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**OFFICE OF THE REGISTRAR COOPERATIVE SOCIETIES,
GOVT. OF N.C.T. OF DELHI, OLD COURT BUILDING,
PARLIAMENT STREET, NEW DELHI-110001**
(Housing Section-02)

No. F.47/ARH/306-GH/Sec-II/2023/651
CD No. 107746455

Dated: 29/12/2025

ORDER

1. This order is being issued in continuation to and in view of the direction of the then Registrar, Cooperative Societies vide his order dated 18.07.2023, wherein vide para. 10 the ARCS (Housing Section-2) was directed as-*"....the ARCS (Housing Section-2) is directed to administratively verify the facts of the petition (made by Sh. Bharat Bhushan Allahabadi) related to transfer of membership and various GPAs, SPAs executed before actual allotment of flat by the member and thereafter put up for appropriate action as per DCS Act, 2003 and Rules, 2007, if any."*
2. Subsequent there to, a writ petition W.P.(C)12593/2023, titled 'Bharat Bhushan Allahabadi Vs Government of NCT of Delhi & Ors.' was also filed by the petitioner to challenge the said order dated 18.07.2023, wherein vide its order dated 25.09.2023, in respect of an apprehension expressed by the counsel for the petitioner that the follow up administrative action as directed by the RCS in paragraph 10 might not be carried out expeditiously, while taking on record the submission of the Ld. Counsel of RCS i.e.-*".....the exercise as directed by the RCS shall be carried out within a period of six months as on outer limit."*- the Hon'ble High Court of Delhi closed the writ petition. Hence, also, this order.

Brief facts of the matter:

3. Whereas, Ekta Co-operative Group Housing Society Limited (Regn. No. 306/GH) is registered with the Department under the provisions of DCS Act, Rules and registered bye-laws of the society.
4. A complaint was filed by Mr. Bharat Bhushan Allahabadi, seeking permission for lodging First Information Report against (1) the then President Sh. Sunil Aggarwal (2) the Treasurer Sh. Amit Garg (3) Sh. Tarun Lekhi S/o Sh. Krishan Gopal, wherein it was stated that: -
 - a. Sh. Govind Ram S/o Sh. Ramji Dass (Membership No. 117) was the member of above said society. He executed GPA, SPA and Deed of Will in favour of Smt. Kanta Devi W/o Lt. Sh. O.P. Gupta on 04.05.1998. Thereafter Smt. Kanta Devi executed GPA, SPA and Deed of Will in favour of Sh. Tarun Lekhi S/o Lt. Sh. Krishan Gopal Lekhi on 03.06.2000. Smt. Kanta Devi never applied for membership in the society and she never took the membership of the society and till date Smt. Kanta Devi never took the membership no. 117 of the society and she was never approved as the member of the society. Hence in these circumstances GPA executed in favour of Sh. Tarun Lekhi is null and void ab-inito.
 - b. After the execution of GPA by Sh. Govind Ram he got the flat allotted in his name by draw of lots through DDA. Therefore, the flat pertains

to Sh. Govind Ram and the agreement with the society is also executed in between the society and Sh. Govind Ram and this fact is in the knowledge of the present executive committee of the society. Against the above fact and without Smt. Kanta Devi becoming the member of the society one Sh. Tarun Lekhi, who in the circumstances could never become the member of the society, after deceiving the society and in connivance with the executive committee of the society, more fully the then President Sh. Sunil Aggarwal and the treasurer of the society Sh. Amit Garg acting upon the GPA executed by Sh. Govind Ram S/o Sh. Ramji Dass in favour of Smt. Kanta Devi got issued the NOC on 12.11.2013 in favour of Sh. Tarun Lekhi and on the basis of which the conveyance deed was executed on 20.12.2013 in the favour of Sh. Tarun Lekhi S/o Sh. Krishan Lal vide registered No. 28600, in Block No. 1. vol. No. 5,056 on pages 179-180 Sub Registrar VII in connivance with official of Ekta CGHS Ltd.

5. The aforesaid complaint petition was, after granting due opportunity of hearing to the concerned parties, disposed of by the then RCS vide his order dated 18.07.2023, whereby the prosecution sanction u/s 118(7) r/w section 121 of DCS Act, 2003 was denied against the accused persons namely Sh. Sunil Aggarwal, Sh. Amit Garg and Sh. Tarun Lekhi, as no violation of section 77 of DCS Act, 2003 was observed in the instant matter; albeit with a direction to the ARCS (Housing Section-2) as has been mentioned in paragraph 1 of this order.
6. It is pertinent to note that vide paragraph 8 of the aforesaid order the following important findings/undisputed facts pertaining to the case, as observed by the then RCS, were recorded:
 - (i) *that Sh. Govind Ram S/o Sh. Ramji Dass (M.S. No. 117) was initial member of the society and a flat was allotted in his name by DDA through draw of lots on 22.05.2001 and possession of the said flat was handed over to him on 16.02.2002.*
 - (ii) *that before such allotment, Sh. Govind Ram had executed GPA, SPA and deed of will in favour of Smt. Kanta Devi W/o Lt. Sh. O.P. Gupta on 04.05.1988; who subsequently executed GPA, SPA and Deed of Will in favour of Sh. Tarun Lekhi S/o Lt. Sh. Krishan Gopla Lekhi on 03.06.2000.*
 - (iii) *that Smt. Kanta Devi never took the membership of the society.*
 - (iv) *that Sh. Amit Garg (the then treasurer of the society) acting upon the GPA executed by Sh. Govind Ram in favour of Smt. Kanta Devi issued the NOC dated 12.11.2013 in favour of Sh. Tarun Lekhi on the basis of which conveyance deed dated 20.12.2013 was executed in favour of Sh. Tarun Lekhi.*
7. Whereas, upon receipt of the said directions vide order dated 18.07.2023, in order to verify the facts of matter administratively, the ARCS (Housing Section-2), vide this office's letters dated 06.09.2023 directed to the President/Secretary and Sh. Bharat Bhushan Allahabadi, the complainant/the petitioner, sought attested copies of the documents related to transfer of membership and also copies of various GPAs, SPAs etc. executed before actual allotment of flat to the member.
8. Upon non-receipt of any reply from the President/Secretary of the society even after a reminder dated 15.05.2024, a show-cause-notice dated

22.05.2024 was issued as to why an inspection officer u/s 61 of DCS Act, 2003 be not appointed in order to examine/inspect the records of the society to establish the veracity of the allegations made by the complainant.

9. And whereas, in response to the said show-cause-notice, an evasive reply was filed by the president vide his letter dated 27.05.2024; accordingly, vide office order dated 19.07.2024, an Inspection Officer was appointed, who procured certified copies of documents related to transfer of membership, various GPAs, SPAs executed before actual allotment of flat to the member and vide his report dated 14.10.2024 has concluded as under:

(i) *It is clear that the original member, Sh. Gobind Ram Arora had executed not only GPA and SPA in favour of Smt. Kanta Devi w/o Sh. O.P. Gupta on 4.5.1998, but also an "Agreement to Sell" thereby selling all his rights in the flat to be allotted against his membership No. 117, for Rs.1,25,000/-. Similarly, the said Smt. Kanta Devi w/o Sh. O.P. Gupta had executed GPA, Will and Agreement to Sell on 03.6.2000 in favour of Sh. Tarun Lekhi S/o Late Sh. Krishan Gopal Lekhi.*

(ii) *Thus, the allegation made by the complainant is true to the extent that Sh. Govind Ram had sold the rights in the flat to be allotted to him before actual allotment of flat to him.*

10. The Inspection Officer also makes a reference to a fact that vide its letter dated 05.12.2013, the DDA, while carrying of conversion of the alleged flat no. C-9 as freehold in favour of Sh. Tarun Lekhi, has asked for payment of a- "penalty Rs. 10,000/- as sale of flat before draw two times."; and therefore, it was inferred by him that the fact of execution of the GPAs, Agreement to sell etc. before the allotment of flat was in the knowledge of the DDA and that it was within its policy to allow such freehold conversion on payment of certain penalty amount.

11. Be that as it may, the department of Registrar Cooperative Societies has to examine the eligibility of the potential and actual beneficiaries of such Cooperative Group Housing projects vis-à-vis DCS Act/Rules, as such societies receive substantial amount of government subsidies in the rates of land allotted to them.

12. Accordingly, therefore, after the report of the Inspection Officer and the certified documents placed for perusal along with it; it has been proved beyond doubt that the initial member Sh. Govind Ram executed GPA, SPA and agreement to sell with Smt. Kanta Devi in respect of his hitherto intangible asset i.e. his membership in the said society in 1998 owing to which he, on a future date 16.02.2002, gets possession of flat no. C-9 in his name. Interestingly, meanwhile, this intangible asset was traded once again in the same terms of GPAs, SPAs and Deed of will to Sh. Tarun Lekhi. Thus, although, the draw was carried out by the DDA and allotment was made by the society notionally to Sh. Govind Ram, however, the actual beneficiary was Sh. Tarun Lekhi, who potentially and presumably was not eligible to become member of such group housing society, all by himself, that is probably why he resorted to this loop to bypass the eligibility criteria as per prevailing DCS Act/Rules and to fraudulently and illegally get hold of the said flat.

13. Besides, there is no provision either in the present DCS Act, 2003 and rules there-under nor was there any in the then prevailing DCS Act, 1973, which could have authorized any member to sell of his membership rights in the society by way of executing the instruments like GPAs, SPAs or Will in lieu of

- receiving hefty amount of money, as has been done in the present case. Further, such mis-intended instruments executed before actual allotment of flat to the potential eligible beneficiary member could not be accepted for further transfer of membership u/s 91 of DCS Act, 2003 which clearly stipulates that members who sold flats on allotments cease to be members and its purchasers may apply for transfer of membership. Therefore, the membership of such persons, as in the case at hand, cannot be allowed to be regularized by the society under the said provisions of section 91 of DCS Act, 2003.
14. It is noteworthy that Rule 19(1) and Rule 20 of DCS Rules, 2007 outlines the eligibility criteria and grounds of disqualification from membership in cooperative societies, typically restricting it to certain categories of individuals (e.g. residents of Delhi for three years, not having membership in such other society, not having residential house or plot of land in Delhi, not engaged in sale purchase of properties in NCT of Delhi etc.) to ensure these societies serve their intended socio-economic purpose. The provision of subsidized land allotment to such societies by the government through its agency the DDA, is premised on promoting affordable housing for specific sections, and is not for open market selling of memberships/shares by the otherwise eligible members to potential non-eligible persons for booking profits by way of executing such instruments like GPAs and SPAs on a speculative basis. The role of the regulatory framework i.e. that of RCS is to ensure that the societies and the members adhere to these foundational objectives, which perfectly aligns with the idea that subsidized land allocation to such societies is done to serve the targeted sections. The Government's rationale behind promoting cooperative group housing societies by way of providing subsidized land is to promote equitable access to housing of certain designated categories of persons and not to enable speculative or open market transactions with a broader objective to prevent misuse of cooperative benefits.
15. Further in this matter, the Society as well as the Member Sh. Govind Ram and also other concerned were repeatedly granted an opportunity of making submissions along with documentary evidences, if any, vide notice dated F.47/ARH/306-GH/ Sec-II/2023/400-405 Dated 27/08/2025 and again dated 09/10/2025 but no substantial details/reply or documents were provided by any of them.
16. Now, therefore, in view of the facts, circumstances and documentary evidence available vis-à-vis provisions of DCS Act/Rules and the spirit and motive of cooperative housing societies, I, hereby, hold the following:
- i. The attempted Transfer of membership by Sh. Govind Ram S/o Sh. Ramji Dass (M.S. No. 117), the initial member of the society to Smt. Kanta Devi W/o Lt. Sh. O.P. Gupta on 04.05.1988 (albeit on receipt of a premium amount in lieu of that) through instruments like GPA, SPA or Will was ultra vires and inconsistent with the provisions of the then prevailing DCS Act, 1972 and Rules made there-under, hence prohibited and accordingly, void ab-initio.
 - ii. The membership(s) so granted by the society to Sh. Govind Ram is hereby ceased under Section-41(1)(c) of DCS Act, 2003 on account of his attempted illegal transfer of whole of his shares/interest in the society.

- iii. Accordingly, the membership of Sh. Govind Ram cannot be allowed to be transferred further as the provisions of section 91 of DCS Act, 2003 are not fulfilled in this case. The same, in case, has already been transferred shall be withdrawn immediately.
- iv. The subsequent event of selling of rights of such membership by Smt. Kanta Devi through similar instruments to Sh. Tarun Lekhi S/o Lt. Sh. Krishan Gopal Lekhi, too, were illegal, in the similar way.

Ordered accordingly.


(KRISHNA KUMAR SINGH)
REGISTRAR, COOPERATIVE SOCIETIES

No. F.47/ARH/306-GH/Sec-II/2023/
CD No. 107746455

Dated:

Copy to:

1. The President/Secretary of the Society, Ekta CGHS Ltd., Plot no. 23, Sector-13, Rohini, Delhi-110085.
2. Sh. Sunil Aggarwal, R/o Flat No. E-5, Ekta CGHS Ltd Plot no. 23, Sector-13, Rohini, Delhi-110085.
3. Sh. Amit Garg, R/o Flat No. F-5, Ekta CGHS Ltd Plot no. 23, Sector-13, Rohini, Delhi-110085.
4. Sh. Govind Ram S/o Sh. Ramji Das, R/o C-72, Phase-I Ashok Vihar, Delhi-110052.
5. Smt. Kanta Devi, R/o C-7/80 Sector-7, Rohini, Delhi.
6. Sh. Tarun Lekhi, R/o Flat no. C-9, Ekta CGHS Ltd, Plot no. 23, Sector-13, Rohini, Delhi-110085.
7. Sh. Bharat Bhushan Allahbadi, R/o B-218, Ekta CGHS Ltd., Plot No. 23, Sector-13, Rohini Delhi-110085.
8. AR (IT Cell) to upload on Department Website.


(KRISHNA KUMAR SINGH)
REGISTRAR, COOPERATIVE SOCIETIES