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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 16th January, 2026
Uploaded on: 17th January, 2026

+ **W.P.(C) 608/2026, CM APPL. 2982/2026 & CM APPL. 2983/2026**
THE CAPITAL COOPERATIVE THRIFT CREDIT SOCIETY LTD
& ORS.Petitioners

Through: Mr. Sandeep Kumar and Mr. Piyush
Goel, Advs.

versus

REGISTRAR OF COOPERATIVE SOCIETIES & ORS.

.....Respondents

Through: Ms. Urvi Mohan, Adv. for RCS.

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE MADHU JAIN

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.
2. The challenge in this petition is to the award dated 29th August, 2025 (*hereinafter, 'the impugned award'*) passed by the Additional Registrar Cooperative Societies, in *Arbitration Case No. 7060/AR/Arb.24-25* titled '**Sh. Rakesh Kumar & Ors. v. The Capital Cooperative T/C Society Ltd. & Anr.**'
3. The brief background giving rise to the challenge is that the Managing Committee of the Petitioner Society had appointed a Returning Officer- Sh. Ram Pal Singh (*hereinafter, 'the RO'*) for conduct of elections in terms of a resolution dated 7th September, 2024.



4. Upon appointment, the RO had issued the election notice containing all the different stages of the election on 16th November, 2024 and the election was scheduled to be held on 15th December, 2024.

5. Nomination forms were issued and various candidates had filled in their nominations. Certain objections were filed with the RO in respect of some of the candidates. Thereafter, nominations of some candidates was rejected on the ground that either the proposer or the seconder were defaulters in view of an earlier award of arbitrator dated 12th September, 2019. The challenge to the said award is still pending before the Delhi Cooperative Tribunal *vide* appeal No. 102/2019, titled 'Satish Kumar Vs. Registrar Cooperative Societies'.

6. Upon the nominations being rejected, there was withdrawal of nomination by certain candidates which was displayed on the notice board by the RO on 5th December, 2024 and the result of the elections was declared on 15th December, 2024.

7. Thereafter, claims came to be filed under section 70 of the DCS Act, 2003, by Respondents No. 3 to 15 on the ground that the nominations were wrongly rejected. In the said claim, the prayers sought were as under:

"1. Admit the claim under section 70 and the same may be decided or referred to Arbitrator/nominee of the Registrar for adjudication under section 71 of DCS Act to set aside the order for rejection of nomination by the Returning officer and accordingly declare the election as null and void.

2. Appoint an Administrator to take the charge and look after the day to day working of the society till the pendency of the claim.

3. Pass any other order/orders which the Hon'ble court deem fit and proper in favour of the claimant and against the defendants in the interest of natural



justice.”

8. While adjudicating the said claim petition, none of the elected members were impleaded as parties and only the Society was impleaded as a single entity.

9. After hearing the claimants and the Society, the impugned order dated 29th August, 2025 has been passed, by which the Additional Registrar Cooperative Societies has held that there are disputes raised and that the matter deserves to be referred to arbitration. The operative portion of the said order reads as under:

“1. On the basis of records available in the file , proceedings/hearings conducted and arguments put forward by both the parties, following conclusions are drawn:

- a) Dispute exists under section 70 of the DCS Act 2003 read with rule 84 (4) of the DCS Rules 2007.*
- b) Dispute is not barred by limitation period under Section 70 (4) of the DCS Act 2003.”*

10. The ground raised by Mr. Sandeep Kumar, 1d. Counsel for the Petitioner is that in a challenge to the election of the Managing Committee of a Society, all the elected members ought to have been impleaded separately, as each of them would be an affected party in such a claim petition.

11. Reliance is placed upon the decision of this Court in **W.P. (C) 8300/2018** titled ***Ishwar Singh and Ors. Vs. The Registrar of Co-operative Societies and Ors.***, wherein the Coordinate Bench of this Court has observed as under:

“20. To determine, whether, or not the members of the managing committee have incurred disqualification, it would be essential for the RCS



to comply with the principles of natural justice, since such disqualification has adverse civil consequences for the disqualified members. The present is, in itself, an example of the prejudice that the members of the Managing Committee may suffer, in case they are declared to be disqualified under Section 35(7)(d), or under any of the other clauses of Section 35(7) of the Act, without prior notice or hearing to the affected persons. The Registrar, merely on the basis of the report sent by the Returning Officer and, without notice or hearing to the affected parties/ members of the managing committee concluded that the members of the managing committee had incurred the disqualification under Section 35(7)(d) while passing the order dated 16.06.2016. However, when it was brought to his notice that the audits were got completed within the statutory period of the appointment of the auditors, he recalled the said order on 09.08.2016. This back and forth movement could not have been avoided, and the inconvenience and anxiety caused to the members of the managing committee averted by first giving a show cause notice to the members of the managing committee and seeking their explanation as to why they should not be disqualified from contesting the forthcoming elections.

21. It is an obvious and well settled position in law that a party whose rights are sought to be adversely affected, should be heard before a decision is taken by any authority. Otherwise the order passed in the proceedings would be vitiated on account of the breach of the principles of natural justice. We fail to understand as to how the petitioners could have sought to assail the election of respondent Nos. 4 to 13 before the



Tribunal, without first impleading them as party respondents. Only when they were to be impleaded as party respondents, they would have had the right to appear before the Tribunal and to contest the allegations made against them by the petitioners of having incurred the disqualification under Section 35(7)(d) of the Act. The impleadment of the managing committee of the said society, by itself, is wholly insufficient. The Managing Committee is not the agent of the members who constitute it. Thus, we reject all the aforesaid submissions of Mr. Mehta.

22. For the aforesaid reasons, we dismiss the petition with costs quantified at Rs. 20,000/- . The costs be deposited by way of cash/ pay order in the Prime Minister's National Relief Fund within 2 weeks. The petitioners shall produce before this Court the receipt of payment of costs. For that purpose list the matter on 20.02.2019. ”

12. Ms. Mohan, ld. Counsel on the other hand, highlights that in response to the claim petition, the Managing Committee of the Petitioner Society had filed a reply and that there was sufficient notice of the claim petition to the Managing Committee. Thus, in effect, there has been no violation of the principles of natural justice.

13. An advance copy of this petition has been served upon Mr. R.P. Sahu, ld. Counsel for the Respondents. However, there is no appearance on their behalf.

14. A perusal of the claim petition and the reply filed by the Managing Committee would show that the Petitioner Society was duly represented and since the Managing Committee of the Society is presently running the



Society, obviously the reply could be read as one filed by the entire Managing Committee of the Society.

15. However, considering that the Society would be having a distinct persona, compared to the individual members of the Managing Committee, in order to obviate any allegations of violation of principles of natural justice, it is deemed appropriate to remand the matter for a fresh adjudication of the claim petition under Section 70 of the DCS Act, 2003.

16. Since the matter is only being remanded for fresh adjudication, the impugned order is set aside and the claim petition be considered for reference once again. After hearing all the members of the Managing Committee and all the Respondents, the RCS shall pass a fresh award in accordance with law.

17. It is directed that the order shall now be passed by the RCS within a period of two months from the date of the present order.

18. The petition, along with the pending applications, if any, is disposed of.

19. Let a copy of this order be sent by the Registry to the counsel for the other Respondents Mr. R.P. Sahu on the following email address: advrpsahu500@gmail.com.

PRATHIBA M. SINGH
JUDGE

MADHU JAIN
JUDGE

JANUARY 16, 2026/b/ss