

File No.- M-11027/104/2025-MoC
Government of India
Ministry of Cooperation
(Office of the Appellate Authority and Central Registrar of
Cooperative Societies)
(Appeal filed under Section 85A(3) of the Multi State
Cooperative Societies Act, 2002)

9th Floor, Tower 'E', World Trade Centre,
Nauroji Nagar, Safdarjung Enclave,
New Delhi 110029

ORDER

An appeal dated 27.05.2026 has been filed by Shri Hareram Sah, the Chief Executive Officer, Lotus Agricultural and Marketing Cooperative Society Ltd., New Delhi (hereinafter referred to as "the Appellant Society") under sub-section (3) of Section 85A of the Multi-State Cooperative Societies Act, 2002 against the order dated 16.09.2025 passed by the Co-operative Ombudsman in the complaint filed by Shri Shrawan Ram regarding the non-payment of the maturity proceeds of his investment with the Appellant Society.

2. The Co-operative Ombudsman, vide the aforesaid orders, held that repayment of matured deposits cannot be made contingent upon the Society's business decisions or the outcome of pending litigation and that the Society is legally bound to refund the maturity amount along with applicable interest. The society was accordingly directed to pay the amount due to the complainant along with up-to-date interest within fifteen days from the date of the order.

3. Aggrieved by the said directions, the appellant Society has preferred the present appeal, inter alia, contending that the implementation of the Ombudsman's order dated 16.09.2025 be kept in abeyance till the final disposal of the litigation pending before the Hon'ble Supreme Court of India and upon release of the Society's land from litigation, the Society may be permitted to liquidate its assets and refund the contributions of its members in accordance with law and its bye-laws.

4. Before examining the merits of the appeal, it is observed that Rule 30J(1) of the Multi-State Cooperative Societies Rules, 2002 provides that an appeal

Sh

against the directions of the Co-operative Ombudsman may be filed within one month from the date of the Ombudsman's order.

5. In the present case, the impugned order was passed on 16.09.2025, whereas the appeal has been filed on 27.05.2026, which amounts to delay of over seven months beyond the period allow for the same. The Appellant Society has sought condonation of delay by stating that the Society has very few employees only and, therefore, could not file the appeal within the prescribed period.

6. A personal hearing was held on 15.07.2026 before this Authority, wherein the Appellant Society was afforded an opportunity to explain the reasons for the delay. The appellant submitted that they one or two staff only and due to that they could not file the appeal in time. On being asked, the appellant submitted that it has about 40,000 members and about Rs 92 Cr worth of assets. The explanation furnished by the Society has been carefully considered.

7. Examination of the annual returns and financial statements of the Society indicates that expenditure has regularly been incurred under the head of salaries and other employee-related expenses. Specifically, the last annual return for the year 2024-25 filed by the appellant on the CRCS portal show expenditure of Rs 34.63 Lakh on employees as appearing under Note 22 Employees Benefit Expenses of the Annual Financial Statement. The fact of large number of members of the society indicate that it cannot function with such level of staffing that a statutory appeal where, substantial interest of the Appellant are at stake, may remain unattended for over 8 months against the provision of one month in the Act. Also, substantial expenditure on employees benefit further indicates unreliability of the claim of lack of staff. Therefore, the contention that the Society lacked the necessary manpower to pursue the statutory remedy within the prescribed period is not tenable. No other plausible cause has been shown to justify the inordinate delay in filing the appeal.

8. Since the appeal has been filed after over seven months delay beyond the period prescribed under Rule 30J(1) of the Multi-State Cooperative Societies Rules, 2002 and no plausible cause has been established for condonation of such delay, this Authority is not inclined to condone the delay in filing the appeal.

Shy

9. In view of the foregoing, the appeal is dismissed as barred by limitation. Consequently, the order dated 16.09.2025 passed by the Co-operative Ombudsman remains undisturbed. The parties shall comply with the order of the Co-operative Ombudsman in accordance with law.

Accordingly, the appeal is disposed of.

Dated: - 31.07.2026



Shu 31/7/26
(Shiv Pal Singh)

**Appellate Authority and
Central Registrar of Cooperative Societies**

To,

1. The CEO, Shri Hareram Sah, Lotus Agricultural and Marketing Cooperative Society Ltd., 605A, Pearls Business Park, D-7 Netaji Subash Place, Pitampura, New Delhi 110034.
(Email ID-info@lotusagriculture.com)
2. Shri Shrawan Ram, Village- Nundra, Tehsil- Makrana, District- Didwana, Kuchaman, Rajasthan- 341504.
3. The Cooperative Ombudsman, 9th Floor, Tower 'E', World Trade Centre, Nauroji Nagar, Safdarjung Enclave, New Delhi 110029.

Copy to:

NIC for uploading on website.