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

\+ W.P.(C) 10838/2024 & C.M.No.44640/2024

THE DELHI STATE COOPERATIVE BANK LTD. .....Petitioner

Through: Mr.Rajesh Srivastava with Mr.Gaurav Verma, Advocates.

versus

THE REGISTRAR COOPERATIVE SOCIETIES .....Respondent

Through: Mr.Karn Bhardwaj, ASC for GNCTD with Mr.Shubhyam Singh, Mr.Rajat Gaba and Mr.Saurabh Dahiya, Advocates.

CORAM:
HON'BLE THE ACTING CHIEF JUSTICE
HON'BLE MR. JUSTICE TUSHAR RAO GEDELA

ORDER

% 06.08.2024

1. Present petition has been filed challenging the order dated 12th July, 2024 passed by the Financial Commissioner, Delhi in Case No.266/2023 whereby the Financial Commissioner upheld the order dated 18th September, 2023 issued by the Respondent whereby an auditor was appointed to conduct special audit of the Petitioner-Bank.

2. Learned counsel for the Petitioner states that Mr. Lalit Kumar filed a complaint dated 16th September, 2020 addressed to the Lt. Governor, Delhi stating that the Petitioner-Bank by violating RBI's guidelines is deducting inoperative account charges from the customers and has collected Rs.2.35 crores as incidental charges. The GST on this amount was calculated at

Rs.42.30 Lakhs, which allegedly was not deposited with the Government, but has been transferred to some other head by manipulating the computer software of the Bank.

3. Learned counsel for the Petitioner states that due to change of software in November, 2020, the inoperative charges were levied and GST was erroneously not deposited. He, however, states that prior to filing of the complaint, the GST amount had been deposited with the statutory authority.

4. He states that the Petitioner-Bank's accounts have been audited in accordance with Section 30 of the Banking Regulation Act, 1949. He emphasizes that the auditors of the Petitioner-Bank had been appointed by the RBI and NABARD.

5. A perusal of the paper book reveals that in the present case, a complaint was sent to the Lt. Governor by Mr. Lalit Kumar on 16th September, 2020. The said complaint was forwarded to the Registrar of Co-operative Societies (RCS), who appointed an Inquiry Officer. The Inquiry Officer submitted a detailed fact-finding report dated 05th July, 2021 to the Lt. Governor. Subsequently, the Lt. Governor directed the Director of Vigilance to examine the issue, who in turn, recommended to the RCS that it may consider undertaking special audit. The RCS issued a show-cause notice dated 06th April, 2023 to the Petitioner-Bank and after examining the reply received from the Bank, issued the impugned order appointing a Special Auditor.

6. It is settled law that the Courts examine the decision making process and not the decision. Since in the present case, this Court finds nothing wrong in the decision making process, it is not inclined to interfere with the impugned order.

7. Accordingly, the present writ petition being bereft of merit is dismissed along with the application.

ACTING CHIEF JUSTICE

TUSHAR RAO GEDELA, J

AUGUST 6, 2024
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