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

*Date of Decision: 17<sup>th</sup> March, 2025*

+ **W.P.(C) 10920/2021 & CM APPL. 33663/2021**

JAMIA COOPERATIVE BANK LTD. ....Petitioner

Through: Mr. M. Tarique Siddiqui, Adv.

versus

GOVT. OF NCT OF DELHI & ORS. ....Respondents

Through: Mr. Anubhav Gupta, Special Counsel  
(Civil), GNCTD.

Mr. Shahzad Hussain, Adv. for R-5.

**CORAM:**

**JUSTICE PRATHIBA M. SINGH**

**JUSTICE RAJNEESH KUMAR GUPTA**

**Prathiba M. Singh, J. (ORAL)**

1. This hearing has been done through hybrid mode.
2. The present writ petition under Article 226 of the Constitution of India has been filed by the Jamia Cooperative Bank Limited challenging the impugned order dated 14th September, 2021 passed by the Assistant Registrar (Banking), office of the Registrar Cooperative Societies (hereinafter "RCS"), directing the concerned officer to re-conduct the inspection of the records of the Petitioner Bank under Section 61 of the Delhi Cooperative Societies Act, 2003 (hereinafter "DCS Act").
3. This matter has a long history. The Petitioner is a co-operative bank which was established on 31<sup>st</sup> July, 1995. One Mr. Syed Mohd. Imran, an estranged employee of the Petitioner Bank, made a complaint dated 27th September, 2011, in respect of which comments were sought by the Reserve Bank of India as also the Assistant Registrar (Banking), RCS. In response, the



Petitioner Bank on 30th November, 2011 had submitted its detailed comments to the said complaint. The stand of the Petitioner Bank was that the said complainant was the erstwhile CEO of the Petitioner Bank, whose tenure was not extended by the Petitioner Bank beyond the stipulated period. The Complainant being aggrieved by the said decision of the Petitioner Bank had filed the complaint. The Petitioner Bank also refuted the allegations of the Complainant.

4. On 9th November, 2012, the Special RCS, New Delhi issued an order appointing an Inquiry Officer *i.e.*, Mr. P.C. Jain to conduct an enquiry on the basis of the issues raised in the complaint of Sh. S. M. Imran. The said Inquiry Officer submitted his report on 21st December, 2012. This report was challenged by the Petitioner bank in *W.P.(C)7006/2013*. Grave doubts were raised as to whether the complaint itself was properly filed as the complainant - Sh. S. M. Imran was no longer the CEO of the Petitioner bank and he was neither a creditor, a member or even a public servant in respect of the Petitioner Bank, as required for making a complaint under Section 61 of the DCS Act. In the writ petition filed by the Petitioner Bank, order dated 8th November, 2013 was passed, which reads as under:-

*“5. The petitioner has complained that the respondents have violated the provisions of Section 61 of the Delhi Cooperative Societies Act, 2003 and have proceeded to appoint an inquiry officer even though no complaint was made in accordance with law by bona fide members or a public servant with regard to affairs of the petitioner's society. It is further submitted that no hearing was given to the petitioner before making such appointment. The petitioner's review was kept pending for almost two years and thereafter its rejection intimation was given to the petitioner only on the 19th of October, 2013. The*



*petitioner complains that the respondents have thereafter passed the order dated. 25th October, 2013 purporting to be in compliance with the requirements of Section 66 of the said enactment basing the order on an alleged report dated 21st December, 2012 submitted by the inquiry officer. It is contended that the material based whereon the order has been passed has not been supplied; no opportunity has been given to the petitioner to make submissions and that the order is wholly in violation of the requirement of law and justice.*

*6. The petitioner makes a further grievance that respondent no.6 who has been appointed as the inquiry officer to conduct the inquiry under Section 66 (1) of the Act is acting wholly unreasonable in the matter. In this regard our attention is drawn to the notice dated 5th November, 2013 issued by the respondent no.6 requiring the petitioner to produce the entire record on 8th of November, 2013.*

*7. Given the contention of the petitioner of the violation of statutory provisions and the facts noted above, it would be in the interest of justice if the respondents are directed to stay their hands till the next date of hearing.*

***8. In view of the above, there shall be stay of the effect and operation of the order dated 9th November, 2012, 9th October, 2013 and 25th October, 2013 till the next date of hearing.***

5. The Court, as can be seen from the above order, has stayed the operation of the orders that were under challenge in the said petition. The grievance of the Petitioner Bank as is captured in the above order is that the concerned Inquiry Officer was appointed without giving notice to the Petitioner Bank and the review application was kept pending wherein finally the order was passed on 25th October, 2013.

6. The said writ petition *i.e.*, **W.P.(C)7006/2013**, remained pending and during that period, the present Complainant *i.e.*, Respondent No. 5 - Sh. Syed



Mohd. Noorullah adopted the complaint of Sh. S. M. Imran on 23rd April, 2014. In this regard, the Court dealing with **W.P.(C) 7006/2013** was informed of the same and *vide* orders dated 19th January, 2016 & 27th July, 2016 it was observed as under:-

**Order dated 19th January, 2016**

*“Respondent shall bring the relevant official record of the Jamia Coop. Bank Ltd. available.*

*The issue is whether the complainant, Syed Mohd. Noorulah (at whose best the inspection under Section 61 of the Delhi Cooperative Society Act was ordered) was a shareholder/member of the petitioner bank.*

*There is no dispute that the petitioner in W.P.(C) No. 7264/2014 is a member; however, he did not approach the Registrar for appropriate action under Section 61 of the Delhi Cooperative Society Act.*

*List on 26.02.2016.*

**Order dated 27th July, 2016**

*The petitioners submit that the order dated 09.11.2012 appointing Mr. P.C. Jain, Special Secretary (GAD) as an Inquiry Officer under Section 61 of the Delhi Cooperative Societies Act, 2003 ("Act") is invalid and non est as the said order refers to a complaint by Syed Mohd. Imran. As per the proviso to Section 61 of the Act, the Registrar can order an inquiry when a complaint is made by a member or a public servant, and not by an ex employee. Syed Mohd. Imran was neither a member nor a public servant.*

*Learned counsel for the respondent-Registrar of Cooperative Societies would justify the said order as valid under Section 138 of the Act. Section 138 refers to orders or directions which can be issued by the Registrar in general or in a particular matter for enforcement of directions of the Reserve Bank to protect the interest of members and depositors. The Registrar of Cooperative Societies had received letter dated*



*24.08.2012 from the Reserve Bank of India, forwarding the complaint from Syed Mohd. Imran. The Reserve Bank of India did not comment on the complaint or the contents. Neither were any directions or orders issued. The letter cannot be read and construed as a direction given by the Reserve Bank of India.*

*In fact, the order dated 09.11.2012 was for conducting an inquiry, i.e. a fact finding probe to ascertain and know the correct position. It was to check and verify the assertions and allegations in the complaint.*

*Learned counsel for the respondent-Registrar Cooperative Societies wants to take instructions, as one Syed Mohd. Noorullah has filed a writ petition before this Court and, distinguishably, is a member of the cooperative society. He has asked for an investigation to be conducted in terms of Section 61 of the Delhi Cooperative Societies Act, 2003.*

***It may be advisable not to get embroiled and entangled in technical objections, and in this process deviate and forget the core issue, i.e. that the allegations are serious and require investigation.***

*The directions given under Rule 80 of the Delhi Cooperative Societies Rules, 2007 are not the subject matter of the present petition*

7. Upon the Division Bench observing that the allegations are serious and require investigation, three events took place:

- (i) The Show Cause Notice dated 13<sup>th</sup> October, 2016 was issued to the Petitioner bank (hereinafter “SCN”).
- (ii) The Asst. Registrar (Banking), RCS *vide* order dated 17<sup>th</sup> October, 2016 appointed a special auditor M/s. G.S. Goel & Co. under Rule 80 of the Delhi Co-operative Societies Rules, 2007 (hereinafter “DCS Rules”).
- (iii) Thereafter, a second Inquiry Officer – Sh. R.S. Krishnan was



appointed *vide* order dated 20<sup>th</sup> April, 2017 by the Asst. Registrar (Banking), RCS.

For ease of reference, the details of the relevant orders and the corresponding reports are extracted hereunder in a tabular form:

S. No.	Particulars of the Orders	Details of the corresponding report
(i)		
1.	SCN dated 13 <sup>th</sup> October, 2016	<p>The relevant extracts of order dated 20<sup>th</sup> April, 2017 passed by Assistant Registrar (Banking) is set out below:</p> <p><i>“Whereas, Show Cause Notice u/s 61 (1) of DCS Act 2003 was issued vide dated 13.10.2016 to afford opportunities to the parties concerned. The case was heard by Spl. RCS and concluded that in order to establish the truth on the allegations levelled against the Bank Inspection u/s 61 of DCS Act 2003 will have to be conducted. The Registrar Cooperative Societies has approved to conduct Inspection u/s 61 of DCS Act 2003 on the complaint of Sh. Syed Mohd. Noorullah (member) against Jamia Coop. Bank Ltd.”</i></p>
(ii)		
2.	Appointment of Special Auditor i.e., M/s G S Goyal and Co. vide order dated	<p>The relevant extracts of the report dated 31<sup>st</sup> May, 2019 submitted by the Special Auditor are set out below:</p> <p><i>“i) As the complainant did not produce any documentary evidence of running a Banking by the then director Mr. M. F. H. Beg at his residence, it cannot be said that the director Mr. M. F. H. Beg was running a parallel Banking at his residence.</i></p> <p><i>ii) In view of the above facts, it can be said that the Bank never received any letter/directions from the director Mr. MFH Beg issuing directions to officers (along with one clerk Samreen Fatima} of the Bank.</i></p>



19 <sup>th</sup> October, 2016	<p><i>iii) In view of the above, it can be said that the allegation that the architect of the Zakir Nagar Branch was the relative (sister-in-law) of the director Mr. M. Q. H. Beg is not sustainable.</i></p> <p><i>iv) In view the above, It can be said that the allegation that the Shri Ahmed Sayeed, the then Vice-Chairman and now Director of the Bank was actively involved in the tendering process which were called from the contractors for the interior work of the Zakir Nagar Branch &amp; copies of the tenders in this regard bear the signature of Shri Sayeed is not sustainable.</i></p> <p><i>v) As already replied in previous para, the complainant did not produce any documentary evidence to sustain the allegation. In view of the above, it can be said that the allegation that the list of defaulters is prepared at the office being run at the residence of Mr. Beg and then directly sent to the lawyer is not correct.</i></p> <p><i>vi) In view of the above, It can be said that the defaulters list were not prepared at the, residence of Mr. Beg (Director) but by the branches itself and the loan accounts were transferred to BDDR only after approval from the Board.</i></p> <p><i>vii) In view of the above, it can be said that the sanctioning a loan is always the wisdom of higher authority to accept or reject the recommendations of the lower authority and sanctioning a loan proposal despite negative remarks of the credit officer/ Branch Manager/ CEO, is correct and it is also correct that loan documents are filled up by the staff members to assist the borrowers.</i></p> <p><i>viii) In view of the above; it can be said that the loan was not unsecured, as wrongly alleged by the complainant, but fully secured. The loan was sanctioned by the Board after following the due process, although, it is noted that the disbursement was made without completing the formalities of the sanction letter, on the basis of advise</i></p>
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	<p>given by Mr. Beg. However, it has also been noted that the loan stand closed without any loss to the Bank.</p> <p>ix) In view of the above, it is observed that No loans are given to the relatives or friends of the director as per RBI directions.</p> <p>x) In view of the above, it cannot be said that Mr. Vinod Kumar Jain, Mr. Parmod Kumar Jain, Mr. Pardeep. Kumar Jain &amp; Priyanka Jain are friends of Mr. M.Q.H. Beg, another director (now Chairman) of the Bank, which is also not prohibited by the RBI. But it is evident from the record that the end use of the original loan was never verified. The Bank has not properly assessed the original requirement as well as the repayment capacity of the borrowers. However, it is also noted that the account is in order at present without any default and the Bank has not suffered any loss on this account.</p> <p>xi) In view of the above, It can be said that Mr. Mirza Ziauddin Beg is not a relative of any of the Directors of the Bank as per circular issued by RBI. So far as filling the loan application by the staff member, it has already been concluded that it is a part of the Bank service. It could not be verified that the same was filled up at Mr. Beg's residence.</p> <p>xii) The allegation that more than 50% appointments were directly made by Mr. Beg is generalised in nature. The specific references mentioned in the complaint are dealt in detail at succeeding paras.</p> <p>xiii) In view of the above, it can be said that Anam Khan was taken to Pune by Mr. M.F.H. Beg as an attendant in official capacity and all the expenses were duly approved in the Board Meeting. However., it is not correct that soon thereafter she or any other person was given the appointment in the Bank by Mr. Beg..</p> <p>xiv) In view of the above, it can be said that Mr. M.M. Zaman, who retired as CEO of the Bank at the age of 65 years was re-appointed as Senior Officer on Special Duty in the Bank is correct. The Board never defined</p>
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		<p><i>his duties as a second signatory for operating accounts of the Bank in various other Banks, issuance of cheques, drafts, placing of funds in call money. Mr. Zaman did not exceed his authority by issuing the transfer letter of Mr. Shahid Ali Khan &amp; Mr. Sultan Alam after informing to the chairman.</i></p> <p><i>xv) In view of the above, it can be said that there is no forgery in lease agreement with, Sagufta farheen. But some discrepancies are observed, mentioned as under:</i></p> <p><i>1. Mr. Aas mohd did not inform to the Bank that he had sold the property to Sagufta farheen at the time of executing lease agreement.</i></p> <p><i>2. Mr. Aasmohd. was not a borrower of the Bank against the said property when it was rented out to the Bank but Sagufta Farheen became borrower when leased out the property to the Bank.</i></p> <p><i>xvi) In view of the above, It can be said that the loan application was filled up by Samreen Fatima as an executive support of the bank but It cannot be verified that It was filled up at the residence of Mr. Beg."</i></p> <p><i>xvii) In view of the above, It can be said that the sanctioning of a Term loan to Mr. Mehfooz Ahmed of Rs.3.50 lakh against his application for Rs. 3.00 lacs is factually correct. Also, transferring Rs.90,360/- to NPA account of Mr. Irfan Ali (TL 4639) is against the RBI guidelines. Further, settlement of the balance amount outstanding Rs.132306/- against Mehfooz Ahmed from BDDR is correct and approved by Board.</i></p> <p><i>xviii) This is an internal administrative decision taken by the competent authority of the Bank in due course and hence, such allegation is not sustainable."</i></p>
(iii)		
3.	Appointment of second Inquiry Officer Sh.	<p>The relevant extract of the report dated 9<sup>th</sup> August, 2018 submitted by the second Inquiry Officer is set out below:</p> <p><i>"I have gone through the complaint, reply of the bank, the rejoinder and other documents filed by both the</i></p>



R.S. Krishnan vide order dated 20 <sup>th</sup> April, 2017	<i>parties which are on record. The topics like granting of loan, bad debts etc. are core banking matters topics and the undersigned is not trained in the field of banking. However, from the observations above and to the best of my knowledge and belief, some of the allegations are vague and general in nature so they don t stand on any strong footing. However, as regard to the other allegations pertaining to closed loans ( except one) bad debts, internal staff matters, taking premises on rent etc. the explanation of the bank prima facie seems to be satisfactory.”</i>
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8. In view of the events that took place subsequent to issuance of the SCN, orders dated 19<sup>th</sup> October, 2016 and 30<sup>th</sup> January, 2017 came to be passed in **W.P.(C) 7006/2013**. The same are extracted below:

**Order dated 19<sup>th</sup> October, 2016**

*“Learned counsel appearing for the Registrar, Cooperative Societies states that on the basis of the complaint made by Syed Mohd. Noorullah, a show cause notice under Section 61 of the Delhi Cooperative Societies Act, 2003 has been issued to the chairman of the Cooperative Society. We clarify that the order passed by the Court will not be construed as an order expressing any binding opinion on merits. The authority will independently and objectively apply their mind, without being influenced by any observation of the Court.*

*Learned counsel appearing for the Registrar, Cooperative Societies states that proceedings under Rule 80 of the Delhi Cooperative Societies Rules, 2007 have also been initiated.*

*Relist on 12<sup>th</sup> December, 2016.”*

**Order dated 30th January, 2017**

*“Learned counsel for the petitioners submits that this*



*writ petition is rendered infructuous in view of the show cause notice under Section 61 of the Delhi Cooperative Societies Act, 2003 dated 13th October, 2016. It is stated that the petitioner cooperative society has submitted a reply to the said show cause notice and hearing has been held and order is awaited.*

*In view of the aforesaid position, the present writ petition is rendered infructuous and is disposed of without expressing any opinion. We clarify that this order would not be construed as an affirmative or a negative order so as to influence the proceedings initiated pursuant to the show caused notice dated 13th October, 2016. Rights of all parties are protected and issues left open.”*

A conjoint reading of the above orders would show that though the locus of the initial complainant was doubted, since the second complainant had adopted the earlier complaint and a fresh SCN was issued, the proceedings in the fresh SCN were to continue.

9. Further, as tabulated above, both the special audit report and the second enquiry report found no irregularities in the activities of the Petitioner Bank. The complainant Sh. S. M. Noorulla, however, again filed another complaint on 1<sup>st</sup> October, 2019 seeking reconduct of the inspection on the ground that there were contradictions between the first report and the second report submitted by Sh. P.C. Jain and Sh. R.S. Krishnan, respectively. The complainant, therefore, prayed as under:

*“It is, therefore, prayed most humbly and respectfully submitted that this august office shall order to re-inspect the Inspection of affairs of Jamia Cooperative Bank Ltd. u/s 61 of the DCS Act, 2003. Moreover, impose penalty on Jamia Cooperative Bank Ltd., for involving in forging the documents, influencing the Public Officer to meet their ends and playing with the hard earned money*



*of the members of Jamia Cooperative Bank Ltd.”*

10. On this complaint, which is the second complaint of Mr. S.M. Noorullah, the impugned order had been passed on 14th September, 2021. The said order which is impugned before this Court is relevant and is extracted hereinbelow:-

*Dated: 14/9/2021*

**ORDER**

*“Whereas, the Jamia Coop. Bank Ltd. 2/30, Sarai Jullena, New Delhi-110025 is registered with this office under the provision of DCS Act & Rules framed there under.*

*Whereas, an inspection was ordered u/s 61 of DCS Act 2003 vide order no. 931-932 dated 09.11.2012 to look into the complaint of Sh. Syed Mohd. Imran which was forwarded by the RBI vide letter dated 24.08.2012.*

*Whereas, the Hon'ble High Court vide order dated 27.07.2016 issued in WP (C) 7006/2013 and WP (C) 7264/2014 advised not to get embroiled and entangled in technical objections and in this process deviate and forget the core issue i.e. that the allegations are serious against the Bank and require investigations.*

*Whereas, Sh. Syed Mohd. Nurullah the petitioner in WP (C) 7264/2014 informed the Hon'ble High Court that he is the member of Jamia Coop. Bank Ltd. and asked for action to be taken against the Bank u/s 61 of DCS Act 2003.*

*Whereas, Show Cause Notice u/s 61 (1) of DCS Act 2003 was issued vide dated 13.10.2016 to afford opportunities to the parties concerned. The case was heard by Spl. RCS and concluded that in order to establish the truth on the allegations levelled against the Bank Inspection u/s 61 of DCS Act 2003 will have to be conducted. The Registrar Cooperative Societies has approved to conduct Inspection u/s 61 of DCS Act 2003*



*on the complaint of Sh. Syed Mohd. Nurullah, (member) against Jamia Coop. Bank Ltd.*

*Whereas, Sh. R. S. Krishnan, Asstt. Director, SCERT was appointed as Inspection Officer to conduct the inspection u/s 61 of the DCS Act 2003 vide this office order no. 182-187 dated 20/04/2017. Inspection officer submitted his inspection report dated 09/08/2018 on 10/08/2018 which was duly considered by the Competent Authority.*

*Whereas, Sh. Syed Mohd. Nurullah vide letter dated 01/10/2019 requested to re-conduct the inspection of Jamia Coop Bank Ltd. 2003.*

*And whereas Addl RCS, after hearing, proposed to re-conduct the inspection u/s 61 of DCS Act.*

*Now therefore, in exercise of powers vested u/s 61 of DCS Act 2003, the Secretary-Cum-Registrar Cooperative Societies is pleased to appoint Sh. Rakesh Kumar Dahiya, DANICS to re-conduct Inspection of u/s 61 of the DCS Act 2003 on the above mentioned issues within 45 days from issue of this order.*

*The Bank shall pay Rs. 15,000/- (Rupees fifteen thousand only) to the Inspection Officer from the funds of the Bank.*

*This issues with prior approval of Secretary-Cum-Registrar Cooperative Societies.”*

In terms of the above order, the inspection is to be reconducted under Section 61 of DCS Act.

11. Mr. Siddiqui, Id. Counsel appearing on behalf of the Petitioner Bank submits that under Section 61 of the DCS Act, there is no power to conduct re-enquiry. He relies upon the various conclusions in the first report of Sh. P.C. Jain as also the second report of Sh. R.S. Krishnan and the special audit report. It is his submission that the first report could not have been taken into consideration, after the same was stayed by this Court on the ground that Mr. S. M. Imran did not have the locus to even maintain the said complaint. It was



because of Mr. S. M. Noorullah adopting the complaint of Mr. S. M. Imran and SCN being issued by the RCS that the writ petition *W.P.(C) 7006/2013* was disposed of.

12. There was a clear understanding in the order dated 30<sup>th</sup> January, 2017 which disposed of the writ petition *W.P.(C) 7006/2013* that the proceedings *qua* the second complaint would continue afresh and not on the basis of the first report.

13. In addition, Mr. Siddiqui, Id. Counsel has also taken the Court through the various conclusions in the special audit report dated 31st May, 2019 to argue that none of the allegations against the Petitioner Bank are made out and the same are baseless.

14. Mr. Hussain, Id. Counsel, on the other hand, appearing on behalf of the complainant Sh. S. M. Noorullah takes the position that there were serious discrepancies in the report of Sh. R.S. Krishnan in comparison to the first report of Sh. P.C. Jain. It is his submission that under Rule 82 of the DCS Rules the Registrar has the power to conduct re-enquiry if the facts so call for. It is further submitted that the proceedings in the present re-enquiry are continuing and therefore, the same ought to be allowed to continue.

15. Mr. Anubhav Gupta, Id. Counsel appearing for the RCS relies upon the contradictions in the two reports to justify the impugned order directing re-enquiry.

16. This Court has considered the matter. Firstly, there is no reason given in the impugned order as to why re-conduct of inspection under Section 61 of DCS Act is being directed. A perusal of Section 61 of DCS Act would show that the inspection can be directed by the RCS when a serious complaint is made by a member of the concerned Co-operative Society or a public servant



in writing. In this case, Sh. S. M. Imran was neither a member nor a public servant and therefore this Court had already stayed the proceedings pursuant to the first enquiry report in **W.P.(C) 7006/2013** vide order dated 8th November, 2013.

17. The Registrar in this case had passed the order after the inspection was conducted by Sh. R.S. Krishnan. After the report dated 29th January, 2020 of Sh. R.S.Krishnan was submitted to the Registrar, the Additional RCS made the following noting in respect of the complaint of Sh. S. M. Noorullah:

*“The complainant may be advised to file appeal before the Appellate forum.”*

18. Thereafter, the matter was also treated as closed on 23rd February, 2021. The relevant noting by the Additional RCS is extracted hereunder:-

*“In view of the report of IO u/s 61 of DCS Act 2003 and the comments of Bank and the complainant the matter may be closed.”*

19. From the above two office notings, it is clear that the Additional RCS was satisfied with the second enquiry report as also the special audit which was conducted and accordingly, decided not to proceed under Section 62 of DCS Act with the inquiry against the bank. This decision of the Additional RCS was appealable under Section 112 of the DCS Act, however, the Complainant did not file any appeal. Thereafter, a fresh inquiry was directed by the impugned order dated 4th September, 2021 which is under challenge herein.

20. Clearly, the re-conduct of inspection vide order dated 14<sup>th</sup> September, 2021 which is the impugned order would in effect mean that this would be the fourth inspection of the records of the Petitioner bank. The first was the



inspection report of Sh. P.C. Jain; the second was by Sh. R.S. Krishnan; and the third was the special audit by the special auditor. If inquiries are permitted to be conducted in this manner on a repeated basis, there shall be no finality or closure to the issue. Sections 61 and 62 do not mention re-enquiry. Section 112(g) clearly makes an order passed under Section 62 appealable. The said Section reads as under:

*112. (1) Subject to the provisions of section 113, an appeal shall lie under this section against-  
[...]*

*(g) an order made by the Registrar under section 64 apportioning the cost of an inspection held under section 61 or an inquiry made under section 62.*

21. Reliance is placed on Rule 82 of the DCS Rules to argue that under Rule 82(1)(d), re-enquiry is permitted. The said Rule reads as under:

*“(d) cost of inquiry and name of the co-operative society or person who shall bear the cost if an inquiry is undertaken by the Registrar, the Registrar shall order inquiry or **re-inquiry** only after receipt of fees from the applicant or applicants, deemed sufficient to meet the costs of the inquiry to be conducted;”*

22. The main Section *i.e.*, Section 61 of DCSA does not contemplate a re-enquiry. The remedy provided to any person aggrieved by an inspection or an enquiry report accepted by the RCS would be to file an appeal. If such an interpretation is not adopted, it would lead to a situation where Complainants would continue to file complaints repeatedly and would not rest until a report is generated in their favour. Such an interpretation would also make Section 61 of DCS Act unworkable. There may be exceptions and reasons such as



fraud etc., which, if raised may be required to be looked into by the RCS to order a fresh enquiry, but for the said purpose, proper reasons have to be given – which are clearly absent in the present case. The impugned order does not give any reasons for ordering re-enquiry.

23. The Id. Counsel for the Complainant - Sh. S.M. Noorulla at this stage submits that his client may be given an opportunity to file an appeal against the impugned order.

24. Accordingly, without making any further observations, it is directed that the Respondent No.5 - Sh. S. M. Noorullah may challenge the orders dated 29th January, 2020 accepting the report of Sh. R.S. Krishnan and the order dated 23rd February, 2021 closing the matter passed by the Additional RCS, New Delhi.

25. If the appeal is filed within a period of 30 days, the same shall not be dismissed on the ground being barred by limitation as the limitation period under Section 112(2) is a period of 60 days for challenging the order. If the appeal is filed within a period of 30 days, the same shall be heard on merits.

26. Needless to add, nothing observed in this order shall have any bearing on the merits of the matter.

27. Petition is disposed of in these terms. Pending applications, if any, are also disposed of.

**PRATHIBA M. SINGH**  
**JUDGE**

**RAJNEESH KUMAR GUPTA**  
**JUDGE**

**MARCH 17, 2025**  
*Rahul/kk/msh*