

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

Complaint Nos. : 27/2023
Date : 1st March, 2023.
Coram : **Justice Pradip Kumar Mohanty**
Hon'ble Acting Chairperson

Justice Abhilasha Kumari
Judicial Member

Shri Dinesh Kumar Jain
Member

Smt. Archana Ramasundaram
Member

Shri Mahender Singh,
Member.

Dr. Indrajeet P. Gautam
Member

ORDER

Perused the complaint.

2. This voluminous complaint is directed against the Bank of Baroda, Reserve Bank of India and fifty-one officers/officials working in the Bank of Baroda in different capacities and in different cities. The complaint has been made on behalf of a company incorporated under the provisions of the companies Act, 1956.

3. Several allegations are made in the complaint. The grievances raised by the complainant can be summarised as below:-

- 1) The statutory Auditor sought a bribe of Rs. 25 lakh for not submitting a report that would lead to the classification of the accounts of the company as NPA and as a defaulter. When this was not done, the report was given and the Bank believed such report, which illegally classified the accounts of the companies and initiated various malicious criminal proceedings before the CBI, Economic Offences Wing (EOW), New Delhi and the Debt Recovery Tribunal (DRT).
- 2) The Bank officers have committed criminal misconduct by asking for bribes. They surreptitiously removed and stole the machine parts and equipment of the company, to the tune of Rs 10 crores, for undue monetary gains. They also forced the company, Cygnus Splendid Ltd, to invest in various First India LIC insurance policies, because the agents for such policies were persons close to them.
- 3) During the period 2011-14, the complainant company along with its two associate companies namely Cygnus Splendid Ltd, (the companies) with a view to accelerate their businesses, availed credit facilities from the Bank, which were secured by their guarantors who provided sufficient moveable and immoveable securities. The companies also made regular repayments of the money. However, the companies faced a severe set-back and business losses due to the illness of their director.
- 4) The companies, being bona-fide borrowers, resolved to settle and clear their dues and gave the Bank their settlement proposals. However, the Bank did not consider their genuine OTS proposals. Instead, the Bank, with a mala fide intention,



took recourse to various proceedings in order to exert pressure upon the companies and their Directors.

- 5) From the inception, the Bank, without following the RBI guidelines and notifications, continued to charge interest as per its own whims, at excessive and exorbitant rates.
- 6) From time to time, as and when machinery and equipment were purchased by the complainant company by utilizing the loan money, the invoices and insurance policies of the same were submitted to the Bank, who made regular inspections and levied charges for such inspections.
- 7) The Bank and/or its officers, in order to satisfy its/their own grudge for not fulfilling the demands of undue monetary gain, illegally took possession of the assets of the companies, even though the loaned amount was lesser than the mortgaged securities.
- 8) The Bank proceeded to auction the assets of Cygnus Splendid Ltd. at a greatly reduced price.
- 9) The amount of Rs. 2.80 crores paid by the complainant company should have been kept in a "No Lien Account", but has been illegally appropriated by the Bank.
- 10) The Bank has acted in contravention of the order dt. 28/03/2008 passed by the DRT, directing that Cygnus Equipments & Rentals Pvt Ltd. be allowed to withdraw 80% the amount deposited.
- 11) The companies have suffered heavy losses of more than Rs. 150 crores due to the various acts of omission and/or commission of the Bank and its officers, for which proper

proceedings should be initiated against them for committing grave crimes and looting the money of its borrowers.

4. In light of the above allegations, we have perused the complaint and the accompanying documents and considered the material on record. It is apparent that the complainant company and its associate companies are involved in proceedings with the Bank, arising out of loan defaults and the accounts being declared as NPA.

5. The matter is before the Debt. Recovery Tribunal, which is the proper forum for its adjudication. The allegation of demand of Rs. 25 lakhs as bribe, levelled by the complainant against the statutory Auditor, for not declaring the accounts of the company as NPA, is allegedly not supported by any specific or detailed evidence. Even the name of the said public servant has not been disclosed. The allegation, being absolutely bald and general in nature, cannot form the basis of any further action.

6. The allegation regarding the Bank not following RBI guidelines and charging interest at excessive rates, has also been made without any details. All other allegations appear to flow from the proceedings that are going on between the Bank and the concerned companies before different forums. From the complaint, itself, it appears that the CBI and the Economic Offences Wing, are also looking into the matter.

7. Further, although several officers of the bank serving in various capacities in different cities of India have been named, no specific allegations have been made against any of them. There is

no material on record indicating what role, if any, each of them has played and how they fit into the allegations made in the complaint.

8. Under the circumstances and for reasons stated herein above, we are not inclined to take any action in the present complaint. Though it is stated in the complaint that offences under the provision of the Prevention of Corruption Act have been committed, no specific act or incident, by any of the public servant, has been mentioned.

9. The complaint, therefore, does not fulfil the requirements of the mandate under the Lokpal and Lokayuktas Act, 2013.

10. Accordingly, the complaint stands disposed of.

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