

IN THE COURT OF THE REGISTRAR CO-OPERATIVE SOCIETIES, DELHI
'OLD COURTS BUILDING, PARLIAMENT STREET, NEW DELHI-110001

F.NO.47/GH-1112/AR/SEC-1/GH/RCS/2022 / 3255-58

DT : 26/5/25

IN THE MATTER OF:

Jagat Singh

Petitioner

Versus

Sanjay Sinha & Anjali Sinha

Respondents

ORDER

This order shall dispose of the proceedings initiated vide Show Cause Notice dated 23.08.2024 issued u/r 20(1)(c)(1) & (iii) (2) of DCS Rules, 2007 read with Section 87 & 41 (d) of DCS Act, 2003 whereby Sanjay Sinha & Anjali Sinha was called upon to show cause as to why cessation of membership should not be granted against them U/r 20(1) (c) (i) & (iii) of DCS Rules 2007 read with section 87 & 41(d) of DCS Act, 2003,

The brief facts of the case are as under:-

Sanjay Sinha & Anjali Sinha were enrolled as a member of the Bhagwati Co-operative Group Housing Society Ltd. (Regn. No. 1112/GH), Plot no. 1A, Sector-22, Dwarka, New Delhi-110075. The petitioner has stated that the respondent is having a residential property in Delhi bearing No.2903 No. 1B Vasudhara CGHS Ltd. Sec-22 Dwarka, the petitioner accordingly prayed to cease the membership of the respondent on account of disqualification of holding the property bearing property No. 2903 No. 1B Vasundhara CGHS Ltd.

In his reply dated 20/09/2024, The respondent, Ms.Sanjay Sinha & Anjali Sinha, submitted that, The respondent submitted that they applied for membership of the Bhagwati CGHS Ltd. in December 2014 on the condition that possession of their booked flat would be handed over within six months, as assured by the then Managing Committee. They were enrolled as joint members and issued a share certificate on 01.01.2015. However, the Managing Committee failed to deliver possession even after more than a year, and the respondent became aware of the society's history of mismanagement and fund misappropriation. Due to urgent housing needs, they purchased Flat No. 2903 in Park Royal Residency, Dwarka, through a registered sale deed dated 22.04.2016 at market value, without any cooperative law benefits. The society's land allotment measures 4500 sq. meters with 72 flats across two nine-story towers, and the respondent's share in the land is less than 66.72 sq. meters. Hence, under Proviso (a) to Rule 20(1)(c)(i) of the DCS Rules, 2007, they are exempted from disqualification, and no penalty or cessation of membership should apply.

It is relevant to read the provisions of DCS Act and Rules in this regard which are as under:

20. Disqualification of membership

(1). No person shall be eligible for admission as a member of a co-operative society if he:-

(c) In the case of membership of a co-operative housing society,

(1)owns a residential house or a plot of land for construction of residential house in any of the approved or un-approved colonies or other localities in the National Capital Territory of Delhi, in his own name or in the name of his spouse or any of dependent children, on lease hold or free-hold basis or on power of attorney, or on agreement for sale.

[Signature]

Provided that above clause shall not be applicable,

(a) in case of co-sharers of property whose share is less than 66.72 sq. metres of land or if the residential property devolves on him by way of inheritance:

(b) in case of a person who has acquired property on power of attorney or through agreement for sale and on conversion of the property from leasehold to freehold on execution of conveyance deed for it, if such person applies for the transfer of membership of the housing society concerned

(ii) deals in purchase or sale of immovable properties either as principal or as agent in the National Capital Territory of Delhi, or


(iii) his spouse or any of his dependent children is a member of any other cooperative housing society

It is pertinent to note that in terms of Section 41(3) of the DCS Act, 2003, the Registrar may of his own motion, if satisfied that any member has incurred any of the disqualification under sub section (1) declare through an order in writing that such member is disqualified to be a member.

It is pertinent to mention here that In **Kalu Ram Sharma vs. Financial Commissioner**, the Delhi High Court held that mere ownership of another residential property purchased at market value does not disqualify a person from cooperative society membership, as disqualification under the DCS Rules is intended only to prevent misuse of concessional allotments.

Similarly, in **Bindiya Agarwal vs. RCS**, the Court reiterated that purchasing a flat at market price—without availing any preferential or concessional benefit—does not attract disqualification under Rule 20(1)(c)(iii) of the DCS Rules, 2007. The Court emphasized that bonafide market purchases made under compulsion or after lease cancellations should not penalize individuals seeking cooperative membership.

In light of the above observations, after considering the facts, documents on record, and the respondents' submissions, as well as the legal position laid down in **Kalu Ram Sharma vs. Financial Commissioner** and **Bindiya Agarwal vs. RCS**, it is evident that the purchase of the residential property by the respondents was a bona fide transaction made at market value, without availing any concessional benefit under cooperative laws. Further, the land share in the said property is less than 66.72 sq. meters, bringing the case within the ambit of Proviso (a) to Rule 20(1)(c)(i) of the DCS Rules, 2007. Therefore, the disqualification alleged in the Show Cause Notice dated 23.08.2024 is not sustainable either in law or on facts. Accordingly, the cessation proceedings initiated against Shri Sanjay Sinha and Smt. Anjali Sinha are hereby quashed, and their membership in Bhagwati Cooperative Group Housing Society Ltd. stands restored with immediate effect.


Anil Kumar Singh
Registrar Cooperative Societies

Sent to:

1. Sh. Jagat Ram D-407, Sri Durga CGHS Sector -12 Dwarka Delhi-110075.
2. Sanjay Sinha & Anjali Sinha(Through President/ Secretreay)
3. Assistant Registrar (Sec-1), office of RCS
4. ARCS CTB