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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **W.P.(C) 17957/2024 & CM APPL. 76384/2024**

SANJAY KUMAR

.....Petitioner

Through: Dr. L. S. Chaudhary, Mr. Anurag Singh Tomar, Mr. Ajay Chaudhary and Mr. Bharat Chaudhary, Advs.

versus

GOVT. OF NCT OF DELHI & ORS.

.....Respondents

Through: Mr. Dhruv Rohtagi, Adv. for RCS.
Mr. Sagar Khanna, SO (Office of RCS) (M: 9654209558)
Mr. Nitin Mittal, Adv. for R4.

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE MADHU JAIN

ORDER

% **10.03.2026**

1. This hearing has been done through hybrid mode.
2. The present petition has been filed by the Petitioner under Articles 226 and 227 of the Constitution of India, *inter alia*, assailing the impugned order dated 9th December, 2024 passed by the Delhi Co-operative Tribunal (*hereinafter*, 'DCT') in **Appeal No. 099/2024/DCT** titled '**Sanjay Kumar v. RCS and Ors.**'
3. *Vide* the impugned order, the DCT has rejected the prayer for interim relief filed by the Petitioner for staying the recovery proceedings against the Petitioner pursuant to award dated 31st December, 2016.
4. The brief background of the present case is that an award bearing **Arb.Case.No. 425/AR/ARB/2016-2017** was passed by the Registrar Co-



operative Societies (*hereinafter*, 'RCS') on 31st December, 2016 against the following individuals:

- (i) Sh. Ram Kumar;
- (ii) Sh. Praveen Kumar;
- (iii) Smt. Santosh;
- (iv) Sanjay Kumar, the Petitioner herein.

5. The allegation in the said award was that there was a petition filed under Section 70 of the Delhi Co-operative Societies Act, 2003 by the Delhi Swastik Co-Op. Urban T/C Society Ltd. (*hereinafter*, 'the Society') against the aforesaid individuals, seeking recovery of a sum of Rs.4,27,371/- as on 11th November, 2016. The case of the Society is that the Petitioner- Mr. Sanjay Kumar was one of the guarantors of the loan due to the Society. *Vide* award dated 31st December, 2016, the RCS had directed as under:



* IN THE COURT OF SHRI ANIL GUPTA ARBITRATOR/ REGISTRAR'S
NOMINEE: ROOM NO. 48 SHAHEED BHAGAT SINGH PLACE, GOLE MARKET,
NEW DELHI- 110001

ARBITRATION AWARD

FOR DISPOSAL OF CLAIM UNDER SECTION 71 OF THE DELHI COOPERATIVE
SOCIETIES ACT, 2003

Arb. Case No. 425/AR/ARB/2016-2017

IN THE MATTER OF:

✓ The Delhi Swastik Co-op. Urban T/C Society Ltd.
26/102, Shakti Nagar, Delhi- 110007

.... Claimant

Versus

1. Sh. Ram Kumar S/O Sh. Baru Ram
D-105, Jahangir Puri, Delhi-110033
2. Sh. Parveen Kumar Goyal S/O ShKapoor Chand Goyal
RZ-123/1, Gali No.1, Main Sagarpur, Delhi- 110046
3. Smt. Santosh W/O Sh Ashok Kumar
422/2, Nangal Rai, Delhi-110046
4. Sh. Sanjay Kumar S/O Sh. Satyavir Singh
C- 161, Kanti Nagar Extn., Shadara, Delhi-110032

.... Defendants

The Delhi Swastik Co-op. Urban T/C Society Ltd. filed a petition u/s 70 of Delhi Cooperative Societies act 2003 against the above mentioned Defendants (Defendant No. 1 to 4) for recovery of a total amount of Rs.4,27,371/- as on 11-11-2016 as per details given in their final letter dated 11-11-2016. The case was referred to the undersigned for passing an award u/s 71 of Delhi Cooperative Societies Act, 2003.

2. In exercise of the powers conferred on me as Registrar's Nominee, summons were sent to all the parties to appear before me on 26-10-2016 and 03-12-2016. Shri Sumit Aggarwal, authorized representative of the claimant society attended hearings on both the dates. None of the defendants attended on both these dates.

3. I have considered full facts of the case brought before me. After going through the records of the claimant and after hearing the claimants, I am convinced with the genuineness of the claim as follows. I, therefore pass the award as under.

4. The defendants are directed to pay jointly and /or severally to M/S The Delhi Swastik Co-op. Urban T/C Society Ltd. the amount as follows:

- | | |
|--|---------------|
| a. Principal loan balance as on 31-10-2016 | Rs 3,34,970/- |
| b. Interest upto 31/10/2016 | Rs 58,899/- |
| c. Arbitration cost | Rs. 15,000/- |

Further, interest of 14.4% + 3% per annum (panel interest) with effect from 01-11-2016 will be payable on amount at para 4(a&b) above at any time jointly and severally by all defendants to the claimant till realization of principal amount.

Given under my hand and seal on 31-12-2016.

CERTIFIED TRUE COPY

Anil Gupta

(Anil Gupta)
ARBITRATOR

6. The case of the Petitioner is that he was never served with any notice of the arbitration proceedings and that he had not stood as a surety or



guarantor for the said loan. It is also stated that the award dated 31st December, 2016 was an *ex-parte* award as the Petitioner was never served. The further case of the Petitioner is that he does not even know the borrower and one Mr. Ashish Gupta from the Society, had got certain blank documents signed from the Petitioner.

7. On the said basis, the appeal was filed by the Petitioner before the DCT and an interim application was also filed for stay of the salary attachment order dated 23rd October, 2024. *Vide* impugned order dated 9th December, 2024, the DCT directed as under:

“The undersigned is prima facie, not satisfied with the submission of the Ld. Counsel for the Appellant that the document was blank when signed. It is seen that the document is printed and signatures of the appellant exists on the printed point of surety no. 3. If for the sake of argument, it is accepted that the document was blank yet appellant cannot draw any benefit there from as his signature exists against the column for surety. Appellant is deemed to have understood that he was signing the document in his capacity as surety. The argument that signatures was obtained fraudulently is a matter of fact which needs to be established by the appellant by way of suitable evidence.

The Tribunal therefore, find any reason to grant stay of recovery at this stage.

TCR has not been received.

Notice was issued to concerned AR for furnishing the TCR. However, despite directions, neither the records have received nor the AR is present.



Let Show-Cause Notice be issued to the concerned AR as to why bailable warrant be not issue against him for not being present and for not making available the Trial Court Record returnable on 03.02.2025.”

8. The present petition has been filed challenging the said order.
9. On the first day, *vide* order dated 24th December, 2024, the Court had directed that no coercive steps shall be taken against the Petitioner for recovery of amount under award dated 31st December, 2016. Since then, the matter has remained pending.
10. Today the Court has heard the ld. Counsels for the parties.
11. The Court has perused the allegations in the appeal filed by the Petitioner which are set out below:

“[...]

*5. That the appellant was in need of some money in the year 2013 and thus approached the respondent society for taking up a loan. **However, the office bearers, namely Ashish Gupta, Treasurer of the respondent no. 3 society, suggested the appellant that instead of applying for a fresh loan, he can ask for top-up in the already existing loan account running in the name of his wife in order to save time and convenience.** Resultantly, he acted accordingly and in pursuance of the same, he was made to sign some blank documents on the pretext of loan, but the things did not turn out in the said directions and his request for the top-up was rejected.*

*6. That thereafter, the office bearers (namely Ashish Gupta, Treasurer and L.C. Gupta, President) of the respondent no. 3 informed **the appellant that although, they wished to grant the loan but the final decision was***



taken by the committee and his application for top-up has been rejected in the meeting conducted by the committee and therefore, he needs to apply for a fresh loan in his name. Accordingly, the appellant applied afresh for the loan and also got approved the same. It is pertinent to mention that the earlier documents signed by the appellant which were placed with the loan top-up application were never returned to the appellant on the pretext that any document placed before the committee meeting is never returned back.

12. The Petitioner is working as a cook with the Municipal Corporation of Delhi and is posted at the Dr. SPM Chest Hospital, Patparganj, Delhi.
13. The scope of this petition is only in respect of the interim order passed by the DCT dated 9th December, 2024.
14. After having considered the nature of the matter, it is directed that the Petitioner shall deposit a sum of Rs. 50,000/- before the DCT by **10th April, 2026.**
15. Subject to the said amount being deposited before the DCT, no coercive measures shall be taken against the Petitioner pursuant to the award dated 31st December, 2016. The parties shall appear before the DCT on 8th April, 2026.
16. Considering that the award is of 2016, DCT shall expeditiously dispose of the appeal, within a period of four months.
17. The present petition is disposed of in these terms. Pending applications, if any, are also disposed of.

PRATHIBA M. SINGH, J.

MADHU JAIN, J.

MARCH 10, 2026/b/sm