

LOKPAL OF INDIA
Plot No. 6, Institutional Area, Phase- II
Vasant Kunj
New Delhi - 110070

Complaint No. : 125 / 2024

Date : 20.03.2025

Coram : **Shri Justice A.M. Khanwilkar**
Chairperson

Shri Justice L. Narayana Swamy
Member

Shri Justice Sanjay Yadav
Member

Shri Justice Ritu Raj Awasthi
Member

Shri Pankaj Kumar
Member

Shri Ajay Tirkey
Member

ORDER

1. The complaint is against the Chief Trustee of Sudama Prasad Trust and Branch Manager of Bank of Baroda. The complainant alleged that the said Trustee, in connivance with the said Branch Manager acted



against the provisions in the Trust Deed of Sudama Prasad Trust. The complainant had stated that despite the Trust Deed explicitly stating that the account in the bank will not be operated by a Trustee; and that, the Branch Manager of Bank of Baroda was informed through an application dated 09.06.2020 that the said current account of Sudama Prasad Trust should not be operated by any one Trustee; one Trustee by name **XXXXXX (name redacted for confidentiality)**, in connivance with the Branch Manager of Bank of Baroda, Vikas Bhawan, Shahjahanpur, Uttar Pradesh, withdrew Rupees Three Crores. The complainant alleged that this large sum was purportedly transferred to the personal account in HDFC Bank, Town Hall, Shahjahanpur, through RTGS and demand draft was made which, according to the complainant, comes under the category of cognizable offence. The complainant requested for a high level investigation in the aforesaid matter.

2. The complaint was placed before the Bench of the Lokpal on 24.05.2024. The Bench observed that apart from the allegation against a particular Trustee, the complaint was also against the Branch Manager, Bank of Baroda; a public servant working in connection with

the affairs of the Union, falling within the purview of Section 14 of the Lokpal and Lokayuktas Act, 2013 (Act). Therefore, before ordering a Preliminary Inquiry as contemplated under clause (a) of sub-section (1) of Section 20 of the Act, the Bench directed the MD & CEO, Bank of Baroda to submit a report about his inputs and comments concerning the allegations noted in the complaint under consideration so that depending on the contents of the Report, the Bench may then consider the matter further. The report was sought to reassure that this was a case for Preliminary Inquiry.

3. In compliance with this Order, Managing Director and CEO, Bank of Baroda sent a report wherein it was stated that:-

“On the basis of available record it may be inferred that the Branch has allowed the operation in the account in accordance with the mandate and the alleged Trust Deed / change in mandate was not made available to the Branch. Further, no objection / dispute was raised by any trustee till 15.04.2024. Thus, there appears no prima facie case against the Bank as there is no deficiency on the part of the Bank.”



4. The Report was placed before the Bench on 05.07.2024. The Bench perused the Report and observed that the conclusion arrived at in the Report was debatable. The Bench, therefore, referred the complaint to CVC to cause a Preliminary Inquiry to ascertain whether there exists a *prima facie* case for proceeding in the matter, in accordance with the provisions contained in Section 20 (1) (a) read with Section 20(2) of the Lokpal and Lokayuktas Act, 2013 and submit its report.
5. In compliance with this order dated 05.07.2024, the Central Vigilance Commission (CVC) submitted a Preliminary Inquiry (PI) Report prepared by the CVO, Bank of Baroda. The PI Report was considered by the Full Bench on 25.09.2024 and it was noticed from the PI Report that the conclusion reached by the CVO was that no *prima facie* case existed for investigation or departmental proceedings.
6. On careful examination of the PI Report, the Bench observed that the CVO had failed to unravel the crucial fact alleged by the complainant that the registered Trust Deed was submitted to the concerned Branch on 9.06.2020 along with a covering letter, which indicated that henceforth the Trust account will be jointly operated by the Chief



Trustee and any other / any one Trustee. The Inquiry Officer (IO) had merely recorded the version of the two bank employees in the concerned branch and then relied upon the comment of the Competent Authority, that there is no record in the branch about receipt of such communication dated 09.06.2020 and copy of the registered Trust Deed. The Full Bench observed that the IO could have approached the complainant and called upon him to produce the proof of delivery of the letter dated 09.06.2020 and the registered Trust Deed, in the concerned branch for necessary action. Besides, the IO did not bother to verify the contemporaneous record maintained by the branch in the form of an 'Inward Register' for the relevant period. That, therefore, inquiry was not complete in all respects and for which reason a deeper probe was necessary. Moreover, during the period between 09.06.2020 to 15.04.2024, several transactions had been effected by the Chief Trustee singularly, including the transfer of huge amount of Rs.Three Crores to his personal account.

7. However, before proceeding further, we deemed it appropriate to give opportunity to the Respondent Public Servant (RPS), in terms of Section 20(3) of the Lokpal and Lokayuktas Act, 2013 (Act) to show



cause why one or more than one option prescribed therein may not be invoked. The matter was posted on 24.10.2024 for hearing the RPS, complainant and the IO before passing further orders.

8. On 24.10.2024, after hearing at length the Respondent Public Servants (RPSs), the Ld. Advocates who represented both the RPSs and the Ld. Advocate for Chief Trustee of Sudama Trust and after carefully considering the written submissions made by the RPSs and others, the Full Bench was of the considered opinion that, prima facie, there seemed to be an apparent act of commission or omission in the conduct of public duty by the RPSs of the Bank which resulted in undue advantage being passed on to a private person, for which the RPSs may be liable for action under the Prevention of Corruption Act, 1988. Hence a deeper probe was necessary. Therefore, in terms of Section 20(3) of the Act, we directed an Investigation by the CBI against the RPSs in the matter.


9. After availing extension of time, CBI has furnished the Investigation Report vide letter dated 10.03.2025, wherein it has been stated that:-
(names and account numbers redacted for confidentiality)



Shri XXXXX S/o Shri XXXXX is Chief Trustee of Sudama Trust since 23.06.2016 and he is managing the properties mentioned in the Will of Dr. Sudama Prasad through the Trust. That, no Trust deed was ever executed in the name of Sudama Trust till 30.05.2020.

That, a bank A/c No.XXXXXXX in the name of Sudama Trust was opened on 23.06.2016 with Bank of Baroda, Vikas Bhawan Branch, Shahjahanpur wherein Shri XXXXX was sole signatory to operate the said account.

That, a Trust Deed dated 30.05.2020 in the name of Sudama Trust was registered on 08.06.2020 in the Office of Sub-Registrar, Sadar, Shahjahanpur with Shri XXXXX as Chief Trustee and Shri XXXXX and Shri XXXXX as co-trustees. That, it is mentioned in the Trust Deed that a bank account of the Trust will be opened in a Nationalized bank and the account shall be operated with joint signatures of the Chief Trustee and any one of the Co-Trustee. However, there was no mention of existing a/c no. XXXXX of Sudama Trust maintained with Bank of Baroda, Vikas Bhawan Branch, Shahjahanpur. As per the said Trust Deed, the total valuation of this Trust at the time of registration

 7

was Rs.11,000/- only. No property was assigned to Sudama Trust registered on 08.06.2020 and this Trust Deed had no right over the properties mentioned in the Will dated 13.08.1965 of Dr. Sudama Prasad.

That, the said letter dated 09.06.2020 was not submitted to Bank of Baroda, Vikas Bhawan Branch, Shahjahanpur. Moreover, the copy of letter dated 09.06.2020 produced by the complainant does not contain acknowledgement of the Bank.

That, it has come to light during investigation that no inward Register is maintained by Bank of Baroda, Vikas Bhawan Branch and the Correspondence/Dak received at the counter of the Bank are dealt with at the counter itself for necessary action. The letter dated 09.06.2020 could not be found in the file containing copy of inward emails and correspondences for the year 2020. Thus, the submission of the said letter to Bank of Baroda could not be established during investigation.

That, as per procedure, in case of modification, addition, deletion of authorized signatories in account of perpetual nature in Bank of

Baroda, the branch is required to obtain a letter from the customer with signatures (preferably of all existing signatories) and the fresh specimen signature card of all the authorized signatories along with resolution, Power of Attorney etc. Investigation revealed that no request for change in the authorized signatories to operate A/c No.XXXXXX was received by the Bank after opening of the account on 23.06.2016 till 15.04.2024.

That, on 20.11.2023, an amount of Rs.3.00 crores was credited in the account no.XXXXXX of Sudama Trust maintained with Bank of Baroda on transfer from A/c No. XXXXX of Dr. Sudama Prasad Vidyasthali maintained with Canara Bank, Shahjahanpur. On the same day itself, the said amount of Rs.3.00 crores was transferred to A/c no. XXXXX of Shri XXXXX maintained with HDFC Bank, Shahjahanpur. The said amount of Rs.3.00 crores was returned to A/c No. XXXXX of Dr. Sudama Prasad Vidyasthali through the same route.

That, it is mentioned that there are various transactions in the account of Sudama Trust between 09.06.2020 and 20.11.2023 which have not been objected to by Shri XXXXX and Shri XXXXX. Shri XXXXX and



Shri XXXXX sent a letter only on 15.04.2024 to Branch Manager, BoB, Vikas Bhawan Branch, for adding their names for operation of account No.XXXXX of Sudama Trust and it was requested that in future operation of the said account be allowed under joint signatures of Chief Trustee Shri XXXXX along with either one of co-trustees.

That, on 02.12.2023, amount of Rs.3.00 crores was transferred back from the said personal account of Shri XXXXX to account No.XXXXX of Sudama Trust. Subsequently, this amount was further transferred from the account of Sudama Trust to the account no. XXXXX of Sudama Prasad Vidyasthali.

That, when the members of the Management Committee of Dr. Sudama Prasad Bal Vidya Mandir came to know that Shri XXXXX had transferred Rs.3.00 crores from the account of School to his personal account, they called a meeting and asked Shri XXXXX to return the money. Accordingly, Shri XXXXX returned the money on 02.12.2023.

That, Shri XXXXX was the sole authorized signatory to operate Bank account of Sudama Trust before the alleged transaction had taken

place. Therefore, there was no anomaly in him operating the account of the Trust. The subsequent Trust Deed dated 08.06.2020 was not presented before the Bank of Baroda, Vikas Bhawan Branch, Shahjahanpur and the letter dated 09.06.2020 for change in the mode of operations of the account was also not submitted to the bank. Therefore, there was no occasion for the Bank officials to object to the mode of operation of the said Bank account. The complainant could not submit any proof of the fact that the letter dated 09.06.2020 related to change in mode of operation of the account was in fact submitted to the Bank and was in the knowledge of the then Bank Manager/other Bank officials. Since the Bank officials were not aware of such change, they cannot be held liable for allowing transactions under sole signatures of Shri XXXXX.

That, it is a matter of record that an amount of Rs.3.00 crores was transferred from the account of Dr. Sudama Prasad Vidyasthali to the account of Sudama Trust which was subsequently transferred to personal account of Shri XXXXX. After a brief period of twelve days, the said money was remitted back to the account of Sudama Trust and thereafter, to the account of Dr. Sudama Prasad Vidyasthali.



10. The Investigation Report has concluded that:-

"That no role can be attributed to the accused public servants of the bank in the matter as they did not have any occasion to see or deal with the Trust deed dated 08.06.2020 or letter dated 09.06.2020 regarding change in mode of operation of the account of Sudama Trust. Since, the alleged letter was not brought to the notice of bank officials, they cannot be held liable for allowing transactions with the signatures of sole signatory. Moreover, on objection by co-trustees later, the bank on its own marked debit freeze on the account and the same is still continuing, therefore, if the public servants were parties to the transactions, they would not have stopped debit transactions from the said account at the instance of Shri. XXXXX and Shri. XXXXX. Thus, the public servants cannot be held liable for any lapse in the matter as they allowed the transactions as per the mandate available with the bank and not otherwise.

Therefore, no offence could be made out in the present case after thorough investigation. It is, therefore, proposed that the instant case may be closed and a closure report may be allowed to file before the Court of competent jurisdiction".

11. Having perused the Investigation Report, we find that the allegations against the concerned public servants (officials of the Bank) are not substantiated. We are of the considered opinion that there is no need to proceed further in the matter.



12. Accordingly, the complaint is disposed of.

Sd/-
(Justice A.M. Khanwilkar)
Chairperson

Sd/-
(Justice L Narayana Swamy)
Member

Sd/-
(Justice Sanjay Yadav)
Member

Sd/-
(Justice Ritu Raj Awasthi)
Member

Sd/-
(Pankaj Kumar)
Member

Sd/-
(Ajay Tirkey)
Member


(Court Master)

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