* IN THE HIGH COURT OF DELHI AT NEW DELHI

% Order reserved on: 06.08.2026
Order delivered on: 12.08.2026

CNR No. DLHC010975812025

\+ CS(OS) 881/2025

BINOY THOMAS & ORS. .....Plaintiffs

versus

NATIONAL REAL ESTATE DEVELOPMENT COUNCIL & ORS. .....Defendants

Advocates who appeared in this case:

For the Plaintiffs : Mr. Kirtiman Singh, Senior Advocate and Dr. Debashish Bharuka, Senior Advocate with Mr. Amber Sachdeva and Mr. Puru Lekhi, Advocates.

For the Defendants : Mr. Ashish K. Dixit, CGSC with Mr. Umar Hashmi and Mr. Ayush Kumar, Advocates.
Mr. Jayant Mehta, Senior Advocate with Mr. Manu Nair, Ms. Riya Basu, Ms. Zubia Rehan, Ms. Sidhika Nagrath, Advocates for D1 to D3.
Mr. Bhavik Lalan, Ms. Riya Basu, Ms. Zubia Rehan, Advocates for D-4.
Ms. Nitika Bhutani, Panel Counsel for GNCTD/D-7.
Ms. Shyel Trehan, Senior Advocate with Ms. Vidhi Jain and Mr. Rushand Malhotra, Advocates for D-8.

CORAM:
HON'BLE MR. JUSTICE TUSHAR RAO GEDELA

<u>O R D E R</u>

<u>TUSHAR RAO GEDELA, J.</u>

<u>IA 11202/2026 (Under Order VII Rule 11, CPC)</u>

1. This is an application under Order VII Rule 11 read with Section 151 Civil Procedure Code, 1908 (hereinafter referred to as *'CPC'*) filed on behalf of the applicants/defendants seeking rejection of plaint on the ground that the present suit is without any cause of action, since it is being preferred by the contesting plaintiffs in their personal capacity thereby acting in complete derogation to the definition ascribed for entitlement of "Membership" with the NATIONAL REAL ESTATE DEVELOPMENT COUNCIL (hereinafter referred to as '*NAREDCO*') i.e., defendant no.2.

<u>FACTS GERMANE TO THE ISSUE:-</u>

2. The present suit has been filed by the contesting plaintiffs challenging the elections of the NAREDCO/defendant no.2. It is stated by the plaintiffs that the said elections were conducted without following the due election process as prescribed under the Rules and Regulations of NAREDCO, the Agenda noted in the 138th Governing Council Meeting, and the Additional Agenda of the 138th Governing Council Meeting. It is further stated by the plaintiffs that the elections are being challenged as illegal, arbitrary and unconstitutional, inasmuch as the Governing Council itself appointed an Election Officer, Ms. Sharada Talwar, CA, and laid down the process to be followed for the election of office bearers. It is averred by the plaintiffs that despite the said process having been laid down, the dais members, acting in a high-handed manner, themselves proposed and declared the positions/posts of President, Vice President and Chairman. It is further stated by the plaintiffs that no opportunity was afforded to the Plaintiffs to elect the President, Vice President and Chairman by their vote or to file their nominations.

CONTENTIONS OF THE DEFENDANT NOS. 2 TO 5:-

3. Appearing for the applicants/defendants, Mr. Jayant Mehta, learned senior counsel submitted as under:-

3.1. Primarily, learned senior counsel would contend that the suit is barred under the principles of lack of cause of action as provided in Order VII Rule 11(a) CPC. There are two aspects on which the argument of learned senior counsel is predicated. His first contention was with respect of non-maintainability of the suit on account of plaintiffs not being members of NAREDCO/defendant no.2 and thus, no such suit could be maintained by them. The second contention being that the suit does not challenge the minutes of 137th and 138th Governing Council meeting of NAREDCO, whereby the Annual General elections were held, and authorised/nominated persons from the members of NAREDCO were unanimously elected. In the absence of such a challenge to the elections, which have been conducted under the said 137th and 138th Governing Council meeting of NAREDCO, the present suit in its present form seeking the relief of setting aside the elections is not maintainable.

3.2. In order to substantiate as to how there is no cause of action disclosed in the suit, learned senior counsel would submit that four of the plaintiffs namely Mr. Aditya Shukla/plaintiff no.2, Mr. Ravula Venkatswara Rao/plaintiff no.1, Mr. Gynanaeshar Devadason/plaintiff no.4 and Mr. Gadde Chakradhar/plaintiff no.6 have voluntarily withdrawn from the suit and are no longer prosecuting it and were deleted from the array of parties *vide* order dated 06.07.2026. It was submitted that only Mr. Binoy Thomas/plaintiff no.3 and Mr.

Halarameshwara Channaveerappa/plaintiff no.5 are the contesting plaintiffs.

3.3. Learned senior counsel sought to demonstrate as to how the remaining plaintiffs individually were incapacitated to institute and maintain the present suit. Insofar as plaintiff no.3 is concerned, he would contend that the said plaintiff is not a registered member of the NAREDCO/defendant no.2 in his individual capacity and that he is the President of NAREDCO Kerala Chapter. Learned senior counsel would contend that the suit has been instituted by plaintiff no.3 in his personal capacity without any Board Resolution or authorisation from NAREDCO Kerala Chapter. To authenticate the aforesaid contention, learned senior counsel referred to a show cause notice dated 09.01.2026 issued by NAREDCO/defendant no.2. In response thereto, the NAREDCO Kerala Chapter in its reply dated 13.01.2026 clarified that the suit has been filed by the plaintiff no.3 in his personal capacity. Thus, the institution itself is in contravention of the rules and regulations of NAREDCO/defendant no.2.

3.4. Similarly, the plaintiff no.5 is contended to be not a registered member of the NAREDCO/defendant no.2 and has instituted the suit in his personal capacity. Plaintiff no.5 is stated to be the Secretary of NAREDCO Karnataka Chapter. NAREDCO/defendant no.2 is stated to have issued a show cause notice dated 09.01.2026 to NAREDCO Karnataka Chapter, which in its reply dated 15.01.2026 clarified that the suit has been filed in the personal capacity of the plaintiff no.5. Thus, the said institution is also in contravention of the applicable rules and regulations of NAREDCO/defendant no.2.

3.5. On the aforesaid narrative, learned senior counsel now sought to demonstrate and establish as to how the present suit is not maintainable on account of lack of *locus standi* of the present plaintiffs.

3.6. Inviting attention to Rule 2 of NAREDCO's Memorandum of Association and Rules and Regulations he would contend that the said rule defines "membership" to include only entities. Dilating further, learned senior counsel would contend that a plain reading of Rule 2 of NAREDCO's Memorandum of Association and Rules and Regulations establishes that the members comprising the NAREDCO/defendant no.2 are enterprises and not individuals, which is clear from further reading the definitions of "Founder Members, Patron Members, Regular Members, Associate Members and State Members". It was the contention of learned senior counsel that none of the plaintiffs had asserted that they are "members of NAREDCO", as they are all individuals and are not enterprises. He would further contend that the plaintiffs not being the members cannot have any grievance or any *locus standi* to institute a suit unless authorised by the "members" or "state members". Thus, according to him, an individual is not a member, and in the absence of an authorisation by the member, an individual would be incapacitated in filing or instituting the suit.

3.7. Apart from the above, learned senior counsel stoutly contended that the plaintiffs failed to disclose in the plaint any specific rule or regulation of NAREDCO/defendant no.2 that might have been allegedly violated in the conduct of the elections at the 138th Governing Council meeting of NAREDCO. He would submit that other than a bald assertion that the elections were held in violation of rules and regulations, no specific rule has been mentioned which has been violated. According to learned senior counsel, it is well settled that the plaint cannot be cleverly drafted so as to make out a cause of action where there is none.

3.8. Learned senior counsel emphasised that the conduct of the plaintiffs themselves would further strengthen the contention of lack of *locus standi* raised by the defendants. It is submitted that at the 137th Governing Council meeting of NAREDCO held on 29.08.2025, the Chairperson expressly invited all Governing Council Members desirous of contesting any office bearer post to submit their nominations within one week. Notwithstanding such express invitation, none of the contesting plaintiffs submitted any nomination nor even demonstrated any intention to contest at all. It is contended that the abstention was deliberate and voluntary. Thus, while having participated in the 137th and 138th Governing Council meeting of NAREDCO, having not submitted any nominations, the plaintiffs have no *locus standi* to institute the present suit on the premise that the elections were conducted in violation of rules and regulations. Coupled with the above, it was vociferously contended that there is no prayer for quashing and setting aside of the minutes of the 137th and 138th Governing Council meeting of NAREDCO. Thus, by conduct, the plaintiffs have disentitled themselves from having any locus to institute the present suit apart from the lack of disclosure of cause of action.

3.9. So far as the transposition of earlier defendant Mr. G. Hari Babu as plaintiff no.7 is concerned, learned senior counsel would contend that the mere transposition would be of no avail to the plaintiffs or to the question of maintainability of the present suit. According to learned senior counsel, the newly transposed plaintiff no.7 also was similarly situated like plaintiff nos.3 and 5, and had no *locus standi* to maintain the suit. He would contend that as in the case of plaintiff nos.3 and 5, the G. Hari Babu/plaintiff no.7 represents an enterprise called "Lahari Infrastructure Private Limited", which is the founder member of the Governing Council of NAREDCO National. Thus, even G. Hari Babu/plaintiff no.7 is not the member or even the founder member of NAREDCO National, and it is only in the representative capacity that he is a part of the Governing Council of NAREDCO *qua* Lahari Infrastructure Private Limited.

3.10. Having regard to the above, learned counsel would submit that on account of lack of disclosure of cause of action as also locus of the plaintiffs to institute the present suit, the suit ought to be rejected under Order VII Rule 11 of the CPC.

3.11. Learned senior counsel also, while inviting attention to the agreement dated 23.06.2025 executed between NAREDCO Kerala Chapter and NAREDCO/defendant no.2, contended that the said agreement provides for arbitration in case of any disputes which may arise between them. He would contend that since the alleged disputes raised in the suit is in respect of elections to the Governing Council of NAREDCO on behalf of the NAREDCO Kerala Chapter, if at all any legal proceedings can be initiated, it can be only at the instance and on behalf of NAREDCO Kerala Chapter and that too, under the arbitration proceedings as contemplated in the said agreement. Further learned senior counsel would contend that similarly on behalf of the NAREDCO Karnataka an agreement dated 16.01.2024 was executed and signed by none other than G. Hari Babu/plaintiff no.7, also contains an arbitration clause, and thus, the present suit is not maintainable.

3.12. Mr. Mehta, learned senior counsel would further the aforesaid arguments by contending that in case the plaintiffs who have instituted the present suit in their individual capacities indeed claimed to be representing the Kerala and Karnataka Chapter of NAREDCO, even then, the suit would be barred having regard to the arbitration clause.

CONTENTIONS OF THE PLAINTIFFS:-

4. Mr. Kirtiman Singh, learned senior counsel appearing on behalf of the plaintiffs would submit as under:

4.1. At the outset, learned senior counsel would contend that it is not disputed that the present suit challenges the validity of elections of the Governing Council of NAREDCO, and the subject matter of the suit is elections. It is trite that a challenge to the elections cannot be subject matter of arbitral proceedings. Thus, the contentions of the defendants on the ground that an agreement exists between the plaintiffs and NAREDCO/defendant no.2 which would bind them to initiate arbitral proceedings cannot withstand the scrutiny of law. He relied upon the judgements of the Coordinate Bench of this Court in ***Nathu Ram Jain vs. Akhil Bhartiya Agarwal Sammelan through National General Secretary Gopal Goyal & Ors., Arb.P. 738/2026*** decided on 24.04.2026; ***Din Dayal Agrawal HUF vs Capriso Finance Ltd***., ***CM(M) 2008/2024*** decided on 25.06.2025 in support of the aforesaid contention.

4.2. Learned senior counsel would contend that it is trite that a suit cannot be rejected in part, and this holds true even for the present suit inasmuch as the application under Order VII Rule 11 CPC was filed by the defendants prior to the transposition of G. Hari Babu as plaintiff no.7. It was his contention that the objections raised by the defendants for locus are not maintainable for the reason that G. Hari Babu is undoubtedly the founder member of NAREDCO National. Thus, even if this Court were to agree with the submissions of the defendant *qua* plaintiff nos.3 and 5, the same would fade away in the context of Mr. G. Hari Babu, who has been now transposed as plaintiff no.7.

4.3. Mr. Singh, learned senior counsel would vociferously contend that the submissions of the defendants conflated the membership of NAREDCO National with elections to various office bearer posts of the Governing Council of NAREDCO. Referring to sub-rule (ii) and (iii) of Rule 1 of the Rules and Regulations of NAREDCO National, learned senior counsel would submit that, while the member of the society would be an enterprise, however, as per sub-rule (iii) the Governing Council representing various categories of memberships are to necessarily include not only the elected, nominated, honorary and appointed members but also the representatives of the State REDCO's and NAREDCO State Branches who are to serve as Governing Council members of the Society. Predicated on the aforesaid, learned senior counsel would submit that, the challenge in the present suit is to the validity of the elections held for the various office bearers of the Governing Council of NAREDCO National in which the plaintiffs participated as authorised representatives of NAREDCO State Branches. Thus, according to him, the plaintiffs obviously, in their individual capacity would have to file and institute the present suit.

4.4. As against the aforesaid contention, learned senior counsel referred to Rule 2 of the Rules respecting the Membership to submit that membership of NAREDCO is of the enterprise. Thus, for the purpose of membership, it would only be the enterprise which would be eligible, while for the purposes of elections to the post of Governing Council, the individuals referred to in sub-rules (i) and (iii) of Rule 1 would be applicable. Thus, according to him, for the purposes of challenging the validity of elections, individuals including representatives of the State REDCO/NAREDCO State Branches, would have the necessary locus to file and institute a suit.

4.5. Referring to Rule 4 of the Rules respecting the constitution of Governing Council and the mode and manner of conduct of elections, he would emphasize that it contemplates, out of the Governing Council, one member each of the REDCO/NAREDCO State Branch would form part of the Governing Council. He next drew attention to the ‘electoral colleges’ specified in the said rule to demonstrate that the two plaintiffs before this Court were undoubtedly representatives of the NAREDCO State Branches and were part of the ‘electoral college’, entitled and capable of seeking election to various posts of the office bearers of the Governing Council. Thus, they have every right to challenge the illegalities and irregularities of the election and the election process conducted in the 137th and 138th Governing Council meeting of NAREDCO.

4.6. With respect to the contentions regarding lack of disclosure of cause of action, learned senior counsel would emphatically submit that the plaint clearly discloses the alleged grievances of the plaintiffs regarding the manner in which the elections were conducted, rather, not conducted. Reading all the relevant paragraphs commencing from para 1 of the plaint, learned senior counsel strongly urged that all the material requirements of Order VI Rule 2 CPC, 1908 are met. In support of his contentions he relied upon the judgement of the Supreme Court in

Liverpool & London S.P. & I Assn. Ltd. v. M.V. Sea Success I & Anr. cited in ***(2004) 9 SCC 512*.**

4.7. He also referred to the documents annexed with the list of documents filed on behalf of the plaintiff, particularly the list of Governing Council members to point out that the plaintiffs are, by name, referred to as "members". Thus, at this stage this Court is only to reach a subjective satisfaction as to the locus of the plaintiffs upon the mere reading of the plaint, and the documents annexed therewith. Though, not required, however, just for the sake of completeness, learned senior counsel referred to the documents filed by the defendants regarding the eligibility to vote for office bearer elections, etc., to strongly urge that it is only the members of the Governing Council who are eligible to vote and thus, the plaintiffs being eligible under the Rules, cannot be said to not have *locus standi* to file and institute the present suit.

CONTENTIONS OF PLAINTIFF NO.7:-

5. Dr. Debashish Bharuka, learned senior counsel appearing for plaintiff no.7 has handed over the bench a compilation of judgments in support of the plaintiffs contention of maintainability of the present suit. Principally, he relied upon the judgement of the learned Division Bench of this Court in ***Rita Solomon and Others vs. Republic of Italy and Another*** cited in ***2025 SCC Online Del 8779*** to contend that the suit does disclose a cause of action and cannot be rejected at the threshold.

CONTENTIONS OF DEFENDANT NO.8:-

6. Appearing for the defendant no.8, Ms. Sheyl Trehan, learned senior counsel adopts the arguments of Mr. Kirtiman Singh, learned senior counsel appearing for the plaintiffs, and supported the stand taken by the plaintiffs.

REJOINDER OF DEFENDANT NOS. 2 to 5:-

7. Mr. Jayant Mehta, learned senior counsel in rejoinder affirmed the submissions urged in the opening.

ANALYSIS AND CONCLUSIONS:-

8. The law regarding the parameters and principles, predicated whereon applications under Order VII Rule 11 CPC are to be considered by Courts, is too well settled to brook ambiguity. The Court is obligated to consider only and only the averments in the plaint, and if needed, the documents annexed thereto. The defense of the defendant, or any document filed in support of the defense is wholly irrelevant and unnecessary. Exceptions carved out by the Supreme Court in its seminal judgement in ***T. Arivandandam vs. T. V. Satyapal & Another*** cited in ***1977 AIR 2421***, relating to "nipping in the bud" of suits, pertains to cleverly drafted suits.

9. One of the two objections raised by the defendant no.2 is in respect of disputes being referred to arbitration premised on the agreement/Memo of Understanding executed between the defendant no.2 on one hand, and the NAREDCO Kerala and Karnataka Chapter, on the other. While that argument appeared attractive, however, it is trite that election disputes are not arbitrable. Manifestly, the judgement of the Coordinate bench in ***Nathu Ram Jain*** (*supra*) after having closely examined the judgements of the Supreme Court in ***Booz Allen and Hamilton Inc. vs. SBI Home Finance Limited and Ors.*** cited in ***2011 (5) SCC 532***, and ***Vidya Drolia and Ors. vs. Durga Trading Corporation*** cited in ***(2021) 2 SCC 1*** clearly held that election disputes are not arbitrable and this Court wholly concurs with the said view. Surely, it cannot be canvassed that the election dispute is *in personam* as the rights determined is not limited to the parties *inter se*, and affects the entire body of the electorate. Premised on such principle, it is undeniably a dispute *in rem*. Thus, this objection is unmerited and untenable.

10. Apart from the above, the plaintiff had also relied upon the judgement of a Coordinate Bench of this Court in ***Din Dayal Agrawal*** (*supra*) to submit that reference to existence of arbitration agreement in an application under Order VII Rule 11 CPC would not suffice inasmuch as the original arbitration agreement with an appropriate application under section 8 of the Arbitration and Conciliation Act, 1996, alone would meet the necessary requirements, and thus, the defendant cannot be permitted to raise any such objection. It may be necessary to refer to the relevant paragraphs of ***Din Dayal Agrawal*** *(supra)*, which are extracted hereunder:

> *"14. Instead of filing the application under Section 8 of the Act, petitioner merely filed an application under Order VII Rule 11 CPC, just highlighting the existence of arbitration clause in the Loan Agreement. The application under Section 8 of the Act is an application that should be made in a proper manner and at a proper time. Application should be accompanied by original arbitration agreement or certified copy thereto under Section 8(2) of the Act. The application which was filed by the petitioner was not under Section 8 of the Act. It was only an application under Order VII Rule 11 CPC for rejection of plaint on the ground that arbitration clause bars the suit. An application under Order VII Rule 11 CPC cannot be considered as a composite application under Section 8 of the Act as well. Section 8 of the Act only empowers the Court to refer the parties to arbitration but does not give the Court an option to reject the plaint. As per Order VII Rule 11 CPC, the Court has the power to reject the plaint only if there is bar to the suit because of any law. Section 8 of the Act does not create any bar to the Civil Courts. It merely provides an alternative to the defendant against whom civil suit is initiated, to submit to the jurisdiction of the Civil Court or file an appropriate application under Section 8 of the Act for referring the parties to arbitration. The power conferred by Section 8 of the Act cannot be considered as a bar to the civil suit to entertain the application under Order VII Rule 11 CPC. Dealing with a somewhat similar situation, the High Court of Andhra Pradesh in the case of* ***Chundru Visalakshi v. Chunduru Rajendra Prasad****,[2022 SCC OnLine AP 888], held as under:-*
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> > *"52. We find that in M. Shankara Reddy (supra), the Coordinate Bench of this Court held that Section 8 of the Act, 1996 cannot be considered as bar to the civil suit to entertain application under Order 7 Rule 11 CPC. On the other hand, in Syed Irfan Sulaiman (supra), a Coordinate Bench of this Court held that once the suit was barred in terms of Section 8*

of the Act, 1996, Order 7 Rule 11(d) CPC applied. In M. Shankara Reddy (supra), there was no application under Section 8 of the Arbitration and Conciliation Act, 1996 and the only application was under Order 7 Rule 11 CPC, whereas in Syed Irfan Sulaiman (supra), besides an application under Order 7 Rule 11 CPC an application under Section 8 of the Act, 1996 was also filed. Considering the Hon'ble Apex Court judgment in Rashtriya Ispat Nigam Ltd. (supra) that power under Section 8 of the Arbitration and Conciliation Act shall be exercised if a party so applies, In Our view, the exercise of power under Section 8 of the Arbitration and Conciliation Act is dependent upon a party applying under Section 8 of the Act, 1996 to refer the parties to the arbitration.

53. In view of the aforesaid, we are of the considered view that;

i. If an application is filed under Section 8 of the Act, 1996, the Court on being satisfied with the pre-conditions shall refer the parties to the arbitration and shall reject the plaint under Order 7 Rule 11(d) CPC as barred by law; But,

ii. If no application is filed as per Section 8 of the Act, 1996, and there is no prayer to refer the parties to arbitration, the existence of the arbitration clause would not be a ground to reject the plaint under Order 7 Rule 11 CPC."

15. Since in the present case, no application was filed by the petitioner under Section 8 of the Act and no prayer was made to refer the matter to the arbitration, mere existence of arbitration clause would not constitute a ground to reject the plaint. Thus, Court below did not commit any illegality in not rejecting the plaint on the plea of the petitioner that there was an arbitration clause.

11. Notwithstanding the ratio laid down in ***Nathu Ram Jain*** *(supra)*, the decision in ***Din Dayal Agrawal*** *(supra)* appears to be squarely applicable to the contentions raised by the defendant no.2 to 5 herein. The distinction has been clearly brought out by the Coordinate Bench on the anvil that, while an application under Order VII Rule 11 CPC may result in rejection of a suit, thereby terminating the very proceedings and extinguishing the same, an application under Section 8 of the Arbitration and Conciliation Act, 1996, provides an alternate redressal mechanism, while terminating the suit proceedings. Thus, the said objection may also not be tenable on this ground.

12. Adverting to the argument of lack of disclosure of cause of action and the lack of locus to file and institute the present suit, it appears that both need to be considered together as they are interlinked and intertwined with the averments in the plaint.

13. So far as the non-disclosure of cause of action is considered, the defendant no.2 emphatically urged that the plaint lacks in material particulars in terms of the description of who the plaintiffs are, in that, whether they qualify as "members" as defined in the Memorandum of Association and Rules and Regulations of NAREDCO; whether they are espousing their individual grievances or that of the "members" they purport to represent; and if so, when and how were they authorised by such "members" they represent. It was vehemently contended that no letters of authorisation or Board of Resolution of any of the plaintiffs by the "members" of NAREDCO have been filed alongwith the suit. It was also contended that as per the Rules of NAREDCO, its "members" were enterprises and not individuals, and the plaintiffs admittedly having no authorisation from their respective bodies/entities/NAREDCO State Branches, were wholly incapacitated to file or institute this suit. Predicated thereon, it was urged that plaintiffs have no *locus standi* to file and institute the present suit.

14. In order to ascertain whether any cause of action has indeed been disclosed in the plaint, it would be apposite to extract hereunder the relevant paragraphs of the plaint. The same read thus:

> *"1. That the present Suit is being filed challenging the elections of NATIONAL REAL ESTATE DEVELOPMENT COUNCIL (NAREDCO) as the Respondent No.2, without following the due election process as per the Rules and Regulations of NAREDCO, Agenda Noted in the 138th Governing Council Meeting and Additional Agenda of 14 CS(OS)-881/2025 138th Governing Council Meeting same being challenged herewith as illegal, arbitrary and unconstitutional as the Governing Council itself appointed an Election Officer. Ms. Sharada Talwar, CA*

and the Governing Council process to follow for electing of office bearers, wherein the Dias members with high handedly they themselves proposed and declared the positions/posts of President, Vice President and Chairman without giving an opportunity to the Plaintiffs to elect the President, Vice President and Chairman by their vote and to file the nominations of the Plaintiffs.

xxxx xxxxx xxxxx

14. That in the 138th Governing Council Meeting contrary to the provisions of Rules and Regulations, Dr. Niranjan Hirandandani was elected as Chairman, Shri Praveen Jain was elected as President and Shri Rajan Bandelkar was elected as Vice Chairman.

xxxx xxxxx xxxxx

16. That on 19.11.2025 the Minutes of 138th Meeting of Governing Council has been circulated whereupon it is amply clear as to the manner in which Shri Praveen Jain was elected as President, Dr. Niranjan Hiranandani was elected as Chairman, and Shri Rajan Bandelkar was elected as Vice President without following the due election process giving rise to the filing of the present Suit. (A true copy of the Minutes of the 138th Meeting Governing Council as circulated vide Circular No.498 dated 19.11.2025 is filed herewith and marked as DOCUMENT: P-7).

17. That in the 138th Meeting of the Governing Council held on 14.10.2025 it was clarified that the post of Chairman (Emeritus) and Member Legal is not an elected position and hence does not fall under the scope of the election process.

Shri Rajan Bandelkar submitted that the representative of Ministry of Housing and Urban Affairs, in AGM, had advised that the leadership of NAREDCO should ideally be decided through consensus, to avoid interval divisions and preserve the Association's credibility. He noted that, in the past 27 years, formal ballot-based elections had not been held, and consensus had been the accepted practice; similar to the practice adopted during Shri Hari Babu's Presidential candidature and for that matter all the previous Presidents in the history of NAREDCO.

Shri Praveen Jain, who was the sole nominated candidate for the post of President, stated that in the event a consensus could not be reached on his own appointment, he would like to propose the name of Dr. Niranjan Hiranandani for the position of President.

Despite the clarification, differences persisted among certain members. At this stage, multiple members began speaking simultaneously, leading to brief disorder.

A clarification was sought by Shri K. Sreedhar Reddy regarding the number of votes allocated per State Chapter. It was clarified that based on the earlier AGM resolution, that each State Chapter is entitled to one vote.

Thus the appointment of Shri Praveen Jain as President, Dr. Niranjan Hiranandani as Chairman, and Shri Rajan Bandelkar as Vice President was neither unanimous nor with consensus. Rather it was thrust upon the Members of the Council.

18. That in the 138th Meeting of Governing Council, the remaining Office Bearers were elected and Non-Members were allowed to participate in the Meeting contrary to the Rules and Regulations.

19. That the Defendants have failed to follow the rules and regulations of NAREDCO and Agenda and Additional Agenda of 138th Meeting and concluded the election process in 138th Governing Council Meeting. The said action of the Defendants is illegal, arbitrary and Unconstitutional.

20. In the aforesaid circumstances, the Plaintiffs are constrained to file the present Suit for setting aside the so called elections and appointment of Shri Praveen Jain as President, Dr. Niranjan Hiranandani as Chairman and Shri Rajan Bandelkar as Vice President as arbitrary, contrary to Rules and Regulations, contrary to the Agenda circulated and without following the due process."

15. It may be recalled that when a Court is examining an application under Order VII Rule 11 CPC, all the averments in the plaint are to be read together harmoniously without splitting them in compartments, and in their entirety. It may also be prudent for the Court to examine whether the requirements of Order VI Rule 2 CPC are met with, *albeit*, only to satisfy itself of the presence of material particulars, though the same may not be determinative. It is verily possible that the plaint may not be sufficiently worded or properly drafted or inadequate in language. However, that by itself may not be sufficient to discard or reject a suit, if it otherwise satisfies the requirements of material particulars disclosing some cause of action which might, with the evidence to be adduced, prove the case of the plaintiff. No mini trail is

required to be conducted at this stage, and the averments have to be taken on their face value.

16. Given the aforesaid background, the averments in the plaint do disclose the grievance of the plaintiffs regarding the alleged illegalities, and in the procedure of conduct of elections to the post of various office bearers of the Governing Council of NAREDCO. It is also alleged non members were allowed to participate in the 137th and 138th meeting of NAREDCO. The plaintiffs have also challenged the elections to the post of Chairman and Secretary of NAREDCO by circulation rather than the manner prescribed under the Rules.

17. Thus, on a holistic and wholesome reading of the averments in the plaint, this Court is of the considered opinion that the same discloses sufficient cause of action. It is another matter whether the plaintiffs are finally able to prove and establish their case, which is best left for the stage of evidence. No mini-trial can be conducted for the said ascertainment at this stage.

18. So far as the *locus standi* of the plaintiffs to file and institute the present suit is concerned, whether it be plaintiff nos.3 or 5 or for that matter the newly transposed plaintiff no.7, i.e., Mr. G Hari Babu, it would again be a matter of trial for which cogent evidence may be required to ascertain as to whether the plaintiffs were espousing the grievance of election disputes in their individual capacity or as authorised representatives of their respective entities or NAREDCO State Chapters/Branches. The plaint does not clearly describe as to whether the plaintiffs are themselves "members" or have filed the suit at the instance and behest of the State Chapters/Branches, nor seem to have annexed any document to demonstrate any authorisation or Board Resolution in their favour. It thus lacks the details in that context.

19. That said, the said aspect needs to be viewed from another angle. It is apparent from reading Rule 2 of NAREDCO's Memorandum of Association and Rules and Regulations that "members" of the organisation are enterprises and not individuals. Thus, *prima facie,* it appears that plaintiffs are not "members" of NAREDCO. However, at the same time it appears from the list of Governing Council Members annexed to the plaint that Mr. G Hari Babu i.e., plaintiff no.7 is the Chairman of Lahari Infrastructure Private Limited, and is shown as Member in the Governing Council; Mr. Binoy Thomas/plaintiff no.3 is the President of NAREDCO Kerala Chapter, and is shown as State Member in the Governing Council; and Mr. Halarameshwara Channaveerappa/plaintiff no.5 is the Secretary of NAREDCO Karnataka Chapter, and is shown as State Representative in the Governing Council.

20. It also appears from the Constitution of the Governing Council that the Electoral College comprises 10 Founder Members out of which Mr. G Hari Babu i.e., plaintiff no.7 is the Chairman of a Founder Member, which is not denied; one member from each of the State REDCO/NAREDCO State Branch/Chapter, out which both Mr. Binoy Thomas/plaintiff no.3 is President of NAREDCO Kerala Chapter and Mr. Halarameshwara Channaveerappa/plaintiff no.5 is the Secretary of NAREDCO Karnataka Chapter, which too, is not denied. It was emphatically argued that these persons may have been duly authorised for the purposes of attending the 137th and 138th Governing Council meeting of NAREDCO, and the ensuing elections, but have no authorisation to file and institute the present suit.

21. The fine distinction to be drawn is that this Court is not called upon to decide whether the entities whom the plaintiffs claim to represent are or are not "members" of NAREDCO since the same is not denied, but to consider whether the plaintiffs are authorised to challenge the very election to the post

of the office bearers of the Governing Council of NAREDCO National, which were held as recorded in the 137th and 138th Governing Council meeting of NAREDCO. The plaintiffs do appear to be indeed authorised to represent their respective entities in the said impugned meetings as their names are reflected in the List of Governing Council members, and it is this very mode and manner of conduct of elections and the results thereof which are challenged and impugned in the present suit.

22. It is to be appreciated that the elections are to be held through the human agency/institution for the “members” of NAREDCO who, undoubtedly, are only enterprises. Since enterprises cannot contest elections or cast vote, the said rights are exercised through various officers of such enterprises who have to be authorised to exercise such rights. The said exercise of rights have to be lawfully conferred upon such employees or officers by appropriate letters of authorisation or Board Resolution, depending upon the nature and structure of the enterprise. Such authorisation seems to be *sine qua non* for the exercise of such valuable rights. After all, casting of vote in elections to the post of office bearers of defendant no.2, is a valuable exercise *in rem.* The primordial question, as a sequitor, is as to whether the authorisation to participate in the impugned meetings and the right to cast vote in the elections can be said to validate the filing and institution of a suit challenging the said elections, on any ground whatsoever.

23. At this juncture it may be relevant to consider the judgement of the Supreme Court in ***United Bank of India vs. Naresh Kumar and Ors.*** cited in ***(1996) 6 SCC 660*** which held as under:

> *“10. It cannot be disputed that a company like the appellant can sue and be sued in its own name. Under Order 6 Rule 14 of the Code of Civil Procedure a pleading is required to be signed by the party and its pleader, if any.* ***As a company is a juristic entity it is obvious that some***

person has to sign the pleadings on behalf of the company. Order 29 Rule 1 of the Code of Civil Procedure, therefore, provides that in a suit by or against a corporation the Secretary or any Director or other Principal Officer of the corporation who is able to depose to the facts of the case might sign and verify on behalf of the company. Reading Order 6 Rule 14 together with Order 29 Rule 1 of the Code of Civil Procedure it would appear that even in the absence of any formal letter of authority or power of attorney having been executed a person referred to in Rule 1 of Order 29 can, by virtue of the office which he a holds, sign and verify the pleadings on behalf of the corporation. *In addition thereto and dehors Order 29 Rule 1 of the Code of Civil Procedure, as a company is a juristic entity, it can duly authorise any person to sign the plaint or the written statement on its behalf and this would be regarded as sufficient compliance with the provisions of Order 6 Rule 14 of the Code of Civil Procedure.* ***A person may be expressly authorised to sign the pleadings b on behalf of the company, for example by the Board of Directors passing a resolution to that effect or by a power of attorney being executed in favour of any individual.*** *In absence thereof and in cases where pleadings have been signed by one of its officers a corporation can ratify the said action of its officer in signing the pleadings.* ***Such ratification can be express or implied. The court can, on the basis of the evidence on record, and after taking all the c circumstances of the case, specially with regard to the conduct of the trial, come to the conclusion that the corporation had ratified the act of signing of the pleading by its officer.***

11. The courts below could have held that Shri L.K. Rohatgi must have been empowered to sign the plaint on behalf of the appellant. In the alternative it would have been legitimate to hold that the manner in which d the suit was conducted showed that the appellant-Bank must have ratified the action of Shri L.K. Rohatgi in signing the plaint. ***If, for any reason whatsoever, the courts below were still unable to come to this conclusion, then either of the appellate courts ought to have exercised their jurisdiction under Order 41 Rule 27(1)(b) of the Code of Civil Procedure and should have directed a proper power of attorney to be produced or they could have ordered Shri L.K. Rohatgi or any other competent person to be examined as a witness in order to prove ratification or the authority of Shri L.K. Rohatgi to sign the plaint. Such a power should be exercised by a court in order to ensure that injustice is not done by rejection of a genuine claim.***

12. The courts below having come to a conclusion that money had been taken by Respondent 1 and that Respondent 2 and the husband of f Respondent 3 had stood as guarantors and that the claim of the appellant was justified it will be a travesty of justice if the appellant is to be non-suited for a technical reason which does not go to the root of the matter. ***The suit did not suffer from any jurisdictional infirmity and the only***

> ***<u>defect which was alleged on behalf of the respondents was one which was curable.</u>***
>
> [Emphasis supplied]

The said position was recently reiterated by the learned Division Bench of this Court in ***Microwave Communications Limited and Another vs. Credit Agricole Corporate and Investment Bank and Others*** cited in ***2026 SCC OnLine Del 4656.***

24. Thus, it is clear that the lack of authorization, even if assumed to be significant, cannot non-suit the plaintiffs and is a curable defect. That apart, judgment of the Supreme Court in ***Delhi Technological University vs. B.S. Rawat*** cited in ***2026 SCC OnLine SC 1482*** culled out the doctrine of ratification as under:

> *"18. Ratification, in its ordinary legal signification, denotes the confirmation or adoption, by a person or body possessing the requisite authority, of an act earlier done on its behalf without such authority, or done irregularly, so that the act is treated as valid from its inception. Black's Law Dictionary describes ratification as "the confirmation of a previous act done either by the party himself or by another". The doctrine finds its origin in the maxim ratihabitio mandato aequiparatur, a subsequent ratification is equivalent to a prior command, refined further by the maxim omnis ratihabitio retrotrahitur et mandato priori aequiparatur, which imports the principle of relation-back: a ratified act is deemed valid from the date of the original, unauthorised act, and not merely from the date of ratification.*
>
> *19. This Court has, on more than one occasion, applied the doctrine in the above sense[3]. From these decisions, following legal principles about doctrine of ratification can be culled out:*
>
> *(i) Ratification means making a previously invalid act valid. It is the subsequent approval of an act that was initially done without authority.*
>
> *(ii) A subsequent ratification is equivalent to prior authority. Once the competent authority ratifies an act, the law treats it as though the authority had existed from the beginning. This is based on the maxim ratihabitio mandato aequiparatur.*

(iii) Ratification operates retrospectively. It relates back to the date on which the original act was performed and cures the defect arising from the absence of prior authority.

(iv) Only the competent authority can ratify an invalid act. The authority which is legally empowered to perform the act must itself approve or adopt the earlier unauthorised action.

(v) Express approval of the earlier action is sufficient. It is not necessary for the competent authority to pass a fresh order. A resolution or decision approving the earlier unauthorised act amounts to valid ratification.

(vi) Ratification cures defects of authority, not acts that are inherently illegal. The doctrine applies where the act could have been validly performed by the competent authority in the first place. It cannot validate an act that is void because it is prohibited by law or beyond the power of the authority."

25. Thus, in view of the above, it is not possible to form a firm opinion or conclusion that the plaintiffs are incompetent to file and institute the present suit in as much as any subsequent authorization or Board Resolution can ratify their actions.

26. Even if one were to assume that the plaintiffs lacked the necessary authorisation or Board Resolution in their favour as on the date of filing and institution of the present suit, it needs to be examined as to what precludes the entities to which the plaintiffs belong from issuing a letter of authorisation or Board Resolution, thereby authorising and/or ratifying their previous/past actions as having been done correctly, validly and on their behalf. In the humble opinion of this Court, there is none.

27. It is apparent from the above that it cannot be concluded with conviction at this stage of the proceedings that the plaintiffs clearly lack *locus standi* to file and institute the present suit, premised on the above objections. To this Court it appears that the issues raised are clearly triable requiring

evidence and the plaint cannot be rejected under Order VII Rule 11(a) CPC on this ground.

28. *Ergo*, in view of the above conclusion, the objection raised by defendant no.2 with respect to the *locus standi* of the contesting plaintiffs to file and institute the present suit, at this stage, is untenable and unmerited.

29. That said, it is needless to observe that all the objections raised herein would, but obviously, be available to the contesting defendants to include in their written statements, and the aforesaid observations are restricted only to the disposal of the application under Order VII Rule 11(a) CPC.

30. Thus, in view of the aforesaid, the present application is dismissed.

CS(OS) 881/2025 and I.A. 30481/2025, I.A. 4715/2026, I.A. 13188/2026, I.A. 14791/2026, I.A. 14806/2026 & I.A. 20050/2026

31. List on 22.09.2026.

TUSHAR RAO GEDELA
(JUDGE)

AUGUST 12, 2026
Srajrl