

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

F.No.47/467/GH/RCS/Sec-5/2024 / 3327-33

Dated: 28/10/26

Order

This order shall dispose of the proceedings initiated vide show cause notice dated 10.01.2025 issued u/s 87 & 41 of the DCS Act, 2003 for cessation of the membership of Ms. Savita Mangla and and Sh. Ajay Mangla in New Saraswati Group Co-operative Group Housing Society Ltd., Plot No. 26/1, Sector-09, Rohini, Delhi -110085.

Brief facts of the case

A petition was received from Ms. Mamta, Membership No. 412, resident of A-03, New Saraswati CGHS Ltd., Sector-09, Rohini, Delhi-110085, against Sh. Ajay Mangla, Membership No. 428, and Ms. Savita Mangla, Membership No. 416, alleging contravention of the provisions of the DCS Act, 2003 and the Rules framed thereunder.

It was stated by the petitioner that Ms. Savita Mangla, wife of Sh. Ajay Mangla, was enrolled as a member of the Society vide Membership No. 416 and is the owner/allottee of Flat No. G-113 in the Society. It was further stated that Sh. Ajay Mangla is also a member of the Society vide Membership No. 428 and is the owner of Flat No. C-29.

The petitioner alleged that Ms. Savita Mangla did not have independent financial resources to make payment towards Flat No. G-113 at the relevant time and that the funds for acquisition/payment of both Flat No. G-113 and Flat No. C-29 was provided by Sh. Ajay Mangla. On this basis, it was alleged that Flat No. G-113 was held benami in the name of Ms. Savita Mangla.

The petitioner accordingly sought appropriate action under Section 41 of the DCS Act, 2003 read with the applicable provisions of the DCS Rules, 2007.

In view of the nature of the allegations, proceedings were initiated and Show Cause Notice dated 10.01.2025 was issued to the concerned respondents.

Reply of the Respondents

The respondents filed their replies denying the allegations. They contended, inter alia, that the petition was frivolous, motivated and based on misconceived facts. They denied that Ms. Savita Mangla lacked independent financial resources and submitted that she had been filing income tax returns for more than 25 years.

The respondents further submitted that the acquisition of Flat No. G-113 had been duly disclosed to the concerned tax authorities and that Ms. Savita Mangla was the owner of the said flat by virtue of a registered sale deed. It was also submitted that Sh. Ajay Mangla was holding Flat No. C-29 on the basis of inheritance.



The respondents accordingly denied any violation of Rule 20 of the DCS Rules, 2007 and asserted that both respondents were bona fide members of the Society and had lawfully acquired their respective properties.

Subsequent Settlement and Request for Withdrawal

During the pendency of the proceedings, the parties submitted a Joint Request for Settlement and Withdrawal of the Proceedings, stating that they had amicably settled their inter se and personal disputes.

The petitioner expressed willingness to withdraw the proceedings subject to compliance with the settlement obligations by the respondents and recording of the statements of the parties. The respondents also expressed no objection to the withdrawal of the proceedings. It was, however, stated on their behalf that Ms. Savita Mangla would withdraw her voting rights in the Society, and that such withdrawal would not affect the rights of Sh. Ajay Mangla to participate in the affairs of the Society.

Findings and Analysis

I have carefully considered the petition, replies filed by the respondents, documents available on record, submissions made during the proceedings and the joint request for settlement and withdrawal.

At the outset, the present proceedings cannot be treated as a mere private dispute, as the allegations concern the validity of membership and alleged acquisition of a cooperative flat through funds provided by another member. Such allegations have a direct bearing on the statutory requirements governing membership in a cooperative group housing society.

The subsequent settlement between the parties cannot, by itself, bring the statutory proceedings to an end where the allegations involve possible violation of the DCS Act, 2003 and the Rules framed thereunder. The settlement may resolve the private dispute between the parties, but it cannot extinguish a statutory issue concerning the validity of membership.

The respondents have specifically claimed that Ms. Savita Mangla had independent financial resources and that the consideration for Flat No. G-113 was duly disclosed to the tax authorities. However, despite opportunity, the respondents have failed to produce cogent and satisfactory documentary evidence establishing the independent source of funds and actual payment of consideration for the said flat.

Mere filing of income tax returns or disclosure of the property before the tax authorities does not, by itself, establish that the consideration for Flat No. G-113 was paid from Ms. Savita Mangla's independent funds. The respondents, having specifically denied that the funds were provided by Sh. Ajay Mangla, were required to substantiate their defence through relevant financial and documentary evidence, which they failed to do.

The proposed withdrawal of voting rights by Ms. Savita Mangla also cannot, by itself, cure or regularize any statutory violation relating to her membership or acquisition of the flat.

Accordingly, the joint request for withdrawal cannot be accepted as a ground for closing the proceedings, particularly when the material allegation remains unsubstantiated and the respondents have failed to satisfactorily establish the legality of the membership in question.



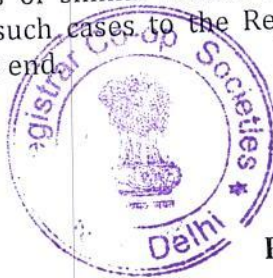
Conclusion

Upon consideration of the material available on record, this Authority finds that the respondents have failed to produce cogent and convincing documentary evidence establishing the independent financial source for acquisition of the property in question and satisfactorily rebutting the allegations made against them. The subsequent settlement and withdrawal of the complaint do not absolve the respondents of the statutory consequences arising from the findings recorded herein. The matter is, therefore, required to be decided on the basis of the material available on record and, accordingly, the defence of the respondents is not found satisfactory. It is further noted that the alleged withdrawal of voting rights has not been confirmed by the Managing Committee of the Society. It is also noted that vide order dated 29.01.2026, the Society as well as the respondents were directed to file their written submissions within 07 days, however, no written submission from either party has been received till date. The joint request for withdrawal of the proceedings is not accepted, as the statutory proceedings cannot be closed merely on the basis of a private settlement. The settlement or withdrawal of the complaint shall not affect or override the findings recorded in the present order.

Therefore, in exercise of the powers conferred under the Delhi Cooperative Societies Act, 2003 and the Rules framed thereunder, the proceedings initiated vide Show Cause Notice dated 10.01.2025 are hereby disposed of against the respondents. In view of the findings recorded herein, the later membership between the two memberships, i.e. Flat No. G-113 (M. No. 416) and Flat No. C-29 (M. No. 428), held by the spouses in the Society, is hereby ceased/terminated in accordance with law, while the earlier membership shall remain unaffected by the present order.

The Society shall accordingly take necessary consequential action in its records in accordance with the DCS Act, 2003, the DCS Rules, 2007 and the registered bye-laws, and shall submit a compliance report to the Registrar Cooperative Societies within 15 days from the date of receipt of this order, failing which appropriate strict action shall be taken against the Society in accordance with the provisions of the Act and Rules. The Society is further directed to examine its records to identify any other cases of similar nature or dual membership held by its members and forwards the details of such cases to the Registrar Cooperative Societies for examination and necessary action at this end.

Ordered accordingly.



Krishna Kumar Singh (IAS)
Registrar Cooperative Societies

Sent To:-

1. President/Secretary, New Saraswati CGHS Lt. Sector- 09, Rohini, Delhi - 110085.
2. ✓ Ajay Mangla, Flat No. C-29, New Saraswati CGHS Ltd. Sector- 09, Rohini, Delhi- 110085.
3. ✓ Savita Mangla, Flat No.113, New Saraswati CGHS Ltd. Sector- 09, Rohini, Delhi- 110085.
4. Mamta, Flat No. A-03, New Saraswati CGHS Ltd. Sector- 09, Rohini, Delhi - 110085
5. DRCS (IT), O/o RCS *auth. request to upload due order*
6. DRCS, Section -5, O/o RCS
7. Guard File