

IN THE COURT THE SPECIAL REGISTRAR COOPERATIVE SOCIETIES
GOVT. OF NATIONAL CAPITAL TERRITORY OF DELHI
OLD COURT BUILDING, PARLIAMENT STREET, NEW DELHI-110001.

F.No.: AR(BK9)/RCS/2021/845-848

Dated.: 26/04/2022

IN THE MATTER OF:-

Jamia Co-operative Bank Ltd.,
(Through its Chairman/CEO)
2/30 Sarai Jullena
New Delhi-110025

.....Petitioner

Versus

Sh Syed Mohd Noorullah
H-19/5, 2nd Floor
Momin Steet,
Batla House, Jamia Nagar
New Delhi-110025

.....Respondent

ORDER

This order shall dispose off the review petition under section 115 of the DCS Act 2003 filed by the Petitioner Bank against Order dated 17.08.2021 passed by Ld Additional Registrar Cooperative Societies (hereinafter referred to as the "Impugned Order"). Vide the Impugned Order, the proposal dated 17.02.2021 of the petitioner society for expulsion of member Sh Syed Mohd. Noorullah (Membership No.: 1633) Eunder Section 40 of DCS Act 2003 has been dismissed.

BRIEF FACTS OF THE CASE:-

The Petitioner Society vide application dated 17.02.2021, bearing Office Diary No.8783 dated 24.02.2021, submitted a proposal for approving the expulsion of member namely Sh. Syed Mohd. Noorullah under Section 40 of DCS Act, 2003.

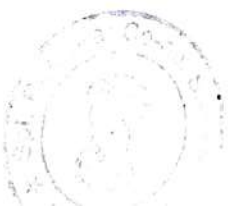
The Bank issued Show Cause Notice No.: JCB/HO/CFO/2020-21 dated 5th January 2021 by registered post under section 40 of DCS Act 2003 and Rule 31 of DCS Rules 2007 to Sh. Syed Mohd. Noorullah (membership number 1633) for his proposed expulsion from the membership of Jamia Co-operative Bank Ltd., for bringing disrepute to the Cooperative Bank and for his acts detrimental to the interest and proper working



of the Cooperative Bank and for his anti-bank activities. By the Show- Cause Notice dated 5th January, 2021 Sh. Syed Mohd. Noorullah was given an opportunity to submit written reply to the charges levelled against him as to why he should not be expelled from the membership of the Cooperative Bank and to make verbal submission in addition to written submission before the Board of Directors of the Cooperative Bank in its meeting to be held on 6th February 2021 at 11.30 AM. Accordingly, the CEO convened a special meeting of the Board for the said purpose of 6th February 2021 at 11.30 AM. Sh. Syed Mohd. Noorullah submitted a written submission dated 18th January 2021 by Speed Post received by the Bank on 21st January 2021, however did not appear in person before the Board. In the absence his personal appearance, the Board deliberated on the written submissions of the member and observed that the same is vague and evasive denial of the charges and without any substance and supporting document or any proof for the denial and hence is not tenable. Considering all the facts and circumstances, the Board unanimously decided for his expulsion from the membership of the Co- operative Bank and passed the resolution.

Notices were issued by the Ld Additional Registrar on the proposed resolution. It was submitted on behalf of the Petitioner Bank that Sh Syed Mohd. Noorullah has brought disrepute to Bank through his actions like forwarding the complaint of contractual employee Sh. Mohd Imran on non renewal of his contract to RCS and thus turned dead issue to a live one. Sh. Syed Mohd Noorullah has also raised certain issues relating to election and also filed arbitration case against the bank. Due to the conduct of Sh. Syed Mohd Noorullah, the bank has to face inspection, inquiry and unnecessary litigation in Delhi High Court. According to bank, such issues could have been resolved at the level of Bank through discussions in General Body Meetings. The actions of Sh. Syed Noorullah have resulted in wastage of time, money and energy of the bank. It was submitted on behalf of Sh. Syed Noorullah that forwarding complaints, seeking inquiry and inspection of misconduct of bank and approaching RCS and Court for getting remedies and information under RT does not bring disrepute to the bank.

It was held by the Ld Additional Registrar that the Cooperative Banks are established to be run in a democratic set-up. In case of any issue/grievance each & every individual member of Cooperative Bank has a right to approach the appropriate authority/forum to redress his/her issue/grievance, and it doesn't mean the aggrieved individual is brought disrepute to the society and his acts are detrimental to the interest and proper working of the Cooperative Bank. In the view of above and the record



available in case file and observations made hereinabove, the appeal made by the applicant Bank for proceedings of expulsion of membership of Sh. Syed Mohd Noorullah (Membership No. 1633), R/o H-19/5, 2nd Floor, Momin Street, Batla House, Jamia Nagar, Okhla, New Delhi-110025, respondent is dismissed.

It is against this order dated 17.08.2021 that a review application has been filed by the Petitioner Bank.

REVIEW APPLICATION

It has been stated in the review petition that the Petitioner Bank had approached The Office of Registrar Cooperative Societies (hereinafter referred to as "RCS") on 17.02.2021 for approval of resolution under Section 40(2) of DCS Act, 2003 passed by the Petitioner Bank on 06.02.2021 for expulsion of one of its member Mr. Syed Mohd. Noorullah (membership No. 1633) in the Petitioner Bank.

Along with the letter dated 17.02.2021, the Petitioner had also filed (i) the show-cause notice dated 05.01.2021 issued under Section 40 of DCS Act, 2003 read with Section 31 of DCS Rules, 2007 to Mr. Syed Mohd. Noorullah (i) Reply dated 18.01.2021 of Mr. Syed Mohd. Noorullah to the show-cause notice and (iii) Board Resolution dated 06.02.2021 expelling Mr. Syed Mohd. Noorullah from the membership of the Petitioner Bank. The Petitioner Bank also filed other necessary and relevant documents to show that Mr. Syed Mohd. Noorullah was disrupting the image of the Petitioner Bank in collusion with one Mr. Syed Mohd. Imran an estranged employee. After hearing both the parties along with their respective Ld Counsels, vide order dated 17.08.2021 the Ld Additional Registrar rejected the resolution dated 17.02.2021 passed by the Petitioner Bank and dismissed the proceedings of expulsion of Mr. Syed Mohd. Noorullah from the membership of the Petitioner Bank. Order dated 17.08.2021 under review was received by the Petitioner Bank on 01.09.2021.

Without prejudice to the rights and contention of the Petitioner, after going through the said Order dated 17.08.2021 it is revealed that the Order has been passed without appreciating the material available on record and the documents filed by the Petitioner Bank clearly showing that Mr. Syed Mohd. Noorullah was expelled from the membership of the Petitioner Bank/ Society for his acts and conducts and the resolution dated 17.02.2021 was passed in accordance with Section 40 DCS Act, 2003 read with Section 31 DCS Rules, 2007.

Mr. Syed Mohd. Noorullah in collusion with Mr. Syed Mohd. Imran since the year 2011 on one pretext to another and in order to harass and disrepute the image of the Petitioner Society in the eyes of the existing members and employees of the Petitioner Bank as well as public at large filed one complaint after another with false, frivolous and baseless allegations. Till date Mr. Syed Mohd. Noorullah has failed to file any document on record that the Society is involved in malpractice, mismanagement and irregularity. There is not an iota of evidence that the Petitioner Bank is engaged in malpractice, irregularities, and mismanagement and further the functioning of the society is against the detriment to the interest of its members.

Hon'ble Division Bench of Hon'ble High Court vide Order dated 27.07.2016, in WP(Civil) Nos.: 7006/2013 and 7264 of 2014 titled as Jamia Cooperative Bank Ltd. vs. Govt of NCT of Delhi & Anr. and Syed Mohd. Noorullah vs. RCS & Ors. respectively, has observed that "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". However vide order dated 19.10.2016 and 25.10.2016 the Hon'ble Division Bench of Hon'ble High Court clarified that: "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.

Assistant Registrar, RCS appointed Mr. R.S. Krishnan, Assistant Director SCERT as Inspecting Officer u/s 61 DCS Act, 2003 and appointed M/s G. S. Goel & Co. (Chartered Accountant/Auditor) u/r 80 of DCS Rules, 2007 to conduct special audit of the Petitioner Bank. Pursuant thereto M/s G.S. Goel & Co. examined various loan agreements and other relevant documents etc., and submitted his report dated 31.05.2019 before the Assistant Registrar (Banking) and held that there was no mismanagement, irregularities or any malpractice done by the Petitioner Bank during the course of its business and further found that the allegations regarding mismanagement and irregularities of the Bank levelled by Mr. Syed Mohd. Noorullah as well as by Mr. Syed Mohd. Imran are false, frivolous and baseless.



The Report dated 31.05.2019 submitted by M/s G.S.Goel & Co. is very detailed report containing more than 25 pages and the said report is in the knowledge of Mr. Syed Mohd. Noorullah. Till date Mr. Syed Mohd. Noorullah has not challenged the report submitted by M/s G.S. Goel & Co. therefore the said report has attained finality and even the said special audit report has been accepted by office of RCS without any demur. The special audit report submitted by M/s G.S. Goel & Co. proves that the allegations levelled by Mr. Syed Mohd. Imran adopted by Mr. Syed Noorullah, in the complaints written to RBI, RCS, Chairman of the Jamia Cooperative Bank Ltd. are false, frivolous, baseless, afterthought and figment of malicious mind. The said complaints have been lodged by Mr. Syed Mohd. Noorullah in collusion with one Mr. Syed Mohd. Imran and they are trying to harass and defame the Petitioner Bank.

The Inspection Report dated 09.08.2018 submitted by Mr. R.S. Krishnan, Assistant Director, SCERT also does not find any mismanagement and irregularities against the Society and the said Report has been accepted by the Office of RCS and has attained finality.

Mr. Syed Mohd. Noorullah, instead of challenging the reports dated 09.08.2018 and 31.05.2019 again filed an application dated 01.10.2019, before the RCS to re-conduct the inspection of the Petitioner Bank and misled the Office of RCS whereby vide order dated 14.09.2021, RCS appointed Mr. Rakesh Kumar Dahiya to re-conduct the inspection of the society under Section 61 DCS Act. Being aggrieved by the order dated 14.09.2021, the Petitioner Bank has challenged the said order before the Hon'ble High Court of Delhi by filing Writ Petition being W(C) No. 10920/2021 on the ground that Inspection and Special Audit has been carried out by Mr. R.S.Krishnan and M/s G.S. Goel & Co.; and no mismanagement has been found in the Inspection Report and the Special Audit Report. The said Writ Petition came for hearing before the Hon'ble Delhi High Court on 27.09.2021 and the Hon'ble Court after hearing the Ld Counsel of parties was pleased to issue Notice to Respondents directing them to file their counter affidavit.

From bare perusal of the aforesaid facts and the documents filed by the Petitioner Bank it is evident that there is no mismanagement, irregularities etc. in the affairs of the Petitioner Bank during the course of its business and the allegations levelled by Mr. Syed Mohd. Imran an estranged employee and adopted as it is by Mr. Syed Mohd. Noorullah against the Petitioner Bank are false, baseless, frivolous and without any material available on record. There is not an iota of evidence filed by Mr.

Syed Mohd. Noorullah on record which shows that the Petitioner Society had indulged in malpractices, mismanagement and irregularities.

On the contrary, it has been proved on record by the Petitioner Bank that Mr. Syed Mohd. Noorullah has adopted all measures to disrepute the Petitioner Bank, detrimental to the interest of its members, employees and proper working of the Petitioner Bank by filing complaints and the same is evident from the fact that Mr. Syed Mohd. Noorullah used to send copies of the complaints, orders, etc. to the RBI, members of the society, every branch of the Petitioner Bank and other persons just to disrepute and defame the Petitioner Bank in the eyes of its members and public at large. Even the members of the Petitioner Bank are not happy with the acts and conduct of Mr. Syed Mohd. Noorullah and condemned the said acts of Mr. Syed Mod. Noorullah in the 29th AGM of Society held on 04.08.2019.

To bring disrepute to the Petitioner Bank, Mr. Syed Mohd. Noorullah keeps on approaching various members / account holders of the Bank pretending to be their well-wisher, informing them that he is a member of the Bank and the financial condition of the Bank is bad and advises them to withdraw their funds from the Bank immediately. Few members/account holders of the bank have written letters to the Bank informing such conduct of the Mr. Syed. Mohd. Noorulla. Such conduct is also detrimental to the interest and proper working of the Cooperative Bank.

It is settled law that a pending litigation or complaint or inspection or special audit cannot become subject matter of private correspondence by a litigant/ complainant and such conduct must be deprecated. Such acts & conducts of a complainant/litigant even attempt to pressurize or embarrass the institution, in the present case it is a financial institution being a cooperative bank.

Without prejudice, the resolution dated 06.02.2021 passed by the Petitioner Bank/ Society against Mr. Syed Mohd. Noorullah for expulsion of his membership from the Society without appreciating the above mentioned facts and the documents submitted by the Society.

The present review application is within the limitation period as the Petitioner Bank has received the order dated 17.08.2021 on 01.09.2021. That this Court has power



to review its own order if there is an error apparent on the face of record and if the sufficient cause has been shown to recall the order.

The Petitioner Bank has annexed various documents with the Review Petition. The Petitioner Bank has prayed in the review application that the Impugned Order dated 17.08.2021 of Ld Additional Registrar may be reviewed/recalled and further allow the resolution dated 06.02.2021 submitted by Petitioner's Bank on 17.02.202.

Notices were issued to the Petitioner Bank and the member concerned on review application. Hearings were held on 01.04.2022, 24.02.2022, 11.03.2022 and 16.03.2022 on the review application. That on 04.01.2022 the Petitioner Bank was directed to file evidence by way of affidavit of persons/members/account holder who wrote letters to the bank (informing conduct of Mr Syed Mohd Noorullah which is detrimental to the interest and proper working of the Bank) along with their bank details and membership details for the purpose of verification.

EVIDENCE BY WAY OF AFFIDAVITS OF SH HARIS UL HAQ, SH FAROOQ FAROOQUI, SH MOHD.IRSHAD AND SH SHUJAAT ALI.

In compliance of the directions issued on 04.202.022, four members of the Petitioner Bank namely Sh Haris Ul Haq, ShFarooq Farooqui, Sh Mohd.Irshad and Sh Shujaat Ali filed their Evidence by Way of Affidavit with their bank details, aadhar numbers, copies of aadhar cards, share certificates and bank statement on 24.02.2022 and all the four were present personally during hearings held on 24.02.2022 and 11.03.2022. It has been stated in the Evidence by Way of Affidavits that all the four members know Sh Syed Mohd. Noorullah and that Sh Syed Mohd.Noorullah had approached them and informed them that the financial position of the Bank is not good and being their well wishes he is advising them that they should withdraw their money from the Petitioner Bank.

COUNTER AFFIDAVIT OF SH SYED MOHD. NOORULLAH

It has been stated in the Counter Affidavit that the present petition has been filed by the Petitioner Bank without fulfilling the mandate of Section 115 of DCS Act, 2003 as



per Section 115, the review petition can be entertained by this Hon'ble Court, when either there is an apparent error on the very face of the record or any material brought which was not in the knowledge of the petitioner bank herein despite due diligence or discovery of any new important facts/matter of evidence which was not in the knowledge of the petitioner at the time of giving the expulsion notice to the respondent or/filing of appeal before the Registrar against the respondent herein.

The petitioner herein failed to show any error apparent on the very face of the record in the order dated 17.08.2021 passed by the then Ld. Additional Registrar Cooperative Societies, in fact present review petition has been filed in shape of appeal where the petitioner instead of showing any error apparent in the order dated 17.08.2021, has challenged the merits of the order dated 17.08.2021 which is possible only in either appeal or revision and that to before the Financial Commissioner which is the appellate authority for filing the appeal as well was revision petition against any order including the order dated 17.08.2021.

There has been no discovery of new important matter of evidence as the applicant bank has come with the letters of Haris-UI-Haq, dated 20.01.2020, that of Farooq Farooqui dated 19.01.2020 and that of Mohd. Shujawat Ali dated 20.01.2020 and Mohd. Irshad dated 20.01.2020. The same were well within the knowledge of the petitioner herein but same was not brought on record before passing of the order dated 17.08.2021 by the petitioner under the circumstances the letters dated 19.01.2020 and 20.01.2020 given by above named person to the petitioner bank are after thought and created evidence just to malign the image of the respondent. As per the admission made by the petitioner the letters given by above named persons were well within the knowledge of the petitioner bank and same could have been brought on record at the time of filing of appeal of expulsion against the respondent which was dismissed by order dated 17.08.2021 therefore the same could not be considered discovery of new facts/matters of evidence as same were within the knowledge of the petitioner bank.

The respondent has already given notice of defamation to Harish UI Haq, Mr. Farooq Farooqui, Mohd. Irshad and Mr. Sujaat Ali on 05.03.2022 as to when the deponent had approached them and where the deponent approached them and moreover what was the statement narrated by the deponent, they are put to strict proof thereof to provide as to when & where and how they came in contact with Syed Mohd. Noorullah.



It is pertinent to mention that whenever any application is moved in any institution, bank or in quasi judicial form the office copy of any of the application moved in any of the institution is to be properly stamped with date or if the same application is moved by any postal services the copy of the postal receipt is preserved moreover there has to be a dak entry in the register of the institution but it is astonished to know that this applications are not stamped at all. These facts are reflecting that these applications are doctored, tutored and moreover these are the after thoughts to fill the lacuna of a case.

Until and unless this Hon'ble Court is satisfied about the discovery of new important matter of evidence/facts the affidavit of the above named person cannot be considered for discovery of new matter of evidence. In case if the same are allowed to be on record then it would be an abuse of process of law as at this stage the petitioner bank cannot be allowed to fill-up the lacuna in their case and moreover this is not the mandate of provision Section 115 of the DCS Act, 2003. The member has prayed for dismissal of the review application.

DOCUMENTS SUBMITTED BY THE PETITIONER BANK

The Petitioner Bank submitted copies of minutes of 18th, 20th, 22nd 23rd AGBM's held on 28.09.2014, 25.09.2016, 30.09.2018 and 04.08.2019 respectively, List of elected candidates n elections held on 23.06.2013, proceedings of elections of MC of the Bank held on 23.06.2013, Copy of Appeal No.: 70/2014, copy of Arbitration Case No.: 1077/AR/ARB/2013-2014/18677, copy of Inspection Report of Sh R S Krishnan, Copy of Special Audit Report of M/s G S Goel & Co., and List of nomination form issued on 23.12.2019.

CONCLUSION:-

The basic contention of the proceedings is with regards the expulsion of Sh Syed Mohd. Noorullah, from the membership of the Petitioner Bank, under Section 40 of DCS Act 2003. It is apt to reiterate the provisions of Section 40 of DCS Act 2003 as also provisions of review under section 115 of the DCS Act 2003.

 **Section 40 of DCS Act 2003:-**



40. Any member of a co-operative society (other than a co-operative housing society) may be expelled by a resolution passed by the committee of the co-operative society subject to the approval of such resolution by the Registrar if :

(i) the member has willfully deceived the co-operative society by false document to obtain the membership of such co-operative society; or

(ii) the member incurs any of the disqualifications for being a member of the co-operative society; or

(iii) the member has brought disrepute to the co-operative society or has done any other act detrimental to the interest and proper working of the co-operative society:

Provided that the member concerned shall not be expelled unless he has been given a reasonable opportunity to represent himself in the matter:

Provided further that no member shall be expelled unless the resolution for such expulsion is passed by a majority of not less than three-fourths of the members present and entitled to vote in the meeting of the committee and no resolution for expulsion shall be valid unless approved by the Registrar.

(2) After the resolution for expulsion is passed as above by the committee, the resolution shall be referred to the Registrar for approval within a period of thirty days.

(3) On receipt of the resolution for expulsion, the Registrar shall take cognizance of such resolution within thirty days and pass a final order either approving the expulsion or rejecting the proposal for expulsion within a period of one hundred and eighty days and if the matter is not decided by the Registrar within the aforesaid period, the expulsion of such a member shall be deemed have been approved:

Provided that the Registrar, before approving the resolution, shall hear the parties in the manner prescribed and shall have power to summon and enforce attendance of witness including the parties interested or any of them and compel them to give evidence on oath, affirmation or affidavit



and to compel production of documents by the same means as far as possible in the same manner as provided in the case of a civil court under the Code of Civil Procedure, 1908 (5 of 1908) and the order under this section so passed by the Registrar shall be final with a right for appeal before the Tribunal.

It is further apt to reiterate the provisions of Review under section 115 of DCS Act 2003.

Section 115 of DCS Act 2003:-

115. (1) *The Government or the Tribunal or the Registrar on the application of any party may review their own order in any case, and pass in reference thereto such order as they think just :*

Provided that no such application made by the party shall be entertained unless the Government or the Tribunal or the Registrar, as the case may be, is satisfied that there has been the discovery of new important matter of evidence, which after the exercise of due diligence was not within the knowledge of the applicant or could not be produced by him at the time when order was made or that there has been some mistake or error apparent on the face of the record, or for any other sufficient reasons :

Provided further that no such order shall be varied or revised unless notice has been given to the parties interested to appear and being heard in support of such order.

(2) *An application for review under sub-section (1) by any party shall be made within thirty days from the date of communication of the order of the Government or the Tribunal or the Registrar.*

It is correct that scope of review is very limited. However, review can also be done if sufficient reasons exist. From the bare perusal of the Impugned Order and in view of the material and information placed on record by the petitioner society before the then Ld Additional Registrar, I am of the considered opinion that sufficient reasons exist for review of the Impugned Order as all aspects raised by the petitioner society have not been discussed in the impugned order.



The petitioner society has stated that it has received the Impugned Order dated 17.08.2021 on 01.09.2021 and the review application is dated 30.09.2021 and has been filed within one month of the petitioner society having received the impugned order. Further in view of the pandemic, the period of limitation has been extended. Accordingly I hold that the review petition is within period of limitation.

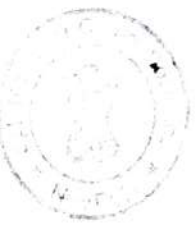
Since I am of the view that review petition can be entertained, therefore, issue of expulsion of the member namely Sh Syed Mohd Noorullah can be discussed on merits.

The argument of the respondent namely Sh Syed Mohd Noorullah is correct to the extent that letters of the above named persons are prior to the date of Impugned Order dated 17.08.2021. But the fact remains that they together with the Evidence by Way of Affidavits produced before the undersigned constitute sufficient reason for review of the Impugned Order dated 17.08.2021.

From the Evidence by way of Affidavits filed by Sh Haris Ul Haq, Sh Farooq Farooqui, Sh Mohd.Irshad and Sh Shujaat Ali, it can be easily made out that Sh Syed Mohd Noorullah is involved in activities bringing disrepute to the Bank apart from his acts being detrimental to the interest and proper working of the co-operative society.

It is further apt to consider the findings of the Inspection Officer in his report dated 09.08.2018 and of the Auditor in his Special Report dated 31.05.2019 both instituted and submitted on the complaints of Sh Syed Mohd Noorullah. The comparison chart is as below:-

S.No.:	Complaint of Sh Syed Mohd.Noorullah	Findings dated 09.08.2018 of Sh R.S.Krishnan u/s 61 of DCS Act 2003	Findings dated 31.05.2019 in Special Audit Report u/r 80 of DCS Rules 2007
1.	Violation of guidelines issued by the RBI and the Govt., that day to day administration should be left to the Chief executive Officer of the Bank and the Directors	I have visited the Bank on 08.08.2018 and recorded statements of Shri Mohammad Alil, CEO and Ms Samreen Fatima, Assistant Manager. CEO has	A). As the complainant did not produce any documentary evidence of running a parallel Banking by the then director Mr M.F.H.Beg at his residence, it



	<p>should not involve themselves in routine work like sponsor any loan proposal, buildings, sites for bank's premises, enlistment or empanelment of contractors, architects, doctors, lawyers etc.,</p> <p>One of the directors Shri MFH Beg has been running a parallel bank office at his residence. One clerk namely Samreen Fatima, who is an employee of the bank reports for duty to Mr Beg and marks her attendance at the head office, most of the loan files filed by her at the residence of Mr Beg and then sent to the Branch Managers.</p>	<p>stated that there are no directives to employee o work at the residence of Directors or CEO and Ms Samreen Fatima as denied having visited the house of any Director for official work. Also there is no direction of Hon'ble High Court to the undersigned in this matter.</p> <p>The complainant has not given any documentary or other evidence in support of this allegations either his original complaint dated 23.04.2014 and hence not sustainable.</p>	<p>cannot ben s aid that the director Mr M.F.H.Beg was running a parallel Banking at his residence.</p> <p>B). 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.</p>
2.	<p>Directions are also issued by Mr. Beg from his residence to the Chief Executive Officer, Branch, Managers, Senior Officer on Special Duty and Officer on Special duty.</p>	<p>As in 4(a) above</p>	
3.	<p>The architect for the Zakir Nagar Branch Interior works was the sister-in-law of Mr. M.Q.H. Beg Chairman of the Bank.</p>	<p>The complainant has not given any proof that money/other consideration has been given to the sister in law. In view of the reply of the bank, the allegation is not sustainable.</p>	<p>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.</p>



4.	Shir. Ahmed Sayeed, the then Vice-Chairman and now Director of the Bank was actively involved in the tender which were called from the contractors for the interior work of the Zakir Nagar Branch Copies of the tenders in this regard bear the signature of Shri Sayeed.	The complainant has not alleged any irregularities in the tender process.	In view of 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 world of the Zakir Nagar Branch & copies of the tenders in this regard bear the signature of Shri Sayeed is not sustainable.
5.	A list of defaulters is prepared at the office being run at the residence of Mr. Beg and then directly sent to the lawyer.	There is no documentary/ other evidence shown by the complainant to sustain the allegation. List of defaulters is prepared by Mr. Beg and Late these loans get adjusted from BDDR.	As already explained 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.
6.	List of defaulters is prepared by Mr. Beg and later these loans get adjusted from BDDR.	The undersigned is not trained in the field of banking and this is a banking subject. The bank has mentioned very low percentage of Bad Debts return of in their reply above.	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.

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7.	<p>Nearly 60% of loan applications are filed by Samreen Fatima at the residence of Shri Beg and then sent to the Branches. Even when the Manager and the Chief Executive Officer find the loan application not viable, it gets approved by the Chairman and the directors and later these accounts turn into NPAs.</p>	<p>Granting of loans is purely banking subject and under signed is not trained in banking. However, the bank has given detailed reply in this regard. As regards filling up of forms, Ms. Sameen Fatima, Assistant Manager has stated that while working as customer care executive in the past, part of her duties were to help customers/members of the bank in filling of account opening forms/loan forms.</p>	<p>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.</p>
8.	<p>The Loan Committee in its meeting held on 01.01.2011 sanctioned a business loan of Rs.35.00 Lacs to Dr. Nahid Ashfaque for purchase of Medical Equipments but none of the required formalities like Mortgage of property etc.</p>	<p>Granting loans is purely banking subject and under signed is not trained in banking. However, the bank has stated that the person has repaid the loan in full and has produced the loan closure certificate.</p>	<p>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 given by Mr Beg. However, it has been noted that the loan stand closed without any loss to the Bank.</p>
9.	<p>NIL</p>	<p>This is not part of the original complaint dated 23.04.2014</p>	



10.	NIL	There are core banking matters and the undersigned is not trained in banking. The complainant has made general allegation without any specific instance and without any documentary proof. The bank has given there Bad Debts percentage above.	
11.	Nearly all the large loans accounts are of relatives and friends of Mr. Beg and his family members and these are pushed through by them for approval	It is general and vague allegation without any documentary proof.	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.
12.	Mr. Vinod Kumar Jain, Mr. Parmod Kumar Jain, Mr. Pardeep Kumar Jain are friends of Mr. M.Q.H. Beg another the then director (now Chairman) of the bank to whom a Term Loan of Rs. 1.90 Crore was sanctioned.	Granting of loans is purely banking subject and under signed is not trained in banking. However, the bank has stated that the person has repaid the loan in full and has attached the loan closure certificate.	In view of the above, it cannot be said that Mr Vinod Kumar Jain, Mr Parmod Kumar Jain, Mr Pardeep Kumar Jain & Priyanaka Jain are friends of Mr M.Q.H.beg, another director (now Chairman) of he 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
13.	A loan of Rs 30.00 Lacs was sanctioned to Al Bake, the proprietor Shri Mirza Ziauddin is the relative of Mr. M.F.H. Beg Mr. M.Q.H. Beg, Nishat Beg (all directors of the Bank) and both the loan applications are filed by Samreen Fatima at Mr. Beg's residence.	It is a very general and vague allegation without any documentary proof	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 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.
14.	Although there is a selection Board yet more than 50% of the appointments were directly made by Mr Beg with his relatives or friends peons who got appointment were his domestic servants.		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.
15.	Some of these names are Anam Khan, Tulsi, Netra, Irfan, Neha, Anam Khan was taken to Pune by Mr M.F.H. Beg as an attendant at the bank's expenses and soon thereafter she was given the appointment in the Bank by Mr Beg.		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.
16.	Shri M.M. Zaman, who retired as CEO of the	The re-appointment of retired C.E.O. may fall	In view of the above, it can be said that Mr

	<p>bank at the age of 65 was re-appointed as Senior Officer on Special Duty in the Bank. The Board defined 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 by Mr. Zaman keep On wedding his authority by issuing the appointment letters, transfer letter of Mr. Shahid All Khan, sanction the staff salaries sanction the leaves to the staff serving as a proxy of CEO of Mr. Beg.</p>	<p>under RBI regulations but transfer of an employee is an internal matter of the bank.</p>	<p>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 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 & Mr Sultan Alam after informing to the chairman.</p>
17.	<p>The Audit Committee in its meeting held on 20th Sep. 2011 pointed out that the premises at 59-B Zakir Nagar Okhla were taken on rent by dubious means.</p>	<p>The bank has produced the account statement according to which, out of the Rs.50.00 lakhs loan, the present outstanding is Rs. 13.61 lakhs and copy of statement enclosed.</p>	<p>In view of the above, it can be said that there is no orgery in lese agreement with Sagufta Farheen. But some discrepancies are observed, mentioned as under:</p> <ol style="list-style-type: none"> 1. Mr Aas Mohd. Did not inform to the bank that he has sold the property to Sagufta Farheen at the time of executing lease agreement. 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.
18.	Loan application of Mrs. Shagufta Farheen for advance Rent of Rs.66.00 Lacs has also been filed by Samreen Fatima at the residence of Mr. M.Q.H. Beg director.	There is no such proof	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.
19.	In the loan case of Shri Mehefooz Ahmed for an amount of Rs.3.00 Lacs inspite of the adverse remarks of CEO the loan committee sanctioned Rs. 3.50 Lacs out of which and amount of Rs.90.360/- was transferred into at NPA account TL No.4639 of Irfan Ali without informing the applicant that the loan amount has been increased and Rs.90,360/- has been transferred into another account. Due to increase in the loan amount, the account turned into NPA. Recovery proceedings were launched through the office of RCS against Shri Mehfooz Ahmad. He is now pay Rs.6000/- per month to the bank out of his earning of Rs.6500/- per month and his wife's earning of house hold of Rs.1500/-	Granting of loans is purely banking subject and under signed is not trained in banking. However, the bank has stated that the loan account has been closed and certificate attached.	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.0,360/- to NPZ account of Mr Irfan (TL 4639) is against the RBI guidelines. Further, settlement of the balance amount outstanding Rs.1,32,306/- against Mehfooz Ahmed from BDDR is correct and approved by Board.



	per month. Because of bank's mishandling of this loan case, the rest of his and his family life was made miserable.		
20.	The term of complainant or CEO in the bank was coming to an end on 14.10.2011 yet his power to sign was withdrawn by the bank from all its branches and the executive powers were seized. I am enclosing herewith the copy of the inquiry inspection report which was forward by letter dated 21.12:2012, alongwith the orders of the Hon'ble High Court dated 12.02.2014 for your kind perusal.	This is an internal matter of the bank.	This is an internal administrative decision taken by the competent authority of the Bank in due course and hence, such allegation is not sustainable.

From a detailed analysis of the above comparative chart it is made out that there is no substance in the complaints made by Sh Syed Mohd Noorullah against the petitioner Bank. The complaints seem to be motivated apart from being made with an intention to harass the Bank for personal and oblique motives by the Respondent. The Inspection proceedings and conduct of Special Audit involves time and monetary consideration on part of the Bank. Since none of the complaints has resulted in unearthing of any mismanagement or misappropriation or any such kind of activities on the part of the petitioner Bank enabling any concerned authorities to initiate action, the acts of making such complaints by Sh Syed Mohd Noorullah is nothing but acts detrimental to the interest and proper working of the co-operative society.

In view of the above discussions, the acts of Sh Syed Mohd Noorullah apart from bringing disrepute to the Bank are acts detrimental to the interest and proper working of the co-operative society. Hence, I am of the considered opinion that the case of Sh Syed Mohd Noorullah is squarely covered under the provisions of Section 40 of DCS Act 2003

and that he has been rightly expelled under the provisions of Section 40 of DCS Act 2003,

Accordingly, the impugned Order dated 17.08.2021 of Ld Additional Registrar, RCS is reviewed and proposal for expulsion of Sh Syed Mohd Noorullah (Membership No.: 1633) submitted on 17.02.2021 by the petitioner Bank is hereby approved. Sh Syed Mohd Noorullah (Membership No.: 1633) stands expelled from membership of the Petitioner Bank.

Ordered accordingly.


(Dr. T. Philip Thanglienmang)
Special Registrar Cooperative Societies

Copy to:-

1. Jamia Cooperative Bank Ltd., (through Chairman/CEO), 2/30 Sarai Jullena, New Delhi-1--25.
1. Sh. Syed Mohd. Noorullah, H-19/5, 2nd Floor, Momin Steet, Batla House, Jamia Nagar, New Delhi-110025
2. AR(Banking)
3. In-charge (Computer Cell) for uploading on website


(Dr. T. Philip Thanglienmang)
Special Registrar Cooperative Societies

