





**Appeal No.140/2014/DCT.** By the impugned order, DCT had dismissed the appeal filed by the petitioner herein against the award dated 18<sup>th</sup> June 2014 passed by the Arbitrator, Registrar of Co-operative Society ('RCS') in **Case No.225/09/DCT.**

2. Based on submissions of parties, the sequence of events which form the crux of the dispute are as under:

- (i) Petitioner/Ranjana Kapoor claims that she was enrolled as a member of respondent no.2/Society in February 1971, in her individual right and made payment towards her requisite share money and other development charges.
- (ii) Petitioner/Ranjana Kapoor claims that she participated in all general body meetings, elections and other events and has paid her dues till date, with no amount remaining pending. Her name appeared at *Serial no.19* in the membership list of respondent no.2/Society, recognizing her as a valid member.
- (iii) In 1977, respondent no.2/Society developed a residential housing colony known as *Rajdhani Enclave, Pitampura, Delhi* and petitioner/Ranjana Kapoor was allotted **Plot No.247** (hereinafter '**the plot**') measuring 200 sq. yds. in the housing colony, through the process of draw of lots.
- (iv) By letter dated 27<sup>th</sup> April 1997, the Land & Building Department ('**L&DO**') wrote to respondent no.2/Society



approving the transfer of the membership from respondent no.1/Mani Ram to petitioner/Ranjana Kapoor, being the sister.

- (v) On 06<sup>th</sup> March 1979, a tripartite lease deed was executed between petitioner/Ranjana Kapoor, as sub-lessee, respondent no.2/Society as lessee and the President of India as principal lessor.
- (vi) On 26<sup>th</sup> April 1980, respondent no.1/Mani Ram received a notice from President of respondent no.2/Society to confirm, whether the petitioner was his sister and if he had voluntarily transferred his share to her.
- (vii) Allegation was made by respondent no.1/Mani Ram regarding membership in respondent no.2/society and the fraudulent transfer of share made to petitioner/Ranjana Kapoor, basis that she was his sister, while it is an admitted position that she was, in fact, not his sister.
- (viii) *Vide* letter dated 03<sup>rd</sup> February 1981, L&DO sought clarifications from both the parties regarding their relationship.
- (ix) In 1987, Delhi Development Authority (**‘DDA’**) terminated the sub-lease in respect of the plot, on the ground that



allotment of the plot had been carried out by submitting false and fabricated documents.

- (x) A representation was filed by respondent no.1/Mani Ram on 23<sup>rd</sup> January 1987, which culminated into an arbitration reference, directed by RCS on 18<sup>th</sup> November 1987, basis that these disputes were covered under Section 60 of Delhi Co-operative Societies Act, 1972 (*'Co-operative Societies Act'*) and, therefore, were subject to adjudication under Section 61 of the Co-operative Societies Act.
- (xi) The arbitrator heard all parties to the dispute, and concluded that a conspiracy had been hatched by which, petitioner/Ranjana Kapoor had become a member of respondent no.2/Society fraudulently, and had illegally transferred the membership of respondent no.1/Mani Ram in her own name. The arbitral award dated 14<sup>th</sup> December 1988, recommended that membership must be terminated, allotment of the plot to be cancelled and further action to be taken. Respondent no.1/Mani Ram had become a member of respondent no.2/Society in 1965 and was held as entitled to retain his membership. An objection was raised by petitioner/Ranjana Kapoor, that the money deposited by respondent no.1/Mani Ram was withdrawn in 1971 voluntarily, and he therefore, ceased to be a member of respondent no.2/Society, subsequent to which, his name was



removed from the list of members. Petitioner/Ranjana Kapoor, however, had insisted that she had become a member of respondent no.2/Society in an individual right and not by transfer of share of respondent no.1/Mani Ram. It was noted in the arbitral award that petitioner's/Ranjana Kapoor's claim had not been supported by any document. It was also noted that *Mr. K.L. Malhotra* had been an office bearer of respondent no.2/Society, during that time and was the brother-in-law of petitioner/Ranjana Kapoor, therefore, indicating conspiracy and fraud at play.

- (xii) An appeal against the arbitral award was filed by petitioner/Ranjana Kapoor, before DCT in February 1989. This appeal was dismissed *vide* order dated 24<sup>th</sup> July 1989. Additionally, it was held that the appeal was barred by limitation.
- (xiii) Petitioner/Ranjana Kapoor filed a separate **W.P. (C) No.2722/1989** dated 14<sup>th</sup> December 1988, assailing the impugned award.
- (xiv) Reliance had been placed by petitioner/Ranjana Kapoor on notings made by the Lieutenant Governor ('LG') *vide* order dated 10<sup>th</sup> June 1991; relating to the case of one, *Smt. Kamla Yadav*, who became a member of respondent no.2/Society in 1973 and a plot was allotted to her in 1979. There were



doubts regarding the legitimacy of her membership, considering it was transferred from one *Sh. Surjeet Singh Sethi*, as a blood relation. Later since no blood relationship could be established, allotment of plot stood cancelled.

- (xv) LG noted that the cancellation was done, due to factionalism and electoral politics. Further, it was noted that Smt. Kamla Yadav had no other property in Delhi and was an office bearer of respondent no.2/Society. *Sh. Surjeet Singh Sethi's* original membership being fictitious, transfer of share on the basis of blood relationship, would have taken place due to administrative convenience. Notings recorded by Hon'ble LG stated that there were a large number of transfers, and apart from restoring Smt. Kamla Yadav's possession, the noting stated that, "*the other cases may also be examined on the basis of the above*".
- (xvi) On 03<sup>rd</sup> August 2009, a judgment was delivered by the Division Bench of this Court noting that petitioner/Ranjana Kapoor, had a valid claim on the issue of limitation, basis which her appeal had been dismissed by DCT. Therefore, the matter was remanded back to DCT for reconsideration on the issue of condonation of delay.
- (xvii) On 03<sup>rd</sup> January 2014, an order was passed by DCT, noting that petitioner/Ranjana Kapoor did not possess knowledge



of passing of the award, before filing the appeal. In that light, the delay was condoned, and in the interest of justice the matter was remanded back, to be decided afresh on merits.

(xviii) On 18<sup>th</sup> June 2014, the impugned arbitral award, **Case no. 225/09/DCT**, was passed under Section 60 of the Co-operative Societies Act, by the Arbitrator appointed by RCS, in respect of the original claim raised by respondent no.1/Mani Ram (*since deceased*), through his LRs.

3. On the issue of limitation, the Arbitrator held that petitioner's/Ranjana Kapoor's claim that respondent no.1's/Mani Ram's plea was barred by limitation, had already been addressed by Joint Registrar *vide* order dated 12<sup>th</sup> January 1987, which was not challenged by any of the parties, therefore, the issue now stood closed.

4. Relying on the documents, it did not seem that petitioner's/Ranjana Kapoor's case was that of fresh allotment, but instead about, transfer of membership from respondent no.1/Mani Ram to petitioner/Ranjana Kapoor. The case set up by petitioner/Ranjana Kapoor, that she had been enrolled in February 1971 and had made payments towards share money and other development charges, could not be supported by her, with any document whatsoever *inter alia* application form seeking membership, share-money receipt, share certificate, etc.



5. Her case had also not been supported by respondent no.2/Society, as per the comments filed by them before the Joint Registrar, stating that it was a case of transfer, as per their records. A notice was also sent to petitioner/Ranjana Kapoor by respondent no.2/Society, asking her to establish a blood relation with respondent no.1/Mani Ram, but no reply had been received in that regard.
6. Accordingly, the Arbitrator concluded that respondent no.1/Mani Ram was a valid member of respondent no.2/Society and was entitled to allotment of Plot No. 247, whereas petitioner/Ranjana Kapoor was not a valid member and had never been enrolled as a member of respondent no.2/Society.
7. Petitioner/Ranjana Kapoor preferred an appeal against the arbitral award in **Appeal No.140/2014/DCT**, which was eventually dismissed by DCT by the impugned order dated 19<sup>th</sup> February 2019. After going through the contentions of the parties on record and the impugned award, DCT noted that the award did not suffer from any illegality, infirmity, or impropriety.
8. *Mr. Arjun Mahajan*, Counsel for petitioner/Ranjana Kapoor, in support of her case, focused on the claim that petitioner/Ranjana Kapoor was a member of respondent no.2/Society in an individual capacity and not through transfer made to her, as indicated at *Serial no.17* in the list of members.



9. Moreover, respondent no.1/Mani Ram had withdrawn his land cost and share money from respondent no.2/Society in 1976 (*claimed by Petitioner/Ranjana Kapoor*) and did not allege anything from 1971 till 1981 and the grievance was agitated was much later after the LG's notings came about.

10. *Mr. Mahajan* stated that the presence of respondent no.1/Mani Ram in respondent no.2's/Society's records was a fraud perpetrated by the office bearers of respondent no.2/Society. He also stated that after LG's order was passed, the perpetual lease deed was restored *vide* order dated 07<sup>th</sup> December 2000, basis a letter issued by DDA.

11. *Mr. Mahajan* though admitted that they were not claiming any blood relation with respondent no.1/Mani Ram, which was, in turn, also not disputed by counsel for respondent no.1/Mani Ram.

12. *Mr. Rajesh Yadav*, Senior Counsel for respondent no.1/Mani Ram, contended that petitioner/Ranjana Kapoor having admitted that she does not have any blood relation with respondent no.1/Mani Ram, would firstly, have to prove her membership in an individual capacity on the basis of her documents.

13. He contended that in order to prove her membership in respondent no.2/Society, petitioner/Ranjana Kapoor was required to submit the following documents *viz.* share certificate, application for membership, payment receipt of share money, documents showing participation in membership election, resolution of managing committee regarding



alleged re-enrollment, or document showing that her name was forwarded to DDA for draw of lots and order of RCS confirming petitioner's/Ranjana Kapoor's membership. However, none or any of these were submitted by petitioner/Ranjana Kapoor.

14. The list of members, which was relied upon by petitioner/Ranjana Kapoor, which showed her name at serial no.17, also showed a blank under the column of '*share money*', whereas *Rs. 3,200/-* was paid towards *land money*, and *Rs. 4,023.40/-* towards *development money*.

15. *Mr. Yadav*, Senior Counsel for respondent no.1/Mani Ram, stated that he had been enrolled as a member in 1966 at *serial no.19* and even, the Audit Reports of respondent no.2/Society placed before DCT for the years 1979-81, showed him as a member. It was stated that the fraudulent transfers were made at the instance of *Mr. K.L. Malhotra*, who was the brother-in-law of petitioner/Ranjana Kapoor and held the post of officer bearer in respondent no.2/Society. An inquiry was conducted by the Vigilance Department of L&DO and other government agencies, which led the Department to determine the sub-lease and cancel it.

16. *Mr. Yadav* stated that there were consistent and concurrent findings in his favour, starting from the arbitral award of 14<sup>th</sup> December 1998, DCT's order of 24<sup>th</sup> July 1989, dismissing the appeal filed by petitioner/Ranjana Kapoor, the impugned award dated 18<sup>th</sup> June 2014 and the subsequent impugned dismissal of the appeal by DCT on 19<sup>th</sup> February 2019.



17. Reliance placed by petitioner/Ranjana Kapoor on the LG's order would not suffice, and was out of context, since Smt. Kamla Yadav's matter involved questions about the alleged transferor being a fictitious person, whereas in this case, respondent no.1/Mani Ram was clearly the transferor, even by the records of respondent no.2/Society, as recorded at serial no.19, and vehemently disputing the fraudulent transfer.

18. Having considered the contentions of the parties, this Court is not inclined to allow the petitions.

19. Petitioner's/Ranjana Kapoor's claim is clearly specious and untenable, considering that petitioner's/Ranjana Kapoor's admitted position is that she is not the sister of respondent no.1/Mani Ram. Therefore, petitioner/Ranjana Kapoor will have to prove her membership in an individual capacity. She cannot rely upon the allotment made in the original sub-lease being conveyed in her favour, and then later restored in her favour. For the simple reason, that restoration of the lease deed was based on the LG's order, however, fact finding was ultimately crystallized in the award dated 14<sup>th</sup> December 1988, and subsequently, in award dated 18<sup>th</sup> June 2014, appeals against both being dismissed.

20. Even on a query made by the Court, whether petitioner had any documents to show that she had paid her share subscription or possessed a share certificate, the answer by petitioner's/Ranjana Kapoor's counsel was in negative. Respondent no.2's/Society's records clearly evidence that membership had been transferred from respondent no.1/Mani Ram



to petitioner/Ranjana Kapoor, claiming to be her sister, whereas, admittedly no such relationship existed.

21. Counsel for respondents submitted that Letter dated 27.04.1977 whereby, L&DO granted provisional transfer of share on the basis of alleged blood relation has not been specifically denied by petitioner/Ranjana Kapoor in her rejoinder.

22. Conclusions, arrived at in two rounds of litigation before the RCS appointed Arbitrator and the DCT, are therefore, valid and tenable and the Court does not see any infirmity on any ground, whatsoever.

23. The issue relating to respondent no.1's/Mani Ram's delayed challenge to petitioner's/Ranjana Kapoor's name being reflected in the list of members at serial no.19, was explained by his lack of knowledge till 1980 and thereafter, the time taken to initiate proceedings. This issue stood settled by the Joint Registrar's order dated 18<sup>th</sup> November 1987.

24. Respondents' plea that petitioner/Ranjana Kapoor had not placed on record any orders of RCS, whereby her name was cleared for transfer of membership or any other documentary evidence, is legitimate. It is therefore, clear that petitioner's/Ranjana Kapoor's case could not be treated as a case of fresh membership, but was indeed, a case of transfer, as evident through respondent no.2's/Society's records and the submissions made by their counsel.



25. Moreover, LG's order may not be applicable, since in those cases the objections regarding the transferors being fictitious had been raised, but in the present case, respondent No.1/Mani Ram had been agitating the issue against petitioner/Ranjana Kapoor, since 1980, when he first gained knowledge of it.

26. An issue was raised by petitioner/Ranjana Kapoor on the limitation period, however, the same had been dealt by RCS in order dated 18<sup>th</sup> November 1987. It is admitted by the parties that this order was never challenged by petitioner/Ranjana Kapoor. Respondent no.1/Mani Ram came to know about the fraud on 26<sup>th</sup> April 1980, subsequently, a suit was filed in 1982, in which status quo was granted in the year 1984 in favour of respondent no.1/Mani Ram. It was only after withdrawal of the suit in September 1986, that the claim petition was filed in 1987 before the RCS.

27. *Mr. Mahajan's* consistent plea that respondent No.1/Mani Ram withdrew his share money in 1976 and further, did not take steps since 1971, may not have much bearing considering that petitioner/Ranjana Kapoor has to first prove her membership claim in an individual right, which has not been accomplished. It had also been submitted by respondent no.1/Mani Ram (*before the Arbitrator*) that the withdrawal of money took place upon a fraudulent statement made by K.L. Malhotra, which has been reiterated in their counter affidavit.



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28. Petitioner/Ranjana Kapoor cannot choose to base her case on respondent no.1's/Mani's Ram's conduct, rather than supplying documents in support of her own membership.
29. Accordingly, the present petitions stand dismissed.
30. Pending applications, if any, are rendered infructuous.
31. Judgment be uploaded on the website of this Court.

**NITIN WASUDEO SAMBRE  
(JUDGE)**

**ANISH DAYAL  
(JUDGE)**

**AUGUST 1, 2025/mk/sp**