

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

Complaint No. : 67/2024

Date : 19th April, 2024

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

Shri Justice L. Narayana Swamy
Judicial Member

Shri Sushil Chandra
Member

Shri Pankaj Kumar
Member

Shri Ajay Tirkey
Member

ORDER

The complaint is placed before the Full Bench for consideration of the Scrutiny Report and to pass appropriate order.

2. Perused the Scrutiny Report.
3. The complaint dated 24.03.2024 has been received through LokpalOnline portal but the physical copy of the same has not been received yet. As the complaint was received online, it was unsigned and the complainant has not enclosed a notarized affidavit on a non-judicial stamp paper in a proper format/manner.
4. We deem it appropriate to condone the remarks made by the Scrutiny Report.



5. We observed that some of the documents enclosed by the complainant are very sketchy, unclear, disjointed and incomplete.
6. The complaint is directed against the Lead Development Manager of Punjab National Bank (PNB) and also against the officials of Indian Overseas Bank (IOB) and alleges categorization of his loan account as Non-Performing Asset (NPA) fraudulently and taking further actions, by the bank. The complaint states that the complainant has been running an MSME Unit manufacturing corrugated boxes for packaging purposes in the Saharanpur District of Uttar Pradesh since 2009, under the Pradhan Mantri Gramin Rozgar Yojana by availing loan from IOB. Unfortunately, on 31.03.2017, the loan account had been shown as NPA due to unexpected reasons.
7. The complainant has accused bank and government officials of conspiring to seize his assets unjustly. The complaint has been primarily made against the Lead Development Manager, PNB for allegedly colluding and siding with the IOB officials, participating in fake redressal at the forum of District Udyog Bandhu Committee and attempting to divert attention from the real issue instead of facilitating a fair investigation of the NPA case by the Inquiry Committee formed by the District Magistrate on 22.01.2023. The complainant has also mentioned that in the District Udyog Bandhu Committee Meeting held in November, 2022, the District Magistrate had ordered to stop all proceedings of the bank for six months. He alleges IOB of continuing to seize and dispose of mortgaged properties in spite of all his representations and proceedings at the District level. The complainant has made the complaint against the Lead Development Manager, PNB in the Public Grievances portal and to the CVO of PNB for colluding with bank officials and hindering the investigation of the NPA case before the Magistrate.
8. As regards the allegation against the Lead Development Manager, the document containing a reply from Vigilance Department, Zonal Office, Saharanpur vide letter dated 21.11.2023 to the complainant points out the falsity in the allegations so made. Further, it has clarified that the Lead Development Manager merely had advisory role devoid of any administrative or financial power.
9. IOB vide its letter dated 29.08.2023 addressed to SDM Saharanpur gave a points-wise reply on 10 items, which appear to have been raised by the complainant



before the Committee set up by the District Magistrate, mainly providing proper justification for the declaration of complainant loan account as NPA, correctness of the calculation of interest, penalty & inspection charges and denial of getting any instruction from District Magistrate to stop proceeding under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 as Debt Recovery Tribunal (DRT) Court being the competent authority for the said purpose.

The complainant had availed Fund Based Working Capital (FBWC) in the form of Cash Credit (CC) Limit for Rs.6.00 lakhs and Term Loan for Rs.4.00 lakhs for MSME unit on 14.01.2009. The annual renewals of CC limit were done by IOB upon receiving the necessary documents and financial papers from the borrowers. The CC limit was enhanced on multiple occasions, last being in May, 2015 to Rs.25.00 lakhs. A Fresh Term Loan for Rs.20.00 lakhs was sanctioned by IOB on 02.05.2014. Failure in the submission of all relevant documents for the renewal of CC limit, insufficient turnover in the CC account and overdue in Term Loan resulted in the loan account becoming NPA.

10. Perusing the documents, a demand notice dated 07.12.2020 under sub-section (2) of Section 13 of the SARFAESI Act, 2002 for Rs.22,72,368.86 (as on 30.11.2020) to Borrower/Mortgagers/Guarantors and Possession Notice (for immovable property) [(Rule 8(1)] dated 17.05.2023 have been issued by IOB. However, the documents enclosed are incomplete and the current status under the SARFAESI Act is not available on record.

11. The Full Bench having perused the complaint and the documents attached with the complaint is of the view that the complaint lacks material facts suggestive of the commission of an offence of corruption under the Prevention of Corruption Act, 1988, as a result of which we are precluded from doing any further scrutiny of the matter. Hence, we are not inclined to entertain this complaint.

12. In view of the above, the Bench is of the considered view that there is no need to proceed further in the matter and therefore, this complaint deserves to be disposed of.



13. The disposal of this complaint will, however, not preclude the complainant to pursue other appropriate remedies, as may be advised and permissible in law.

14. Accordingly, the complaint is disposed of.


Court Master