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* **IN THE HIGH COURT OF DELHI AT NEW DELHI***Date of Decision: 2nd February, 2026.**Uploaded on: 9th February, 2026.*

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W.P.(C) 1433/2026**RAJDHANI CGHS LTD & ORS.**

.....Petitioners

Through: Mr. Sandeep Kumar, Adv.

versus

REGISTRAR OF COOPERATIVE SOCIETIES & ORS.

.....Respondents

Through: Ms. Vaishali Gupta, Adv. for GNCTD.
(M: 9910623535)Mr. C.S. Gupta & Mr. Mukut P. Yadav
Advts. alongwith Respondent 2 in
person.**CORAM:****JUSTICE PRATHIBA M. SINGH****JUSTICE MADHU JAIN****ORDER**% **02.02.2026**

1. This hearing has been through hybrid mode.

CM APPL. 6980/2026 (for exemption)

2. Allowed, subject to all just exceptions. Accordingly, the application is disposed of.

W.P.(C) 1433/2026 & CM APPL. 6979/2026 (for stay)3. The present petition has been filed by the Petitioners under Articles 226 and 227 of the Constitution of India, *inter alia*, assailing the order dated 8th August, 2025 passed by the Id. Additional Registrar Co-operative Societies in *Arbitration Case No. 75/GH/ADDL.RCC/ARB/2024-2025*.



4. The Petitioners have also challenged the order passed by the Delhi Co-operative Tribunal dated 5th January, 2026.

5. The Petitioners in this case are the Rajdhani Co-operative Group Housing Society Ltd. (*hereinafter*, '*the Society*') and some members of its Managing Committee.

6. An election was conducted on 24th November, 2024 for the Management Committee of the Society and the Returning Officer was appointed. The list of members who were elected for the Managing Committee are as under:

Sr. No.	Name	Post
i.	Mr. Sumit Juneja	President
ii	Mr. Harman Saigal	Vice President
iii.	Mr. Anand Moondhara	Member Executive
iv.	Mr. S. Jayraman	Member Executive
v.	Dr. Naresh Aggarwal	Member Executive
vi	Mr. Sushil Kumar Goel	Member Executive
vii	Mr. Pawan Kumar Aggarwal	Member Executive
viii.	Mrs. Sapna Chugh (women reserve)	Member Executive
ix.	Mrs. Rashmi Garg (women reserve)	Member Executive

7. The said elections appear to have been challenged in three separate petitions which were filed before the RCS, wherein reference was sought under Section 70 of The Delhi Cooperative Societies Act, 2003 (*hereinafter*, '*DCS Act, 2003*') for declaring the election as null and void and to stop the working of the newly appointed Managing Committee.

8. In the petitions before the RCS, the Society was impleaded as a party



through the Management Committee and the individual members were not separately impleaded.

9. Thereafter, the matter was referred to arbitration *vide* order dated 8th August, 2025, by the RCS. The relevant portion of the said order reads as under:

“CONCLUSION:

1. On the basis of records available on 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 Des Act 2003.

*In view of above, I am of the considered opinion that **the Claim deserves to be admitted and I order accordingly.** The claim is admitted and referred to arbitration under Section-71 of the DCS Act, 2003. The Claimant is directed to deposit **Rs. 2000/-** as Arbitration fee and deposit the receipt of the same in the Arbitration Branch within a period of 15 days of the receipt of this order failing which the Claim shall be deemed to have been dismissed in default.”*

10. Pursuant thereto, the order dated 8th August, 2025 was challenged by the Society before the Delhi Co-Operative Tribunal (*hereinafter*, ‘DCT’). The said appeal before the DCT was disposed of by the impugned order dated 5th January, 2026.

11. *Vide* order dated 5th January, 2026, the DCT came to the conclusion that the elected Managing Committee members can participate in the arbitral proceedings by filing applications under Order I Rule 10 of the Code of Civil



Procedure, 1908, so no *prejudice* would be caused to them.

12. By the present petition, the Petitioners have challenged the order dated 5th January, 2026 as also the order dated 8th August, 2025.

13. Mr. Sandeep Kumar, Id. Counsel for the Petitioners submits that in reference cases under Section 70 of the DCS Act, 2003 each of the elected members of the Society should be separately impleaded and heard. Reliance is placed upon the decisions of the Division Bench of this Court in ***Writ Petition (C).13593/2009*** titled '***Mangal Cooperative Group Housing Society Ltd v. Registrar Cooperative Societies.***' and ***Writ Petition (C). 8300/2018*** titled '***Ishwar Singh & Ors. v. The Registrar Cooperative Societies & Ors.***'

14. It is further submitted that the decisions in ***Mangal Cooperative Group Housing Society Ltd (Supra)*** and ***Ishwar Singh & Ors. (Supra)*** have also been followed by this Court in ***Writ Petition (C) No. 608/2026*** titled '***The Capital Cooperative Thrift & Credit Society Ltd. & Ors. v. Registrar Cooperative Societies & Ors.***' wherein *vide* judgment dated 16th January, 2026, the Court had directed that the members of the Managing Committee shall be given a separate hearing.

15. On the other hand, Id. Counsel appearing for the Respondent No.2 along with Respondent No.2, who is present in Court, submits that the arbitral proceedings have already commenced and all the Petitioners have started participating in the said proceedings. The proceedings sheet of 27th January, 2026 has been handed across to the Court and is taken on record.

16. Additionally, Respondent No.2 takes a preliminary objection that the Petitioner Nos. 2 to 10 did not challenge the order dated 8th August, 2025 before the DCT, hence, the present petition is not maintainable as they have not availed of the appellate remedy. Further, it is also submitted by Id. Counsel



for the Respondent No.2 that in other two petitions which have been filed *i.e.*, ***Ms. Sarla Gupta v. Rajdhani CGHS & Ors.*** and ***Mr. Naresh Gupta v. Mr. Madan Khatri & Ors.*** all the Managing Committee members have separately been impleaded. It is also submitted that in ***Ms. Sarla Gupta v. Rajdhani CGHS & Ors.***, the final order was passed on 27th January, 2026 and the matter has been referred for Arbitration. Thus, it is his submission that no *prejudice* would be caused to the Petitioners.

17. On behalf of the RCS, Vaishali Gupta, Id. Counsel submits that certain procedural compliances have to be done pursuant to the order dated 27th January 2026, by the Respondent No.2, after which the RCS would proceed to appoint the Arbitrator.

18. The Court has considered the matter. The challenge before the RCS was primarily concerning the elections to the Managing Committee, which was conducted on 24th November, 2024. In all three petitions, the society was fully represented. The Society is being run by the Managing Committee. Strictly, the Petitioners Nos. 2 to 10 ought to have been impleaded in the Section 70 petition itself. However, when *principles of natural justice* are concerned, this Court is of the opinion that the same cannot be a hard and fast rule.

19. The members of the Managing Committee have already been heard by the RCS. The Society approached the DCT which has also heard the matter and passed the impugned order. Moreover, the Petitioners Nos. 2 to 10 who could have approached the DCT, did not file any appeal before the DCT, which is an efficacious appellate remedy.

20. In any event, Petitioners Nos. 2 to 10 have been impleaded and being heard in respect of the elections of the Managing Committee in the other two



petitions filed by Ms. Sarla Gupta and Mr. Naresh Gupta.

21. Moreover, in the proceedings before the Arbitrator on 27th January, 2026, all the Petitioners have duly appeared and are participating in the arbitration proceedings.

22. In the judgment passed by this Court in *The Capital Cooperative Thrift (supra)*, the Court had considered the decision in *W.P.(C) 8300/2018* titled '*Ishwar Singh & Ors. V. The Registrar of Co-operative Societies and Ors.*' wherein, merely on the basis of a report by the Returning Officer, who had conducted the elections, the RCS had concluded that the members of the Managing Committee of the Society were disqualified under Section 35(7)(d) of the DCS Act, 2003. No hearing had been afforded. This conclusion by the RCS was again recalled *vide* a subsequent order. Under such circumstances, the Court in *Ishwar Singh (supra)* had observed that the Show Cause Notice ought to be issued to the Managing Committee and its Members in respect of the disqualification. It is in this background that that the Court had observed as under:

"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."

23. In *The Capital Cooperative Thrift (Supra)* itself, certain nominations of various candidates were rejected and the primary prayer was for setting aside rejection of the nomination. The Managing Committee members therein had not yet participated in the arbitration proceedings. Hence, the facts are distinguishable from the present case.

24. There is no doubt that the *principles of natural justice* must be adhered to and a fair hearing ought to be afforded. However, the Court ought to also examine if any *prejudice* has been caused to the party. This principle has been affirmed by the Supreme Court in *A.S. Motors Private Limited v. Union of India and Ors. (2013) 10 SCC 114* wherein it was observed as under:

"8. Rules of natural justice, it is by now fairly well settled, are not rigid, immutable or embodied rules that may be capable of being put in straitjacket nor have the same been so evolved as to apply universally to all kind of domestic tribunals and enquiries. What the courts in essence look for in every case where violation of the principles of natural justice is alleged is whether the affected party was given reasonable opportunity to present its case and whether the



administrative authority had acted fairly, impartially and reasonably. The doctrine of audi alteram partem is thus aimed at striking at arbitrariness and want of fair play. Judicial pronouncements on the subject have, therefore, recognised that the demands of natural justice may be different in different situations depending upon not only the facts and circumstances of each case but also on the powers and composition of the a tribunal and the rules and regulations under which it functions. **A court examining a complaint based on violation of rules of natural justice is entitled to see whether the aggrieved party had indeed suffered any prejudice on account of such violation.** To that extent there has been a shift from the earlier thought that even a technical infringement of the rules is sufficient to vitiate the action. Judicial pronouncements on the subject are legion. We may refer to only some of the decisions on the subject which should in our opinion suffice.”

25. This position has also been further reiterated by the Supreme Court in ***State of Uttar Pradesh v. Sudhir Kumar Singh and Ors (2021) 19 SCC 706.***

The relevant portion of the judgement reads as under:

“42.1 Natural justice is a flexible tool in the hands of judiciary to reach out in fit cases to remedy injustice. The breach of the audi alteram partem rule cannot by itself, without more, lead to the conclusion that prejudice is thereby caused.”

26. Thus, the settled position is that when *principles of natural justice* are concerned, the same are not rigid. They have to be substantially complied with. The Court has to examine whether any *prejudice* has been caused to the party or not. On facts, in the present case, the following factors make it clear that there is no violation of *principles of natural justice* and there is also no



prejudice to the Members of the Managing Committee:

- i) Three petitions have already been filed where the elections of the Managing Committee are already under challenge. In the ***Ms. Sarla Gupta v. Rajdhani CGHS & Ors.*** and ***Mr. Naresh Gupta v. Mr. Madan Khatri & Ors***, all members of the Managing Committee have been personally impleaded as parties;
- ii) The Managing Committee is running the Society and was represented by the President who had appeared in the proceedings carried out under Section 70 of the DCS Act;
- iii) Further, members of the Managing Committee did not challenge the order dated 8th August, 2025 before the DCT. Only the Society filed the appeal before the DCT.
- iv) A perusal of the arbitration proceedings sheet dated 27th January, 2026 states that arbitration proceedings have already commenced and the Petitioners have started participating in the said proceedings. The Ld. Arbitrator has also given time to the parties to file the Written Statement. The relevant portion of the proceedings sheet dated 27th January, 2026 reads as under:

“Present Sh. Sumit Suneja, Sh. Hemant Saigal, Sh. S. Jayraman, Sh. Anand Moondhra, Sh. Sushil Kumar Goyal/Goel, Sh. Pawan Kumar Agarwal, Mrs. Sapna Caugh, Mrs. Rashmi Garg.

Whereas Dr. Naresh Agarwal, Mrs. Sapna Chugh authorised Sh..... and sh. Naveen Chugh to represent in the case. Also present SS Gupta, Claimant.

The Counsel of the Society will file written statement on NDOH. Case Adjourned for 11.2.2025 at 03:00 p.m. Sh. S.S. Gupta, claimant to submit RCS fee as the DCS act/rules and submits receipt on NDOH.



Attendance sheet on record.”

27. Under these circumstances, this Court is not inclined to entertain the present writ petition as Petitioners Nos. 2 to 10 are yet to avail of their remedies before the DCT. In any event, they are free to participate in the arbitral proceedings.

28. The RCS is, however, directed to look into the matter holistically and consider appointing the same Arbitrator in the other two cases so that multiplicity of proceedings and conflicting rulings can be avoided.

29. The petition is disposed of in these terms. Pending applications, if any, are also disposed of.

**PRATHIBA M. SINGH
JUDGE**

**MADHU JAIN
JUDGE**

FEBRUARY 2, 2026

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