

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

F.No47. AR/RCS/SW/3343 - 3350

Dated: 26/5/25

Order

This order disposes of the proceedings initiated vide Show Cause Notice dated 03.12.2012, issued under Rule 20(1)(c)(iii) and (2) of the Delhi Cooperative Societies Rules, 2007, read with Section 41 of the Delhi Cooperative Societies Act, 2003, whereby Smt. Nishi Gupta, W/o Sh. S.K. Gupta, resident of A-3, C.A. Apartments, Paschim Vihar, New Delhi-110063, was called upon to show cause as to why her membership should not be ceased on account of incurring disqualification under Rule 20 of the DCS Rules, 2007. It was alleged that Sh. S.K. Gupta, husband of Smt. Nishi Gupta, is also a member of Delhi Chartered Accountants Cooperative Group Housing Society Ltd. (Regn. No. 6/GH/W), located at A-3, C.A. Apartments, Paschim Vihar, Delhi-110063. Accordingly, the respondents were directed to explain why their membership should not be ceased in light of the disqualification prescribed under Rule 20 of the DCS Rules, 2007.

In response of SCN, Sh. S.K. Gupta husband of Ms. Nishi Gupta Submitted his reply that he became a member of the Delhi Chartered Accountants CGHS Ltd. in 1983 by assuming the membership of Sh. Ram N. Gupta, which was formally transferred to him in 1985. Despite holding membership, he has not been allotted any flat by the society and thus has received no benefits from this membership to date.

Further, the Respondent jointly purchased Flat No. 219, CA Apartments, A-3, Paschim Vihar, Delhi, along with his father on May 14, 1985, through legally executed sale documents. Following a family dispute, the father filed a case in the Delhi High Court, which was resolved through mediation on December 11, 2012. The settlement affirmed both parties as joint owners of 50.25 sq. mtrs. each of the total 100.50 sq. mtrs. property area. As the Respondent only holds a partial share in the property, this joint ownership does not fall within the purview of disqualification under Rule 20 of the DCS Rules, 2007, which addresses individual or benami ownership.

The Respondent further submits that his wife, Smt. Nishi Gupta, is an independent member of Sadbhavana Cooperative Group Housing Society Ltd. She acquired her membership and financed the flat entirely from her own sources of income, including a loan from ICICI Bank Ltd. Her membership and ownership are independent, and it should not impact the Respondent's eligibility for membership in the Delhi Chartered Accountants CGH Society Ltd. cited legal precedents, including *O.P. Sethi vs. Lt. Governor of Delhi*, clarify that individual ownership by spouses from independent sources does not meet the criteria for disqualification under the cooperative society rules unless properties are held benami.

Further Ms. Nishi Gupta wife of Sh. S.K. Gupta also submitted her reply to the SCN wherein she submitted that the present Show Cause Notice has been issued to her on the grounds that her husband, Shri S.K. Gupta, holds membership in the Delhi Chartered Accountants CGHS Ltd., CA Apartments, Paschim Vihar, New Delhi. The Applicant clarifies that her membership in the Sadbhavana Cooperative G.H. Society Ltd. was obtained entirely in her own independent capacity. She qualified for this membership on her own merit and financed



the flat's cost fully from her independent income, including availing a loan from ICICI Bank. Documentation detailing her payments and supporting statements are enclosed.

Furthermore, she submitted that her husband's partial ownership in Flat No. 219, CA Apartments, A-3, Paschim Vihar, does not disqualify her from being a member of Sadbhavana CGH Society Ltd. Her husband acquired this flat jointly with his father in 1985. A dispute regarding ownership led to a case filed by her husband's father in the Delhi High Court, which, through mediation, resulted in a settlement on December 11, 2012. This settlement confirmed that her husband and his father are each joint owners of 50.25 sq. mtrs. of the property. This co-ownership does not meet the threshold for disqualification under the Proviso (a) to Rule 20(1)(c) of DCS Rules, 2007, as it is within the permissible limit and does not constitute a disqualification under Rule 20.

The Applicant further submits that Rule 20 of the DCS Rules, 2007, cited in the Show Cause Notice, does not apply to her situation, as her husband's separate membership does not affect her independent right to own property or participate in a housing society. This right is protected by the Constitution of India. Moreover, relevant legal precedents, including *O.P. Sethi vs. Lt. Governor of Delhi, Navjeevan Cooperative House Building Society Ltd. vs. Delhi Cooperative Tribunal*, and *Alimuddin vs. Registrar, Cooperative Societies*, clarify that disqualification applies only where dual property ownership is held benami by a single person. Since the Applicant's property ownership is independent and acquired through her personal income, these legal precedents reinforce that no grounds for disqualification exist.

After going through all submissions and oral arguments, it is observed that during the proceedings on September 30, 2013, the Respondent's counsel was informed that Smt. Nishi Gupta held a second membership in the Delhi Chartered Accountants CGHS Ltd. (CA CGHS) under membership number 579, revealed by a statement from the Delhi Chartered accountatnt CGHS, which was issued pursuant to an MC Resolution dated May 24, 2009. Further, during the proceedings on May 1, 2014, the Respondent's counsel submitted that when Smt. Nishi Gupta became a member of Sadbhavana CGHS in 1995, her husband, Shri S.K. Gupta, was already a co-owner of Flat No. 219, CA Apartments, A-3, Paschim Vihar, which he jointly held with his father. However, on June 29, 2017, the Respondent's counsel submitted that Smt. Gupta joined Sadbhavana CGHS in 2004. Despite this, the evidence points to the fact that Smt. Nishi Gupta acquired membership in Delhi CA CGHS in 2009, while her husband already held a membership (No. 438) in the same society. Additionally, Smt. Gupta obtained a second membership in CA CGHS, which was confirmed by the Secretary of CA CGHS.

It is noted that there are two conflicting statements made by the Respondent regarding the year of membership in Sadbhawna CGHS. During the proceedings on May 1, 2014, the Respondent's counsel stated that Smt. Nishi Gupta became a member of Sadbhawna CGHS in 1995. However, in subsequent proceedings on June 29, 2017, the counsel of respondent claimed that Smt. Gupta became a member of Sadbhawna CGHS in 2004. This inconsistency in the statements regarding the membership date raises serious concerns about the accuracy and transparency of the Respondent's submissions. Such discrepancies further undermine the credibility of the Respondent's claims and raise questions about the veracity of the information provided, which is essential for determining compliance with the cooperative society's rules and regulations.



Additionally, Smt. Gupta contended that her husband's ownership in the CA Apartment was limited to 50 square meters following a settlement in the High Court, finalized in 2012. However, the properties in Sadbhavana CGHS and CA CGHS were acquired by Smt. Gupta in 1995 and 2009 and by her husband in Delhi CA CGHS, respectively, which predate the finalization of this settlement, raising significant questions about the validity of her claims regarding joint ownership and the non-disclosure of her dual memberships. Moreover, she did not reveal her second membership in Delhi CA CGHS at the time of the proceedings, further complicating the legitimacy of her claims.

Key legal precedents reinforce the grounds for disqualification when dual memberships or property ownerships are concealed, even in joint or spousal arrangements. The case of **Mrs. Jyothi Khanna vs. RCS & Anr. (WP (C) No. 7330/2011)** highlights that merely submitting documents suggesting independent ownership is insufficient if evidence points to dependency or possible benami holdings. In the **J.K. Gupta Case**, the Delhi High Court held that failure to disclose concurrent property holdings or memberships warrants disqualification. Additionally, **Alimuddin vs. Registrar, Cooperative Societies (63, 1996)** reinforces that non-disclosure of dual ownership, even within family structures, breaches cooperative society regulations and justifies disqualification.


In conclusion, it is observed that the claims made by Smt. Nishi Gupta regarding independent property ownership and self-financing are not adequately supported by credible documentation. Furthermore, her failure to disclose her dual membership in the Delhi Chartered Accountants CGHS Ltd. and Sadbhawna CGHS Ltd., coupled with the prior membership of her husband, Shri S.K. Gupta, constitutes a clear violation of the disclosure requirements stipulated under Rule 20 of the Delhi Cooperative Societies Rules, 2007. These acts suggest the concealment of dual property ownership and may imply benami arrangements.

In light of the findings above In view of the above mentioned facts and circumstances, I am of the considered opinion that it is clear that Smt. Nishi Gupta has failed to comply with the mandated disclosure requirements, particularly under Rule 20, which addresses qualifications and disqualifications for membership. Her non-disclosure of dual memberships in the Delhi CA CGHS, combined with her husband's pre-existing membership in the same society and another membership in Sadbhawna CGHS constitutes a breach of cooperative society regulations and raises substantial grounds for disqualification. Furthermore, her claims of independent ownership lack sufficient evidentiary support, rendering her membership status non-compliant with the transparency required by cooperative society rules. Therefore, in accordance with the DCS Act and Rules, it is hereby concluded that Smt. Nishi Gupta's membership be disqualified, along with any associated membership privileges, to uphold the integrity and regulatory compliance of the cooperative society system.




Anil Kumar Singh
Registrar Cooperative Societies

1. President/ Secretary Sadbhawna CGHS plot no. 11 Dwarka New Delhi 110075

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2. President/ Secretery Delhi CA CGHS A-3 CA Apartments Paschim Vihar New Delhi-110063
 3. ✓ Smt Nishi Gupta W/o Sh. S.K. Gupta R/o 219 CA Apartments A-3 Paschim Vihar New Delhi-110063
 4. ✓ Sh. S, K Gupta W/o Sh. S.K Gupta R/o 219 CA Apartments A-3 Paschim Vihar New Delhi-110063
 5. ARCS, Housing Section-2, o/o RCS.
 6. ARCS, Housing Section-7, o/o RCS.
 7. ARCS, Housing (IT Cell), o/o RCS.
 8. Gaurd File