GOVT. OF NATIONAL CAPITAL TERRITORY DELHI
IN THE COURT OF THE REGISTRAR COOPERATIVE SOCIETIES
OLD COURT BUILDING, PARLIAMENT STREET, NEW DELHI-110001

F.No.47/GH/AR/ Sec-I/F.C/RCS/2023 /3452/3457 Dated: 9/11/26

ORDER

This order shall dispose of the proceedings initiated in compliance with the order dated 06.03.2026 passed by the Ld. Financial Commissioner. The operative portion of the said order is reproduced as under:

"7. Keeping in view of the above arguments, the matter is remanded to the RCS with the direction to call the record from Society to examine and assess the facts of other properties submitted by the Petitioner in the affidavit to the Society to secure membership. The affidavit about the source of income of the Petitioner acquiring the membership would be assessed. This will however be judged on the anvil of law provision as prevailed at the time when the membership was granted. The High Court judgments in WPC 6154/2007 dated 15.09.2010 & WPC No. [63 (1996) DLT 655 (DB)] may also be kept in view in this context.

8. In short, before coming to a conclusion the RCS shall examine if the member was eligible under Act/Rules prevailing on the date of his enrolment and disclosures/claims made at that point of time. Of course, no relief shall be extended to Petitioner if he committed fraud by concealing ownership of Property filed false affidavit or obtained membership through other misrepresentation since fraud vitiates everything.

9. Accordingly, the Revision Petition bearing no. 148/2025 titled Smt. Meeta Mittal Vs. Guru Ram Dass Cooperative Group Housing Society Ltd. & Anr. is disposed of in terms of the above."

Background of the Case:

The petitioner claims that she became a regular and bona fide member of Guru Ram Dass Cooperative Group Housing Society Ltd. (hereinafter referred to as the "Society") vide Membership No. 109, with effect from 18.05.1998, and was issued a share certificate dated 10.01.1999. A copy of the said share certificate has been placed on record as Annexure P-2.

A show cause notice dated 26.07.2011 was issued to the petitioner by RCS, alleging therein that she had acquired House No. C-3/72, measuring 270 sq. metres, situated at Janakpuri, New Delhi, in the year 1996, prior to her becoming a member of the Society. It was further alleged that her husband, Sh. Devender Kumar Mittal, had also obtained membership in the same Society vide Membership No. 161.

It was alleged that, by virtue of ownership of the aforesaid property either in her own name or in the name of her spouse or dependent children, the petitioner incurred disqualification under Rule 20(1)(c)(i) of the Delhi Cooperative Societies Rules, 2007. It was also alleged that she was disqualified on account of membership being held in the name of her husband.

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In response to the aforesaid show cause notice, the petitioner submitted her reply dated 29.09.2016, controverting the allegations levelled against her. She specifically denied having acquired House No. C-3/72, measuring 270 sq. metres, Janakpuri, New Delhi, prior to becoming a member of the Society, and asserted that she was not disqualified under Rule 20 of the DCS Rules, 2007.

After considering the matter, Respondent No. 2, RCS passed an order dated 14.03.2017, whereby the petitioner's membership was ordered to be ceased with effect from 18.05.1998, i.e., the date on which she became a member of the Society.

Aggrieved by the said order, the petitioner approached the Hon'ble Court. Vide order dated 29.08.2023, the Hon'ble Court remanded the matter to Respondent No. 2, RCS with directions to pass a speaking and reasoned order after affording an opportunity of hearing to the petitioner.

Pursuant to the aforesaid remand directions, the petitioner appeared and advanced her submissions before Respondent No. 2, RCS. Thereafter, RCS passed the impugned order dated 26.05.2025, for ceasing the membership. Aggrieved by this impugned order, the petitioner filed the revision petition at Hon'ble FC Court.

Submissions of the Petitioner

1. That the present appeal has been preferred against the show cause notice dated 26.07.2011 issued by the Registrar, Cooperative Societies, alleging that the appellant was disqualified under Rule 20(1)(c)(i) of the DCS Rules, 2007, on the ground that she had acquired property bearing No. C-3/72, Janakpuri, New Delhi, in the year 1966, prior to becoming a member of the Society. It was further alleged that she was disqualified under Rule 20(1)(c)(iii) as her husband, Sh. Devender Kumar Mittal, was also a member of the same Society.

2. That the appellant became a member of Guru Ram Dass CGHS Ltd. in the year 1998, vide Membership No. 109, and was issued a share certificate dated 10.01.1999. It was submitted that at the time of her enrolment, she fulfilled all eligibility conditions and neither she nor her spouse or dependent children owned any residential property in Delhi or held membership in any other cooperative housing society.

3. That subsequently, on 13.12.2000, the husband of the appellant, Sh. Devender Kumar Mittal, also became a member of the same Society vide Membership No. 161.

4. That the appellant contributed a sum of ₹18,90,743/- towards the cost of the flat from her own funds and resources and regularly deposited the demanded dues with the Society. She further submitted that she is an income-tax assessee and had also placed her Income Tax Assessment Orders on record to substantiate the source of funds.

5. That the appellant categorically denied having ever owned property bearing No. C-3/72, Janakpuri, New Delhi. It was submitted that the said property stood in the name of her husband, who acquired the same through a Conveyance Deed dated 17.10.1996. Therefore, the appellant contended that she neither owned the property in her own name nor acquired or held it benami in the name of her husband.

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6. That, as per Rule 20(1)(c)(i) of the DCS Rules, 2007, disqualification arises where a member owns a residential house or plot in Delhi either in his/her own name or benami in the name of the spouse or dependent children. The appellant submitted that mere ownership of property by her husband would not automatically render her disqualified unless it was established that the property was actually owned by her benami in the name of her husband.

7. That the appellant neither contributed any amount towards the purchase of property bearing No. C-3/72, Janakpuri, nor was any material or evidence available to establish that the said property was held benami on her behalf. It was further contended that no such specific allegation of benami ownership had been made in the show cause notice dated 26.07.2011. Accordingly, the appellant submitted that the ingredients of Rule 20(1)(c)(i) were not attracted in her case.

8. That the appellant relied upon the judgments of the Hon'ble High Court of Delhi, particularly Ashok Aggarwal v. RCS & Ors., W.P.(C) No. 6154/2007, and Alimuddin v. RCS & Ors., 63 (1996) DLT 655 (DB), to contend that mere acquisition of property by the spouse does not result in disqualification of a member unless it is established that the property was purchased from the funds of the member and was held benami on his/her behalf.

9. That the appellant further challenged the allegation of disqualification under Rule 20(1)(c)(iii) of the DCS Rules, 2007, which relates to membership of the spouse or dependent children in another cooperative housing society. It was submitted that the appellant became a member of Guru Ram Dass CGHS Ltd. in 1998, whereas her husband acquired membership only on 13.12.2000. Therefore, the appellant contended that any disqualification arising on account of dual membership, if applicable, could not be attributed to her and would instead be attributable to her husband.

10. That the appellant further submitted that her husband's membership was subsequently relinquished by him on 21.08.2017, and his resignation was duly accepted by the Society on 21.09.2017. Accordingly, it was contended that the alleged disqualification on account of simultaneous membership no longer survived.

11. That, in view of the aforesaid submissions, documentary evidence and judicial precedents, the appellant prayed that the show cause notice dated 26.07.2011 be set aside and quashed and that she be declared eligible to continue as a member of Guru Ram Dass CGHS Ltd.

Submissions of the Society:-

1. That Mrs. Meeta Mittal is a member of the society since 1998 having Membership No. 109.
2. The Society is of the opinion that she is not disqualified under Delhi State Co-operative Act, Rules or Bye-laws, as per the record of the society.
3. That Guru Ram Dass CGHS Ltd. has no objection if the name of Mrs. Meeta Mittal (Membership No. 109), is cleared and sent to DDA for allotment of flat in her name.

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4. That it is also worth mentioning here that husband of Mrs. Meeta Mittal i.e. Sh. Devender Kumar Mittal has resigned from his Membership No. 161 on 21.08.2017 which was accepted by Guru Ram Dass CGHS Ltd. on 21.09.2017.

FINDINGS AND OBSERVATIONS

I have carefully considered the order dated 06.03.2026 passed by the Ld. Financial Commissioner, the submissions made by the petitioner, the stand taken by the Society and the material available on record.

At the outset, it is observed that the primary issue requiring determination in the present proceedings is whether the petitioner was eligible to acquire membership in the Society on 18.05.1998, in accordance with the provisions of law prevailing at the relevant point of time, and whether she obtained such membership by concealing any material fact, filing a false affidavit or making any misrepresentation.

In compliance with the directions of the Ld. Financial Commissioner, the allegation regarding ownership of property bearing No. C-3/72, Janakpuri, New Delhi, has been examined. The petitioner has consistently maintained that the said property was acquired by her husband in his individual capacity through a Conveyance Deed dated 17.10.1996. The mere fact that the property stood in the name of the petitioner's husband cannot, by itself, establish that the same was owned by the petitioner benami through her spouse. For attracting the disqualification contemplated under Rule 20(1)(c)(i) of the DCS Rules, 2007, the necessary factual foundation establishing benami ownership on behalf of the petitioner was required to be brought on record..

However, no cogent documentary evidence has been placed on record to establish that the petitioner had contributed towards the acquisition of the aforesaid property, that the consideration was paid from her funds or that her husband had acquired or held the property for her benefit. No material has been brought on record to establish any financial arrangement or transaction indicating that the petitioner was the actual owner of the property. Therefore, the allegation of benami ownership remains unsubstantiated.

The petitioner's contention regarding the source of funds has also been duly considered. She has submitted that she contributed a sum of ₹18,90,743/- towards the cost of the flat from her own income and financial resources. In support of her contention, she has placed on record her Bank Statement of State Bank of India from 11.07.2000 to 17.11.2006, Balance Sheet of her firm and Income Tax records, she has also submitted the statement of payment to the society regarding the flats with Cheque Nos. These documents have been taken into consideration while assessing her financial capacity and the source of funds. No material has been brought on record by the Society to establish that the aforesaid contribution was made from any undisclosed source or that the petitioner had utilised funds belonging to her husband for acquiring membership or the flat. In the absence of any cogent evidence to the contrary, the petitioner's explanation regarding the source of funds cannot be disregarded. Accordingly, no adverse inference is warranted against the petitioner on this ground.

The next issue relates to the membership held by the petitioner's husband in the same Society. The record and submissions indicate that the petitioner became a member on 18.05.1998, whereas her husband obtained membership on 13.12.2000. Thus, the petitioner's membership preceded that of her husband. Further, the Society has confirmed that the husband's resignation dated 21.08.2017 was accepted on 21.09.2017. In these circumstances, the

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subsequent membership of the husband, without any further evidence establishing that the petitioner had made a false declaration or concealed a disqualifying fact at the time of her own enrolment, cannot automatically render the petitioner's original admission to membership invalid retrospectively. The respective eligibility and conduct of the two members have to be examined independently in accordance with the applicable provisions of law.

It is also significant that the Society, which is the custodian of its membership records, has categorically stated that, as per its records, the petitioner is not disqualified under the Act, Rules or Bye-laws and has expressly conveyed its no-objection to clearance of her membership and forwarding of her name to DDA for allotment of a flat. Though the Society's no-objection is not by itself conclusive of the petitioner's statutory eligibility, it lends support to her claim when considered along with the other material available on record.

The judgments referred to by the petitioner, namely *Ashok Aggarwal v. RCS & Ors.*, W.P.(C) No. 6154/2007, decided on 15.09.2010, and *Alimuddin v. RCS & Ors.*, 63 (1996) DLT 655 (DB), have also been considered in the context of the specific directions issued by the Ld. Financial Commissioner. The legal principle emerging therefrom, as relevant to the present controversy, is that the allegation of benami ownership cannot be sustained merely on account of the property being held in the name of the spouse; the requisite factual foundation and supporting material must be established.

It is pertinent to note that the Ld. Financial Commissioner has specifically directed that the petitioner's eligibility be assessed with reference to the legal provisions prevailing on the date of her enrolment and that no relief be granted if fraud, concealment, filing of a false affidavit or other misrepresentation is established. Upon examination of the material available on record, no such fraud, concealment or misrepresentation on the part of the petitioner has been established. The allegations contained in the show cause notice have not been substantiated by cogent evidence sufficient to sustain cessation of her membership.

It is pertinent to mention that Rule 100 of the Delhi Cooperative Societies Rules, 2007, is relevant to the issue of limitation in the present matter. The relevant provision is reproduced as under:

Rule 100. Additional grounds for cessation of membership of co-operative housing society for Cessation of membership, on the grounds mentioned in section 87 the co-operative housing society shall produce document to prove the grounds and the member against whom action is being taken shall be informed in advance. Cessation of membership shall be deemed to be effective from the date when the Registrar accord approval of Cessation of membership.

Provided that the addition ground for cessation of membership mentioned in section 87 shall not be raised after three years of allotment of flat or plot, as the case may be.

The aspect of delay and limitation has also been considered. The petitioner was enrolled as a member on 18.05.1998, whereas the show cause notice was issued only on 26.07.2011, after a delay of approximately thirteen years. Such inordinate delay, coupled with the absence of cogent evidence of fraud, concealment or misrepresentation, adversely affects the sustainability of the proceedings. The unexplained delay in initiating and concluding the action further weighs in favour of the petitioner. The exercise of statutory powers must be undertaken within a reasonable period and cannot be permitted to operate arbitrarily to the prejudice of a member whose membership had continued for several years. Accordingly, the

unexplained delay in initiating and concluding the proceedings further weighs in favour of the petitioner.

In view of the above, this Authority finds that the basic grounds on which the petitioner's membership was ordered to be ceased have not been established. The petitioner's membership, which commenced on 18.05.1998, cannot be invalidated merely on the basis of an unsubstantiated allegation regarding benami ownership or the subsequent membership of her husband.

ORDER

In view of the foregoing facts, circumstances, submissions and findings, and in compliance with the directions contained in the order dated 06.03.2026 passed by the Ld. Financial Commissioner and relaying upon the documents, evidence submitted by the member and the society, it is held that the allegations of benami ownership of property bearing No. C-3/72, Janakpuri, New Delhi, and concealment or misrepresentation at the time of obtaining membership has not been established against the petitioner.

Accordingly, the proceedings initiated against Smt. Meeta Mittal, Membership No. 109, Guru Ram Dass Cooperative Group Housing Society Ltd., are hereby dropped. The order dated 26.05.2025 passed by this Authority, as well as the earlier order dated 14.03.2017, to the extent they direct cessation of the petitioner's membership, shall not survive and are accordingly set aside.

The Society is directed to restore/update the membership records of Smt. Meeta Mittal, Membership No. 109, in accordance with this order and take necessary consequential steps for processing her case for allotment of a flat before the competent authority, including forwarding her name to DDA, subject to fulfillment of other applicable statutory and allotment requirements.

The Society shall ensure that the necessary corrections are carried out in its records and the compliance report, along with supporting documents, be submitted to this office within 15 days from the date of receipt of this order.

Ordered accordingly.

Krishna Kumar Singh
Registrar Cooperative Societies

Sent To

1. Smt. Meeta Mittal, W/o Sh. D.K Mittal, R/o C-3/72, Janakpuri, New Delhi – 110058.
2. President/Secretary, Guru Ram Dass CGHS Ltd., Plot No. 3B, Sector-22, Dwarka, New Delhi-110077.
3. DRCS (IT), O/o RCS **(With Request to upload on website)**
4. DRCS, Section -3, O/o RCS
5. Guard File
6. Deputy Director, DDA, Vikas Sadan, INA, New Delhi-110023

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