



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

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*Reserved on: May 15, 2023*

*Pronounced on: June, 02, 2023*

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**W.P.(C) 5975/2014**

**THE SUDHAR SABHA CONSUMER CO-OPERATIVE  
STORE LTD.**

**.....Petitioner**

Through: Ms. Anju Bhattacharya with Ms. Suriti  
and Mr. Vinod Fulara, Advocates.

Versus

**THE DELHI CONSUMER CO-OPERATIVE  
WHOLESALE STORE LTD. & ORS.**

**.....Respondents**

Through: Mr. Sujata Kashyap, Advocate for R-1,  
Mr. Sameer Vashisht, ASC(Civil),  
GNCTD with Mr. Vanshay Kaul, Mr.  
Amar Singh and Mr. Arjun Gupta,  
Advocates for R-2&3.

**CORAM:**

**HON'BLE MR. JUSTICE MANMOHAN**

**HON'BLE MR. JUSTICE SAURABH BANERJEE**

**J U D G M E N T**

**SAURABH BANERJEE, J.**

**FACTUAL MATRIX:**

1. The petitioner is a member store of the respondent no.1 Society-The Delhi Consumer Co-operative Wholesale Store Limited<sup>1</sup> which was registered in the year 1962 under The Bombay Co-operative Societies Act, 1912 later under The Delhi Co-operative Societies Act, 1972<sup>2</sup> (repealed by The Delhi Co-

<sup>1</sup> Hereinafter referred to as "*Society*"

<sup>2</sup> Hereinafter referred to as "*1972 Act*"



operative Societies Act, 2003<sup>3</sup>) with the principal object of doing wholesale and retail business in consumer goods as per their bye-laws. As per bye-law 22(a) of the Society, its Managing Committee consisted of *nine members*, out of which *five members* including the President, Vice-President, Secretary and two members, were to be nominated by the Administrator, respondent no.3-Government of National Capital Territory of Delhi<sup>4</sup> and the remaining *four members*, were to be elected at the general meeting. The Society had more than 300 members contributing more than 75% of their issued equity share capital. Presently, 98 out of 200 registered member stores are reported to be active members. The elections of the Managing Committee of the Society<sup>5</sup> were held after a gap of *twenty-seven years* on June 24, 2001. That on 17 October, 2002, a Show Cause Notice under *Section 32* of the 2003 Act was issued by the respondent no.2-Registrar, Co-operative Societies<sup>6</sup> to the Society, whereafter few primary member stores of the Society filed W.P.(C) 18636-39/2004 titled ***Sudhar Sabha Consumer Cooperative Store Ltd. & Ors. v. Delhi Consumer Cooperative Wholesale Store Ltd. & Ors.***, which, on the basis of a statement made by the counsel for respondents therein, was disposed of by a Co-ordinate Bench of this Court on December 19, 2005 with a direction to hold elections within a period of *eight weeks*. Thereafter, similar writ petition being W.P.(C) 13468/2006 titled ***M/s. Goodwill Consumer Co-operative Store vs. The Delhi Consumer Cooperative Store & Ors.*** filed by another member of the Society was also disposed of by a Co-ordinate Bench of

<sup>3</sup> Hereinafter referred to as “2003 Act”

<sup>4</sup> Hereinafter referred to as “Delhi Government”

<sup>5</sup> Hereinafter referred to as “Committee”

<sup>6</sup> Hereinafter referred to as “Registrar”



this Court on September 5, 2006, once again, with a direction to hold elections within *six weeks*.

2. Despite the aforesaid orders, no elections were held since the Committee consisting of *nine members* had *seven members* nominated by the Delhi Government. The said dominance and control of the Society by the Delhi Government was flowing from *Section 35(10)(cc)* of the 2003 Act which permitted the Delhi Government to substitute the elected members with its nominees in proportion to the issued equity share capital held by it.

### **CASE OF PETITIONER:**

3. Being aggrieved, the petitioner filed the present writ petition seeking declaration of *Section 35(10)(cc)* of the 2003 Act as ultra vires and for passing of a writ of mandamus or any other writ or direction(s) to the Society and Delhi Government to conduct time bound elections of the Committee within a period of *three months* based on membership records along with any other relief/s against the Society, Registrar and the Delhi Government, primarily on the grounds that *Section 35(10)(cc)* of the 2003 Act not only usurped different powers of the Committee but also gave complete control to the Delhi Government and was against *Section 30* and other provisions of the 2003 Act.

4. Learned counsel for petitioner, relying upon *Mani Ram v. State of Haryana*<sup>7</sup> contended that *Section 35(10)(cc)* of the 2003 Act is in violation of *Article 19(1)(c)* of the Constitution of India and further relying upon *S.S. Dhanoa v. Municipal Corporation of Delhi & Ors.*<sup>8</sup> contended that a co-operative society is a body created by an act of a group of individuals in accordance with the provisions of the statute and as an effect, under *rule 25* of

<sup>7</sup> AIR 1996 P&H 92

<sup>8</sup> AIR 1981 SC 1395



the 2003 Act, it should be run on the principle of *one member-one vote* and lastly relying upon *The Shamarao Vithal Co-operative v. Padubidri Pattabhiram Baht*<sup>9</sup> contended that *Section 35(10)(cc)* of the 2003 Act was contrary to the essential and distinguishing features of a co-operative society enumerated therein. Lastly, the petitioner claimed to be losing emerging business/ economic opportunities by virtue of the new *Section 35(10)(cc)* of the 2003 Act.

### **CASE OF RESPONDENTS:**

5. The Society after service, relying upon the provisions of *Section 35(10)(cc)* of the 2003 Act, submitted that the earlier 1972 Act stood repealed by the 2003 Act, whereafter vide The Delhi Co-operative Societies (Amendment) Act, 2004<sup>10</sup>, *Section 35(10)(cc)* was inserted for the first time followed by a further amendment to the same *Section 35(10)(cc)* vide The Delhi Co-operative Societies (Amendment) Act, 2011<sup>11</sup>. This showed that prior to filing of the present writ petition, much water had flown under the bridge as the legislature in its wisdom had already carried out a further amendment to *Section 35(10)(cc)* of the 2003 Act vide the 2011 Amendment, which despite knowledge, has neither been challenged by the petitioner nor anyone else who is a member of the Society. It was further contended that since the issued equity share capital of the Delhi Government was 95.4%, the eligible member stores shall be dealt with in accordance with the amended 2003 Act, The Delhi Co-operative Societies Rules, 2007<sup>12</sup> and bye-laws and even otherwise, the

<sup>9</sup> AIR 1993 Bom 91 (FB)

<sup>10</sup> Hereinafter referred to as “2004 Amendment”

<sup>11</sup> Hereinafter referred to as “2011 Amendment”

<sup>12</sup> Hereinafter referred to as “DCS Rules”



petitioner was required to prove its eligibility for election before the Registrar for compliance of the orders dated December 19, 2005 and September 5, 2006 passed in the two earlier writ petitions. Be that as it may, as per learned counsel for respondents, since the introduction of *Section 35(10)(cc)* in the 2003 Act was/ is a policy decision falling entirely within the domain of the legislature and as there was no wrong in doing so, the present writ petition, for those reasons and also on the strength of the subsequent unchallenged amendment to *Section 35(10)(cc)* of the 2003 Act in the year 2011, is not maintainable.

6. Learned counsel for Registrar and Delhi Government, in addition to the above, contended that as per the necessary statutory audits for the financial years 2011-12, 2012-13 and 2013-14, out of around 603 primary member stores with the Society, only 27 were actually functioning / carrying on business. It was also contended that the running of the affairs of the Society by an Administrator and non-holding of elections is immaterial since the issued equity share capital of the member stores is negligible and further in view of the subsequent unchallenged amendment to *Section 35(10)(cc)* of the 2003 Act in the year 2011, whereby, *admittedly*, the Delhi Government has 95.4% equity share capital in the Society, there was no occasion for holding elections. According to him, the petitioner was not only ineligible to participate in elections, the present writ petition was also not maintainable.

7. Learned counsel for Registrar and Delhi Government further relying upon *State of Maharashtra Vs. Bharat Shanti Lal Shah*<sup>13</sup> contended that the

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<sup>13</sup> (2008) 13 SCC 5



petitioner has failed to rebut the *presumption of Constitutionality* arising in favour of *Section 35(10)(cc)* and further that the Courts are enjoined to make every endeavour to interpret the statutes in a manner that will not only prevent them from being struck off from the Statute Book but to refer to the legislative background and purpose of the Statute to understand its import and effect. Then, relying upon *Damyanti Naranga v. Union of India*<sup>14</sup>, *Babaji Kondaji Garad v. Nasik Merchants Coop. Bank Ltd.*<sup>15</sup>, *Toguru Sudhakar Reddy v. Govt. Of AP.*<sup>16</sup> and *State of UP v. C.O.D. Chheoki Employees Coop. Society Ltd.*<sup>17</sup>, it was also contended that there is no *absolute* fundamental right to become a member of a co-operative society under *Article 19(1)(c)* of the Constitution of India and the same does not exclude regulation of affairs of an association once it is formed. Similarly, relying upon *Daman Singh and Others v. State of Punjab and Others*<sup>18</sup>, it was contended that pursuant to becoming a member of a co-operative society, a person loses his/her individual identity and must act and speak through the society. Then, relying upon *Zoroastrian Cooperative Housing Society Ltd. and Another v. District Registrar, Cooperative Societies(Urban) and Others*<sup>19</sup> it was contended that the bye-laws of a society constitute the contract between a co-operative society and its member and by entering into the contract, the member undertakes to be bound by the bye-laws and statute regulating the co-operative society. Lastly, relying upon *Rajib Mukhopadhyaya v. Registrar Cooperative*

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<sup>14</sup> (1971) 1 SCC 678

<sup>15</sup> (1984) 2SCC 50

<sup>16</sup> 1993 Supp (4) SCC 439

<sup>17</sup> (1997) 3 SCC 681

<sup>18</sup> (1985) 2 SCC 670

<sup>19</sup> (2005) 5 SCC 632



*Societies*<sup>20</sup>, it was contended that *Section 35(10)(cc)* itself reflects the fundamental principle of co-operatives i.e. *democratic control of their functioning* which would not change the manner of operating a Society.

### **CHRONOLOGICAL HISTORY:**

8. The Co-operative Credit Societies Act, 1904, after its enactment on March 25, 1904, was replaced by The Co-operative Societies Act, 1912 on March 1, 1912. Thereafter, pursuant to the constitution of the Society in the year 1962, the 1972 Act was enacted on April 2, 1973 with the *Preamble* “*An Act to consolidate and amend the law relating to co-operative societies in the Union territory of Delhi*”. Then, the Committee held its election in its General Body Meeting on June 24, 2001 and constituted a Managing Committee after a gap of *twenty seven years* for the first time since 1974. However, subsequent to receiving complaints qua the functioning of the Committee, a Show Cause Notice under *Section 32* of the 1972 Act dated October 17, 2002 was issued to the Society leading to the Committee being superseded on March 4, 2003 and appointment of a new Administrator for a period of six months to rectify the deficiencies and ensure the restoration of the co-operative management.

9. Thereafter, the earlier 1972 Act was repealed with the new 2003 Act enacted on March 3, 2004, with a new *Preamble* as under:-

*“An Act to consolidate and amend the laws relating to co-operative societies, to facilitate the voluntary formation and democratic functioning of cooperatives as people's institutions based on self help and mutual aid to enable them to promote their economic and social betterment and to provide for better regulation, management, functional autonomy of such societies and for matters connected therewith or incidental thereto in the National Capital Territory of Delhi.”*

<sup>20</sup> 2007 (97) DRJ 273 (DB)



10. The said 2003 Act enacted on March 3, 2004 in place of the earlier 1972 Act had a new *Statement of Objects and Reasons* as under:-

*“The objectives and role of co-operatives have undergone a sea-change during the last decade. In order to gear up the co-operative societies to meet the challenges posed due to economic liberalization and super fast growth in the field of information technology and to protect the interests of the members of co-operative societies as financial stakes have become high, the Government of National Capital Territory of Delhi had appointed a committee under the Chairmanship of Shri Nand Kishore Garg, MLA and Parliamentary Secretary in November, 1995 to prepare a new co-operative law to make co-operative societies a viable economic movement, encompassing simultaneously growth in the field of socio-cultural activities, information technology, health, education through the medium of co-operative societies. The Committee submitted its report on the 31<sup>st</sup> August, 1998.*

*In the National Capital Territory of Delhi, the role of co-operative societies specially, urban credit, banking and housing sector has become the focal point of economic activities and, therefore, the Government of National Capital Territory of Delhi had appointed another six member Review Committee on the Report of Shri Nand Kishore Garg, MLA under the Chairmanship of veteran co-operator Shri Deep Chand Sharma, Chairman, Delhi Co-operative Housing Finance Corporation Ltd., in May 1999 to review the said report taking into account the above factors and submit a draft model law for co-operative societies in Delhi.*

*Based on the report of Shri Deep Chand Sharma Review Committee, Government of National Capital Territory of Delhi have decided to introduce. The Delhi Co-operative Societies Bill, 2003 and to repeal the existing law on the subject that is to say, the Delhi Co-operatives Societies Act, 1972 (35 of 1972). The provisions of the Bill aim at consolidating and amending the law relating to co-operative societies with the sole objective of facilitating promotion, growth and development of different of different types of co-operative societies for economic betterment of the members of the co-operative societies in particular and the society as a whole in general, with an avowed objective of integrated development of all sectors to improve quality of life of citizens of Delhi through co-operative initiatives. Efforts have been made to ensure democratic management, transparency and accountability in the affairs of the co-operative societies by curtailing red-tapism in administration so as to make the co-operative movement a vibrant instrument of socio-economic growth in Delhi.”*



11. The 2003 Act was then amended by the 2004 Amendment whereby *Section 35(10)(c)* was amended and *Section 35(10)(cc)* was inserted for the first time. Insertion of *Section 35(10)(cc)* meant authorizing the Delhi Government to nominate *three-fourths* of the Managing Committee in case it held an issued equity share capital of not less than 60% in the co-operative society. Since this Court is dealing with the enunciation of *Section 35(10)(cc)* as inserted in the year 2004, the same is reproduced as under:-

*“(cc) where the total amount of issued equity share capital held by the Government is sixty per cent or more of the total issued share capital or the Government has given loan or made advances to the co-operative society or guaranteed the repayment of principal and payment of interest on debentures or bonds issued by the co-operative society or guaranteed the payment of principal and payment of interest on loan and advances to the co-operative society in amount not less than sixty percent in the aggregate of the total amount so borrowed by the cooperative society, three-fourth of members of the committee including the Chairman;*

*Provided that the right once accrued under this clause shall continue until the percentage of the amount in respect of share contribution or guaranteed loan goes down to less than fifty per cent.”*

12. Thereafter, *Section 35(10)(cc)* was further amended by the 2011 Amendment. Since the present writ petition is pertaining to the provisions of *Section 35(10)(cc)*, the same as it stands now subsequent to its amendment in 2011, is reproduced as under:-

*“(cc) where the total amount of issued equity share capital held by the Government is sixty per cent or more of the total issued share capital or the Government has given loan or made advances to the co-operative society or guaranteed the repayment of principal and payment of interest on debentures or bonds issued by the co-operative society or guaranteed the payment of principal and payment of interest on loan and advances to the co-operative society in amount not less than sixty percent in the aggregate of the total amount so borrowed by the cooperative society, members of the Committee including Chairman in the following manner namely :-*



| <i>Percentage held by Government</i> | <i>Percentage of members of the committee to be nominated by the Government</i> |
|--------------------------------------|---------------------------------------------------------------------------------|
| <i>Sixty to seventy per cent</i>     | <i>Seventy per cent</i>                                                         |
| <i>Seventy to eighty per cent</i>    | <i>Eighty per cent</i>                                                          |
| <i>Eighty to ninety per cent</i>     | <i>Ninety per cent</i>                                                          |
| <i>Above ninety per cent</i>         | <i>Hundred per cent</i>                                                         |

*Provided that the right once accrued under this clause shall continue until the percentage of the amount in respect of share contribution or guaranteed loan goes down to less than sixty per cent.”*

### **ANALYSIS AND FINDINGS:**

13. The aforesaid chronological history reveals that the Preamble and the Statement of Objects and Reasons of the 2003 Act emphatically bear out that the earlier 1972 Act was modified to a large extent in consonance with the changed requirements and circumstances. The Preamble and Statement of Objects and Reasons of the 2003 Act clearly reflected that changing times required meaningful changes, which in turn, also required the legislature to carry out the requisite amendments in the future. With a view to address the rampant growth and changes in the co-operative sector, the Delhi Government on its own part, thoughtfully appointed a *one-member* Committee in November 1995 for preparing a new co-operative law. Not stopping at that and despite accepting the report of the Committee on August 31, 1998, the Delhi Government appointed another *six members* Review Committee in May 1999 to review the earlier report of the *one-member* Committee and submit a draft Model Law for co-operative societies in Delhi. It was only then, based on the *six members* Review Committee that the Delhi Co-operative Societies Bill, 2003 was introduced to repeal the then existing 1972 Act.



14. The aforesaid also reveals that the repeal of the earlier 1972 Act by the 2003 Act and the introduction of *Section 35(10)(cc)* vide the 2004 Amendment, were all carefully done after proper scrutiny to consolidate the law relating to co-operative societies with the sole objective of facilitating cumulative promotion, growth and development of different types of co-operative societies for economic betterment of all the members of the co-operative societies in particular and the society as a whole in general, as also to make the co-operative sector a viable economic movement and thus, furthering growth in the fields of information technology, health and education through the medium of co-operative societies.

15. Further, *Section 35(10)(cc)* was inserted only after going through the rigours and protracted deliberations and after it had passed through both the Houses of the Parliament of India, i.e., the Lok Sabha and the Rajya Sabha. Thus, the legislature in its wisdom, after scrupulously following the requisite steps of scrutinizing and deliberating by first setting up a *one-member* Committee followed by a *six members* Review Committee, thereafter wisely chose to balance the needs keeping in mind the arising exigencies and necessities for meeting the changing times to first repeal the earlier 1972 Act and then also incorporate *Section 35(10)(cc)* in the 2003 Act vide the 2004 Amendment. In the opinion of this Court, the said insertion of *Section 35(10)(cc)* vide the 2004 Amendment proved to be a lifeline for a Society that was hitherto starving with hardly any business activity. In light of the aforesaid, no mala fide or personal gain can be attributed to any of the respondents or the legislature in incorporating the impugned *Section 35(10)(cc)* in the 2003 Act.



16. Interestingly, the petitioner has filed the present writ petition challenging *Section 35(10)(cc)* as it stood pursuant to the subsequent 2011 Amendment, only in the year 2014 without ever challenging the insertion of *Section 35(10)(cc)* per se after the introduction of the 2003 Act and the amendment thereto for the first time in the year 2004. Although initially, after the insertion of *Section 35(10)(cc)* vide the 2004 Amendment, the requirement qua the composition of the Committee was different than what it was by virtue of the 2011 Amendment, but nevertheless, the stage was already set way back in 2004 when *Section 35(10)(cc)* was introduced for the first time, thus, bringing about an overall substantial change.

17. Further, as the percentage of issued equity shares held by the Delhi Government and the percentage of members of the Committee to be nominated by it already stood introduced/ changed/ proportionately increased way back in the year 2003, the only change vide the 2011 Amendment to *Section 35(10)(cc)*, as challenged by the petitioner herein, was with respect to the increase of percentage of members to be nominated to the Committee. In any event, the petitioner having not challenged the insertion of *Section 35(10)(cc)* in the 2003 Act vide the 2004 Amendment till the filing of the present writ petition, wherein it has sought to challenge a subsequent amendment carried out by the 2011 Amendment, leads this Court to conclude that the petitioner is most certainly guilty of delay, laches and acquiescence. In any event, the holding of elections to the Committee is not a matter of right merely because someone is affected by the incorporation of *Section 35(10)(cc)* in the 2003 Act save and except, the said affected party, like the petitioner herein, is able to



show that the same is against the general benefit, public policy or against any existing Statute, Rule(s), Regulation(s) or like.

18. The fact that there has been no challenge to either the 2003 Act or the insertion of *Section 35(10)(cc)* vide the 2004 Amendment and the subsequent 2011 Amendment by anyone till date barring the petitioner by way of the present writ petition speaks volumes. Pertinently, the petitioner has been unable to show any plausible grounds or palpable reasons for interference thereof by this Court save and except that it is harming their personal interest. Amendment(s) made to an existing Statute cannot be modified, looked into or set aside simply because the same is not viable or suitable to a party. Merely because the petitioner is losing emerging business/ economic opportunities is not sufficient for this Court to declare the amendment made to *Section 35(10)(cc)* of the 2003 Act by the 2011 Amendment as ultra vires without challenging the insertion thereof by the 2004 Amendment. Additionally, the petitioner has been unable to show if, when and how the law-making authority was at fault. Pertinently, the fact that none of the other similarly situated member stores like the petitioner herein has approached this Court till now leads this Court to safely infer that neither they are aggrieved by the incorporation of *Section 35(10)(cc)* in the 2003 Act nor they are anymore actively carrying on with their business activities. Either way, the same is to the detriment of the petitioner before this Court. Reliance is placed upon ***Zoroastrian Cooperative Housing Society Ltd. And Another (supra)***, wherein, it was held as under :

*“15. The cooperative movement, by its very nature, is a form of voluntary association where individuals unite for mutual benefit in the production and distribution of wealth upon principles of equity, reason and common good.*



No doubt, when it gets registered under the Cooperative Societies Act, it is governed by the provisions of the Cooperative Societies Act and the Rules framed there under. In **Damyanti Naranga v. Union of India** this Court, discussing the scope of the right to form an association guaranteed by Article 19(1)(c) of the Constitution of India, stated that:-

*“the right to form an association... necessarily implies that the persons forming the Association have also the right to continue to be associated with only those whom they voluntarily admit in the Association. Any law, by which members are introduced in the voluntary Association without any option being given to the members to keep them out, or any law which takes away the membership of those who have voluntarily joined it, will be a law violating the right to form an association.”*

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21. Membership in a co-operative society only brings about a contractual relationship among the members forming it subject of course to the Act and the Rules. One becomes a member in a co-operative society either at the time of its formation or acquires membership in it on possessing the requisite qualification under the bye-laws of the society and on being accepted as a member. It is not as if one has a fundamental right to become a member of a co-operative society. But certainly, if the application of one for membership, who is otherwise qualified to be a member under the Act, Rules and the bye-laws of the society, is rejected unreasonably or for frivolous reasons, the person may be entitled to enforce his claim to become a member in an appropriate forum or court of law.”

19. In the considered opinion of this Court, any amendment of the present nature is not liable for interference by a Court of law, much less, when the same is within the parameters and not against public policy, especially as there is sufficient material on record to show otherwise. The petitioner is asking for a judicial review, scope whereof is highly limited and not always within the purview of this Court. On the contrary, there was a reasonable nexus of the said incorporation and amendment to *Section 35(10)(cc)* with the object of



aiding public policy as it was able to sustain and aid the Society. The facts of the present case reveal that there has been due application of mind all along and all steps have been methodically taken by the legislature, as there is sufficient cogent material on record in support of what has been done. Generally, the Courts are reluctant to interfere in well-reasoned decisions taken by the legislature after such deliberation of minds at all stages. As per this Court, the amendment carried out to *Section 35(10)(cc)* of the 2003 Act by the 2011 Amendment is logical and a well-thought off policy decision taken in larger public interest which need not be interfered with. The insertion of *Section 35(10)(cc)* in the 2003 Act by the 2004 Amendment and the subsequent amendment thereof by the 2011 Amendment were both made after due deliberation and taking proper precaution at every level from time to time. It is trite law that as the co-operative societies, which from the inception are governed by the Statute, are created by the Statute and are controlled by the Statute, there can be no objection to statutory interference with their composition on the ground of contravention of the individual right of freedom of association. After all, it is a matter of fact that since voluntarily joining as a member of the Society, the petitioner, being governed by the Statute is bound to follow what is laid down in the Act, rules, regulations and bye-laws, including any subsequent amendments thereto, if any, lest it will defeat the purpose of a Society. A member in/ of a Society ceases to represent the self and has no individual existence, right, title or interest of its own as it is a part of a communion. These views of this Court were echoed by the Hon'ble Supreme Court in *Daman Singh (supra)*, wherein it is held as under:



*“.... Once a person becomes a member of a co-operative society, he loses his individuality qua the society and he has no independent rights except those given to him by the statute and the by-laws. He must act and speak through the society or rather, the society alone can act and speak for him qua rights or duties of the society as a body.....”*

### **CONCLUSION:**

20. This Court finds that the petitioner is not falling in any one of the above and is actually, under the garb of the present writ petition, asking this Court for issuance of a direction to the Society to function in the manner it wants, which is not permissible, as the petitioner is a part of the Society and has to function as per its rules, regulations and framework and not otherwise.

21. A careful deliberation and analysis of all the above factors leads to the conclusion that there are no reasons for declaring the provisions of *Section 35(10)(cc)* of the 2003 Act to be ultra-vires as there is no mala fide and/ or personal gain to anyone or the legislature in inserting *Section 35 (10)(cc)* in the 2003 Act vide the 2004 Amendment and the later amendment thereto vide the 2011 Amendment. Even the petitioner, despite repeated asking, has been unable to show any activity done by it in the past decade, as the Society had hardly any, in fact, miniscule active primary member stores that were carrying on business when the amendment to *Section 35 (10)(cc)* was carried out vide the 2011 Amendment. Having found so and admittedly as the Delhi Government is now having issued equity share capital of 95.4%, i.e. above *ninety percent* in the Society, this Court finds no reason for issuing any directions to either the Society or the Registrar to conduct elections to the Committee.



22. In view of the above, as the judgments cited by the learned counsel for petitioner are of no avail and have no relevance, there is no need for this Court to discuss or dwell upon them.

23. Consequently, this Court, finding nothing wrong with the introduction of *Section 35(10)(cc)* in the 2003 Act, holds that the same is neither in contravention with the Scheme of the Act nor it curtails the power of any other *Section(s)* thereof.

24. Accordingly, in view of the aforesaid, the present writ petition is dismissed, leaving the parties to bear their own respective costs.

**SAURABH BANERJEE, J.**

**MANMOHAN, J.**

**JUNE 02, 2023**  
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