rs.21,772/- which is misleading.
- xiv. Rs.10,000/- deposited in this account as on 06.04.2018 whereas no indication of cash receipt in the books from 01.04.2018 to 06.04.2018 and also there is NIL cash in the balance-sheet as on 31.03.2018.
- xv. In FY 2018-19 Rs 1,25,000/- received in cash but no cash receipt issued to payer.
- xvi. In FY 2018-19 Rs 2,00,000/- received towards development fund contribution. No basis, No minutes of meeting of AGM for this amount.
- xvii. In FY 2018-19 Rs 2,00,000/- towards development charges is utilized against repair and maintenance of Rs.1,10,200/- and Diwali expenses of Rs.25,000/- showing a profit of Rs.71,929/- which is misleading.
- xviii. Closing balance as on 31.03.2018 is Rs.95,091/- and opening balance shown in balance-sheet ending on 31.03.2019 is taken as Rs.1,20,091/- and amount of Rs.25,000/- taken in excess as opening balance.
- xix. Net profit as per profit and loss account ended 31.03.2019 is Rs.71929/- whereas the amount transferred to revenue reserve account is Rs.96929/-. Here again Rs.25,000/- taken excess which misleads the viewers. This has resulted in a closing balance of RS.4,60,729/- but shown in the balance-sheet as Rs.4,10,729/-. This is again misleading.
- xx. In the FY 2020-21 Rs.75,000/- received on development fund but no receipt issued.
- xxi. Closing balance as on 31.03.2020 of Rs 4,50,495/- and opening balance of the next year is Rs.5,00,495/-.
- xxii. In FY 2020-21 Closing Balance under reserve account is Rs.6,84,170/- whereas in the balance-sheet it is shown as Rs.6,34,170/-. This is misleading and a case of misrepresentation.
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11. I have gone through the matter as well as the documents presented before including the written submissions from all the parties and also heard the arguments. It is evident from the Special Audit Reports that the no approval of appointment of auditor from O/o RCS was found by the auditor for FY 2016-17 to 2020-21. Also, the audit for the FY 2019-20 was conducted by M/s Geeta Shankar & Co. and wife of the appointed auditor is member of the Society and also partner of the firm, which violates the Rule 79(8) of the DCS Rules, 2007. Further, the Management of the Society was not at all serious about the maintenance & recording of amount received from the members & payment made on behalf of the Society. Accounts and other required documents are not maintained as per accepted accounting procedures/polices. Payments towards expenses etc are not supported by proper vouchers.

12. In view of the above facts and circumstances, I Krishna Kumar Singh, Registrar Co-operative Societies, Govt. of NCT of Delhi, in the exercise of powers vested in me under Rule 79(8) of the DCS Rules, 2007, hereby declare the Audit conducted by the Society for the Financial Year 2016-2017 to 2020-21 Null & Void. Further, if the Society has conducted the Audit for the Financial Year 2021-2022 to 2024-2025 the same is also hereby declared as Null & Void, since, the correctness of the opening balances carried forward to Financial Year 2021-2022 cannot be confirmed. Therefore, the Society is hereby directed to conduct the Audit of the Society for the FY 2016-2017 to 2024-2025 as per the relevant provisions of the DCS Act, 2003, with the prior approval of appointment of auditor from O/o RCS.


KRISHNA KUMAR SINGH, IAS
REGISTRAR CO-OPERATIVE SOCIETIES

No. 47/ARH/Sec-II/RCS/2025 | 254-255

Dated :- 15/04/26

Copy to :-

1. The President/Secretary, Canara CGHS Ltd., KN Katju Marg, Sec-13, Rohini, Delhi-110085.
2. Sh. Rajiv Parashar, Flat No. 90, Canara Apartment, Sec-13, Rohini Delhi-110085.
- ✓ 3. Deputy Registrar (IT) with the direction to upload this Order on the official website of the RCS Office.


KRISHNA KUMAR SINGH, IAS
REGISTRAR CO-OPERATIVE SOCIETIES