

NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION

**Bench: Hon'ble Mr. Justice Ram Surat Ram Maurya, Presiding Member,
and Hon'ble Bharatkumar Pandya, Member**

Date of Decision: 16th May 2024

CONSUMER CASE NO. 1294 OF 2016

WITH

CONSUMER CASE NO. 1696 OF 2016

PUBLIC HEALTH FOUNDATION OF INDIA

Regd. Off. 4, ISID Campus, Institutional Area, Vasant Kunj

DELHI 110070

...COMPLAINANT(S)

VERSUS

1. PUNJAB AND SIND BANK & ANR.

Linking Road, Khar West Branch,

MUMBAI 400052, MAHARASHTRA

THE MANAGING DIRECTOR & CEO

Head Office 2nd Floor, 21 Rajendra Place,

NEW DELHI 110008

...OPPOSITE PARTY(S)

AND

1. DHANLAXMI BANK LTD. & ANR.

**GOREGAON (WEST) BRANCH, RISAB MANSION, PLOT NO-3,
JAWAHAR NAGAR, SV ROAD, GOREGAON WEST, MUMBAI-400069,
MAHARASHTRA**

THE MANAGING DIRECTOR & CEO, DHANLAXMI BANK LTD.

DHANLAXMI BUILDINGS, NAICKANAL, THRISSUR-680001, KERALA

...OPPOSITE PARTY(S)

Legislation:

Consumer Protection Act, 1986

Sections 120B, 419, 420, 467, 468 & 471 IPC

Section 13(2), 13(1)(d) of the Prevention of Corruption Act, 1988

Section 3 of Limitation Act, 1963

Section 100 of the Consumer Protection Act, 2019

Subject: Consumer complaints against banks for fraudulent transactions and deficiency in service leading to financial loss and project delays.

Headnotes:

Banking Law – Consumer Complaint for Deficiency in Service by Banks – National Consumer Disputes Redressal Commission (NCDRC) – Public Health Foundation of India (PHFI) filed complaints alleging deficiency in service against Punjab and Sind Bank and Dhanlaxmi Bank – Allegations of fraud, misappropriation, and non-compliance with KYC norms by bank officials – Investigation by CBI revealed large-scale embezzlement – PHFI sought refund of fixed deposits, compensation for project delays, and litigation costs – NCDRC directed Punjab and Sind Bank to refund misappropriated funds with interest – Complaint against Dhanlaxmi Bank dismissed due to lack of financial loss sustained by PHFI [Paras 1-27].

Maintainability of Consumer Complaint – NCDRC held that consumer complaints are maintainable despite ongoing criminal investigations – Jurisdiction of Consumer Fora to decide on issues involving fraud and misappropriation – Consumer Protection Act, 1986 and 2019 provide additional remedies to consumers – Civil and criminal proceedings can proceed simultaneously – Preliminary objections regarding complicated factual issues and maintainability of complaints were dismissed [Paras 17-21].

Evidence Evaluation – Submissions and documentary evidence by PHFI and opposing banks considered – Discrepancies in bank's records and compliance with regulatory norms – Confirmation of fixed deposits and overdraft facilities – Statements by bank officials and Suspicious Transaction Reports – Evidence of negligence and collusion by bank officials in fraudulent transactions – NCDRC found substantial evidence supporting PHFI's claims against Punjab and Sind Bank [Paras 22-27].

Decision – Partial Allowance of Complaint – Held – Punjab and Sind Bank directed to pay Rs.11.5 crores with 9% interest per annum from the date of transfer until payment – Complaint against Dhanlaxmi Bank dismissed due to no financial loss to PHFI – NCDRC emphasized adherence to banking regulations and accountability of bank officials for misconduct [Order].

Referred Cases:

- The Chairman & Managing Director, City Union Bank Limited Vs. R. Chandramohan (Civil Appeal No. 7289 of 2009)

- Canara Bank Vs. Canara Sales Corporation (1987) 2 SCC 666
- Pradeep Kumar Vs. Post Master General (2022) 6 SCC 351
- Dr. J.J. Merchant Vs. Shrinath Chaturvedi (2002) 6 SCC 635
- Avitel Post Studioz Limited Vs. HSBC PI Holding (Mauri Lius) Limited (2021) 4 SCC 713
- Sunita Vs. Rajasthan SRTC (2020) 13 SCC 486

Representing Advocates:

For the Complainant: MR. PALLAV SISODIA, SR. ADVOCATE, MR. SAURABH SETH, ADVOCATE

For Punjab and Sind Bank: MS. SEEMA GUPTA, ADVOCATE

For Dhanlaxmi Bank: MR. INDERBIR SINGH ALAG, SR. ADVOCATE, MR. GAURAV GUPTA, ADVOCATE, MR. SARAJUL, ASSTT. MANAGER

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JUDGMENT

1. Heard Mr. Pallav Shishodia, Sr. Advocate, assisted by Mr. Saurabh Seth, Advocate, for Public Health Foundation of India, Ms. Seema Gupata, Advocate, for Punjab and Sindh Bank and Mr. Inderbir Singh Alag, Sr. Advocate, assisted by Mr. Gaurav Gupta, Advocate, for Dhanlaxmi Bank Ltd.

2. Public Health Foundation of India has filed CC/1294/2016 for directing Punjab and Sind Bank to (i) refund Rs.11 crores, with interest @18% per annum, from the date of deposit till the date of refund; (ii) pay Rs.5 crores, as compensation for loss to the projects, undertaken in public interest and could not be completed due to lack of fund; (iii) pay Rs.50 lacs, as litigation costs incurred by the complainant to recover its amount; and (iv) any other relief which is deemed fit and proper in the facts of the case.

3. Public Health Foundation of India has filed CC/1696/2016 for directing Dhanlaxmi Bank Ltd. to (i) refund Rs.16,39,69,582/-, with interest @18% per annum, from the date of deposit till the date of refund; (ii) pay Rs.5 crores, as compensation for loss to the projects, undertaken in public interest and could not be completed due to lack of fund; (iii) pay Rs.50 lacs, as litigation costs incurred by the complainant to recover its amount; and (iv) any other relief which is deemed fit and proper in the facts of the case.

4. The complainant stated that Public Health Foundation of India (for short the PHFI) was a society, registered on 08.02.2006 under the Societies Registration Act, 1860 and formed with object to establish new institutes of public health, assist existing institutes for enhancing their capacity and output, promote research in prioritized area of public health etc. It is an initiative that has collaboratively evolved through consultations with multiple constituencies including Indian and National Academia, State and Central Government, multi & bi-lateral agencies and civil societies groups. The PHFI was registered under Foreign Contribution (Regulation) Act, 1976 on 26.09.2008 and the contributions to the PHFI is exempted under Section 80G (5)(vi) of the Income Tax Act, 1961. The PHFI was granted recognition under the scheme of Scientific and Industrial Research Organization, 1988, on 23.04.2011. The PHFI was running its activities from the donations. At the initial stage of formation of the PHFI, Government of India, Ministry of Health and Family Welfare granted Rs.65 crores towards corpus fund. Later on Rs.69.22 crores was contributed by Bill and Malinda Gates Foundation, U.S.A. and Rs.19.86 crores was contributed by Nand and Jeet Khernka Foundation. The PHFI received Rs.325.19 crores, from multiple donors till 31.03.2013. On 31.03.2013, the PHFI received Rs.219 crores contribution towards its corpus fund. The PHFI used to receive donations for a particular project and held it as a trustee till the completion of that project. The funds received from the donors and the interest earned on it, are utilized for fulfilling the object of the society without any motive of profit. The PHFI opened Current Account NO.0340992008, in Citybank NA, Connaught Circus Branch, New Delhi, for receiving foreign donations and Saving Account No.05861110000013 in HDFC Bank .Ltd. Green Park Extension, Delhi; for receiving domestic donations. Apart from it the PHFI opened bank accounts in other bank in order to carry out its work.

5. Governing Body of the PHFI took a decision in the year 2013-2014 to deposit 80% of its fund in "fixed deposits" with the public sector banks as keeping money in "fixed deposit" with the bank was safest mode for holding the money and utilizing it along with interest earned on it, in completing the project. In pursuance of the decision of the Governing body, the PHFI initially deposited its surplus fund in Housing & Urban Development Corporation Limited, Dewan Housing Finance Corporation Limited, Kerala Transport

Department Finance Corporation Limited. Over a period of time, this exposure was gradually reduced from private sector banks to housing development finance corporations. Thereafter, the PHFI made following 'fixed deposits';-

(a) Ms. Amrita Mathews, the then Branch Manager of Dhanlaxmi Bank Limited, Branch Goregaon (West), Jawahar Nagar, Mumbai approached the PHFI in March, 2013 with proposal of interest @9.75% p.a. on fixed deposit for a minimum period of one year on the amount exceeding Rs. 1/- crore. The PHFI forwarded relevant forms and the documents to Dhanlaxmi Bank Limited, Branch Goregaon (West), Jawahar Nagar, Mumbai on 05.04.2013, as required, for fixed deposit of Rs.15/- crores. The forms were duly signed and authenticated by authorised signatories of the PHFI, namely Mr. Amit Chaturvedi and Lt. Gen. Narayan Chatterjee (Retd.). The PHFI remitted Rs.5/- crores from its Account No.05861110000013 with HDFC Bank to the intermediary account No.019917700000013 of Dhanlaxmi Bank Limited, Branch Goregaon (West) on through RTGS on 05.04.2013, Rs.5/- crores from its Account No.0340992008 with Citibank to the intermediary account No.019917700000013 of Dhanlaxmi Bank Limited, Branch Goregaon (West) on through RTGS on 05.04.2013 and Rs.5 crores from its Account No.0340992008 with Citibank to intermediary account No.019917700000013 of Dhanlaxmi Bank Limited, Branch Goregaon (West) on through RTGS on 17.06.2013. The PHFI received FDR Nos.1353157 (account No.019942400000171/1), 1353158 (account No.019942400000184/1) and 1353209 (account No.019920100002520/1), each of Rs.5 crores for a period of one year, with maturity value of Rs.5,49,28,065/- on 15.04.2014, Rs.5,49,28,065/- on 16.04.2014 and Rs.5,49,25,355/- on 19.06.2014, respectively, issued by Dhanlaxmi Bank Limited, Branch Goregaon (West). Ms. Amrita Mathews, the then AGM of Dhanlaxmi Bank Limited, vide letter dated 09.11.2013, confirmed above fixed deposit, which was followed by email dated 11.11.2013 and Interest Certificate issued by Dhanlaxmi Bank Limited dated 31.12.2013. Statutory Auditors of the PHFI sent balance confirmation format as on 31.03.2014 to Dhanlaxmi Bank Limited on 14.04.2014, which was confirmed by letter dated 27.05.2014. The PHFI received six demand drafts of total amount of Rs.5,49,28,065/-, relating to fixed deposit account No.019942400000171/1 and other six demand drafts of total amount of Rs.5,49,28,065/-, relating to fixed deposit account No.019942400000184/1 through letter dated 16.04.2014 and six demand

drafts of total amount of Rs.5,41,13,699/-, relating to fixed deposit account No.019920100002520/1 through letter dated 22.04.2014.

(b) Mr. P.C. Chaturvedi, then Manager of Punjab and Sindh Bank, Khar West Branch, Linking Road, Mumbai approached Mr. Nirmal Pathak, Finance Manager of the PHFI on telephone offering interest @9.25% p.a. for 181 days of the term deposit of the value exceeding Rs.1 crore in May, 2014. The PHFI forwarded relevant forms and the documents to Punjab and Sindh Bank, Khar West Branch on 02.06.2014, as required, for fixed deposit of Rs.10 crores. The forms were filled up in the handwriting of Mr. Nirmal Pathak and were duly signed and authenticated by authorised signatories of the PHFI, namely Mr. Amit Chaturvedi and Lt. Gen. Narayan Chatterjee (Retd.). The PHFI remitted Rs.5 crores from its Account No.0340992008 with Citibank and Rs.5 crores from its Account No.05861110000013 with HDFC Bank to the intermediary account No.03001100032877 of Punjab and Sindh Bank, Khar West Branch on through RTGS on 05.06.2014. The PHFI received FDR Nos.884262 and 884264, each of Rs.5 crores for a period of one year, with maturity value of Rs.5,46,54,166/-, on 06.06.2014, issued by Punjab and Sindh Bank, Khar West Branch. Punjab and Sindh Bank, Khar West Branch issued confirmation letter dated 01.07.2014 of above fixed deposits. In spite of the fact that the PHFI had given undertaking that there would be no premature withdrawal of above fixed deposits, Punjab and Sindh Bank, Khar West Branch remitted Rs.5,03,57,535/- to the account of the PHFI with HDFC Bank on 02.07.2014 and Rs.5,03,32,877/- to the account of PHFI with Citibank on 04.07.2014. Investigating Officer, CBI, vide letter dated 24.07.2014 to Citibank, New Delhi informed that Rs.6.5 crores was transferred on 01.07.2014 and Rs.5 crores was transferred on 03.07.2014 from the account of the PHFI with Dena Bank, Malabar Hill Branch to Punjab and Sindh Bank, Khar Branch, who remitted Rs.5,03,57,535/- to the account with HDFC Bank on 02.07.2014 and Rs.5,03,32,877/- to the account with Citibank on 04.07.2014 of the PHFI.

(c) Dena Bank, Malabar Hills Branch, Mumbai offered to deposit in "Samruddhi Deposit Receipt" scheme, in which interest @9.6% per annum was given. The Director Finance of the PHFI wrote a letter dated 12.02.2014 to Dena Bank, for opening account for "fixed deposit" of Rs.8 crores and forwarded Account Opening Form, jointly signed by Amit Chaturvedi, Head

Finance and Lt. Gen. Narayan Chatterjee, Advisor and other relevant documents. The Director Finance of the PHFI transferred Rs.8 crores on 13.02.2014, from its Saving Account No.05861110000013 in HDFC Bank Ltd. through RTGS to the Intermediary Account No.00760050050002 of Dena Bank, Malabar Hill Branch, Mumbai. The Director Finance of the PHFI again transferred Rs.6 crores on 13.03.2014, Rs.3 crores on 19.03.2014, Rs.6 crores on 22.04.2014 and Rs.3 crores on 06.05.2014 from its accounts in HDFC Bank Ltd. and Citybank through .RTGS to the Intermediary Account No.00760050050002 of Dena Bank, Malabar Hills Branch, Mumbai, for 'fixed deposit' for a period of one year. Dena Bank issued "Samruddhi Deposit Receipt" dated 13.03.2014, 19.03.2014, 25.04.2014 and 07.05.2014 of above amounts. The Auditors of the PHFI wrote a letter- dated 14.04.2014 to Dena Bank, Malabar Hill Branch, for confirming the deposits in a proforma of Audit Certificate till 31.03.2014, which was provided by Dena Bank on 21.06.2014.

6. The PHFI received an email dated 28.06.2014, from Senior Inspector, Economic Offences Wing, CBI, Mumbai, informing about large scale of embezzlement of Rs.58 crores and that during investigation it was revealed that an amount of Rs.14.50 crores was transferred to the account of SIES Trust from the account of the PHFI. Senior Inspector sought for confirmation from the PHFI of that transaction. The PHFI, through email dated 02.07.2014, informed that no such amount was transferred by the PHFI to SIES Trust. Prabhakar Loke from CBI, vide email dated 02.07.2014 informed that Account No.03001100032865 was opened in the name of SIES Trust with Punjab National Bank, Khar Branch, Mumbai in which Rs.14.50 crores was transferred by the PHFI on 21.05.2014 and asked to check its accounts with the banks. The officials of the PHFI, firstly checked its fixed deposits with Punjab National Bank and Punjab & Sind Bank, where embezzlement had taken place. Amit Chaturvedi, Head Finance of the PHFI went to Malabar Hill Branch of Dena Bank on 07.07.2014 and met with Mr. Pritam Nagarkar, Chief Manager, and. inquired about its deposits in "Samruddhi, Deposit Receipt", who assured that the money of the PHFI would be refunded, within 6-7 days along with interest. Mr. M.L. Bahera, Zonal Manager of Dena Bank, lodged a complaint with CBI on 10.07.2014, alleging that Pritam Nagarkar, Chief Manager in connivance of Vimal Barot, Showman Group and unknown persons of 7 organizations had embezzled approximately Rs.220/- crores of Dena Bank. Pritam Nagarkar absconded from the date of lodging the complaint. The PHFI wrote a letter dated 11.07.2014, to Dena Bank, Malabar

Hill. Branch to close its above 5 "Samruddhi Deposit Receipt" and transfer its money to the accounts as mentioned in it. Dena Bank, through its letter dated 16.07.2014, informed that 5 "Samruddhi Deposit Receipt" as supplied along with letter dated 11.07.2014, were not matching with Dena Bank's record rather Current Account No.007611023867 was opened in the name of the PHFI and the amount transferred 13.03.2014, 19.03.2014, 25.04:2014 and 07.05.2014 were credited in Current Account No.007611023867. From where, the money was fraudulently transferred to various accounts and the matter had been referred to CBI for investigation. The PHFI, vide letter dated 22.07.2014, denied opening of above Current Account No.007611023867 and requested Dena Bank to return its money.

7. As Punjab and Sind Bank, Khar West Branch remitted Rs.50357535/- to the account of the PHFI with HDFC Bank on 02.07.2014 and Rs.5,03,32,877/- to the account of PHFI with Citibank on 04.07.2014, the account of PHFI with HDFC Bank through letter dated 23.07.2014 and with Citibank, through letter dated 24.07.2014, these accounts were seized during investigation on the ground that amounts transferred to these accounts were tainted. Investigating Officer, CBI, vide letter dated 24.07.2014 to Citibank, New Delhi informed that Rs.6.5 crores was transferred on 01.07.2014 and Rs.5 crores was transferred on 03.07.2014 from the account of the PHFI with Dena Bank, Malabar Hill Branch to Punjab and Sindh Bank, Khar Branch. Then, Punjab and Sindh Bank, Khar West Branch remitted Rs.5,03,57,535/- to the account of the PHFI with HDFC Bank on 02.07.2014 and Rs.5,03,32,877/- to the account of PHFI with Citibank on 04.07.2014. The HDFC Bank, through letter dated 24.07.2014 informed that accounts of the PHFI with HDFC Bank, in Bengaluru, in Ahmedabad, Bhubaneswar, two accounts in Hyderabad and 4 accounts in Delhi have been seized.

8. The PHFI filed Miscellaneous Application No.152 of 2014 before Special Judge, CBI Mumbai for revoking seizure of its account. CBI filed its reply to this application, stating that Current Account No.03001100032877 with Punjab and Sindh Bank, Khar West Branch was in the name of the PHFI and huge fund was transferred to this account. On the application of the PHFI, Special Judge, CBI Court, Mumbai, revoked the seizure of the accounts of the PHFI, vide order dated 06.08.2014 with the condition that minimum balance of Rs.5,03,57,535/- in the account of the PHFI with HDFC Bank and

Rs.5,03,32,877/- in the account of the PHFI with Citibank would be maintained and to give security of Rs.26 crores. The PHFI gave security of Rs.27 crores, in the form of 'fixed deposits' on 11.08.2014.

9. The PHFI wrote a letter dated 21.07.2014 to Fraud Monitoring Cell of Reserve Bank of India to investigate in above incident. The PHFI also lodged a complaint with CBI on 28.07.2014, to investigate above fraud and recover its money, on which, Crime No.82/2014, 83/2014 and 84/2014 were registered against Bank of Maharashtra, Central Bank of India and Punjab National Bank. The PHFI also made a complaint against Dhanlaxmi Bank Limited on 14.10.2014 with Economic Offences Wing, Crime Branch, Mumbai. The PHFI, vide letter dated 14.11.2014, sought for issue of certified copies of account opening forms, specimen signature cards and other details, which were necessary for opening the account and cheques books and transactions etc. The PHFI, vide letter dated 19.11.2014, informed that entire amount of Rs.26 crores was transferred to Intermediary Account No.00760050050002 of Dena Bank, by HDFC Bank and Citibank. Dena Bank, vide letter dated 22.12.2014, informed that original records relating to opening current account were seized by CBI. The PHFI informed to Central Vigilance Commission, Department of Finance Services, Ministry of Finance and Reserve Bank of India in respect of above incidents.

10. Economic Offence Wing issued notice dated 18.11.2014 to the PHFI to verify the veracity of Account Nos.60146702654 with Bank of Maharashtra, Malabar West Branch, 007611023867 with Dena Bank, Malabar Hills Branch, 03001100032877 with Punjab and Sindh Bank, Khar Branch, 0564005900000014 with Punjab National Bank, Worli Naka and 3301599318 with Central Bank of India, Malad West. The PHFI, vide letter dated 01.12.2014, informed that none of above accounts were opened by PHFI. CBI, vide letter dated 22.12.2015, permitted for supply of the certified copies of all the documents relating to opening of current account in Dena Bank and the transactions made from that account. After receiving the documents, it was revealed that the amount of Rs.8/- crores transferred on 13.02.2014 was invested in "Samruddhi Deposit Receipt" No.1807117 on 13.02.2014, which was closed on 14.02.2014, on the instructions issued by the Manager and the amount was transferred into an account opened in the name of the PHFI with Bank of Maharashtra, Malad (W). Current Account No.007611023867 was

opened in the name of the PHFI in Dena Bank, Malabar Hill Branch on 11.03.2014. The amounts of Rs.6 crores transferred on 13.03.2014, Rs.3 crores transferred on 19.03.2014, Rs.6 crores transferred on 22.04.2014 and Rs.3 crores transferred on 06.05.2014 by the PHFI from its accounts in HDFC Bank Ltd. and Citibank through RTGS to Intermediary Account No.00760050050002 of Dena Bank, Malabar Hill Branch, Mumbai, were credited in Current Account No.007611023867 as per Manager's instruction. A cheque book, containing cheques No.788201 to 788225, relating to above account was issued and received by one Devendra Suresh .Bhogle on 14.03.2014. Another cheque book, containing .cheques No.790551 to 790575, relating to above account was issued and received by Devendra Suresh Bhogle on 05.06.2014. Entire amount was syphoned to other accounts using these cheques.

11. Mr. Sijo Joseph, Branch Manager Dhanlaxmi Bank Limited, Goregaon (West) Branch gave statement dated 30.04.2015 to Economic Offence Wing that apart from FDR Account Nos.019942400000171/1, 019942400000184/1) and 019920100002520/1, three more FDR i.e. Account Nos.199424121/1, 199424150/1, 199424171/1, 199424184/1, 199424344/1 and 1992012520/1 were also opened in the name PHFI with Dhanlaxmi Bank Limited, Goregaon (West) Branch. The money of these fixed deposits were received from Market Place, Showman Infrastructure, Showman International (except Rs. 1 crores which was received from Punjab National Bank Worli Naka Branch from the account in the name of PHFI) and Dhanlaxmi Bank Limited initiated disciplinary proceeding against Ms. Amrita Mathews for opening fixed deposits on fabricated papers, without following KYC norms and gave charge sheet to her on 14.02.2014. These papers were supplied to the PHFI in January, 2016. Then the PHFI gave legal notice dated 12.01.2016 to Dhanlaxmi Bank Limited and its concerned officers that due fraud committed by Ms. Amrita Mathews, the PHFI is being harassed in criminal investigation and its accounts were seized, which were opened on 06.08.2014, on the condition of giving security of Rs.27 crores and for maintaining minimum balance of the amount as received from Dhanlaxmi bank due to which, its project work has been stopped for which it is liable. Dhanlaxmi bank, through letter dated 19.01.2016, denied its liability.

12. These complaints have been filed alleging deficiency in service on the part of the OPs in both the complaints, i.e. the OPs banks have not followed the KYC norms, Anti-money Laundering Standard/ Combating of Financing of Terrorism/ Obligations of Banks under Prevention of Money Laundering Act, 2002 and Real Time Gross Settlement Guidelines, 2013 issued by RBI. The branch managers of the OPs bank in collusion with the fraudsters opened FDRs in the name of PHFI and overdraft accounts on fabricated papers. Within a short span of time, entire money was embezzled and overdraft accounts were closed. Dhanlaxmi Bank Limited opened three fake FDRs in the name of PHFI, for which money was transferred by Showman Infrastructure and Showman International, Market Place and M/s. Jyoti Enterprises. Dhanlaxmi Bank Limited has submitted a Suspicious Transaction Report dated 05.11.2013 to Financial Intelligence Unit, Ministry of Finance in respect of above fake transactions. Investigating Officer, CBI, vide letter dated 24.07.2014 to Citibank, New Delhi informed that Rs.6.5 crores was transferred on 01.07.2014 and Rs.5 crores was transferred on 03.07.2014 from the account of the PHFI with Dena Bank, Malabar Hill Branch to Punjab and Sindh Bank, Khar Branch. Thereafter, Punjab and Sindh Bank, Khar West Branch remitted Rs.5,03,57,535/- to the account of the PHFI with HDFC Bank on 02.07.2014 and Rs.5,03,32,877/- to the account of PHFI with Citibank on 04.07.2014. CBI, therefore, is treating the amount transferred to the PHFI was money, which was received by it from Dena Bank, the bank accounts of the PHFI with HDFC Bank and Citibank were seized. Due to fraud committed by the branch managers of the OPs banks, the PHFI is being harassed in criminal investigation and its accounts were seized on 06.08.2014, which was re-opened on the condition of giving security of Rs.27/- crores and for maintaining minimum balance of the amounts as received from the OPs bank, due to which, its project works undertaken by the PHFI have been stopped.

13. Punjab and Sindh Bank and another (the OPs) filed its written reply on 07.06.2017 in CC/1294/2016 and contested the complaint. The OPs stated that Amit Chaturvedi, Head Finance and Narayan Chatterjee, Executive of the PHFI handed over all the necessary papers along with resolution of the PHFI dated 22.05.2004 and list of authorised signatories for opening current account in Punjab and Sindh Bank, Khar West Branch, on which, Current Account No.03001100032877 was opened. The OPs followed KYC norms at the time of opening account and obtained PAN Card and personal information of Amit Chaturvedi, Head Finance and Narayan Chatterjee, Executive of the

PHFI. The transfer by Real Time Gross Settlement System, requested instructions and documents including cheques, whereby the instructions to transfer the amounts transacted in the current account were corroborated. The amount received by the PHFI were credited in its above current account on the instruction of the PHFI. It has been denied that the complainant had any valid and documented policy for investment of its fund in 'fixed deposits'. The alleged FDRs were not issued by the OPs. On the instruction of the PHFI, Rs.5,03,57,535/- to its account with HDFC Bank was remitted on 02.07.2014 and Rs.5,03,32,877/- to its account with Citibank was remitted on 04.07.2014 thus entire money along with accrued interest as deposited by the PHFI was remitted back. There is no deficiency in service within the meaning of Section 2(1)(g) of the Consumer Protection Act, 1986. The OPs opened Overdraft Account No.030011000032865 in the name of SIES Trust after following the norms of KYC and other procedures in this respect. Case No.RCBSM2014E000/CBI/BS&FC/Mumbai under Section 120-B, 419, 420, 467, 468 & 471 IPC R/w Section 13(2), 13(1)(d) of the Prevention of Corruption Act, 1988 was registered with Superintendent of Police, CBI, Bank Security and Fraud Cell, Mumbai, in respect of the transactions effected in the accounts of the PHFI opened with Dena Bank, Punjab National Bank and Bank of Maharashtra. Vide Production Seizure Memo dated 21.07.2014 all original documents, inter alia relating to the transactions affected in the Current Account No.03001100032877 were seized. The OPs received notice dated 04.08.2014 under Section 91 of Criminal Procedure Code, 1973 issued by Superintendent of Police, CBI, Bank Security and Fraud Cell, Mumbai in this respect. In compliance of the said notice, the original documents relating to the opening current account by the PHFI were seized. Subsequently the OPs received similar notice dated 15.09.2014 for production of documents, which was duly complied with. The impugned transactions form part of investigation process of CBI in Case No.RC.6.E/2014-CBI/BSFC/Mumbai. Until criminal investigation and prosecution emanating from aforesaid case attains their logical conclusion, the consumer complaint is not maintainable. The PHFI and its functionaries/officials are involved in the offence of bank fraud, money laundering, cheating, forgery and other economic offences. The complainant is attempting to deviate the focus of criminal prosecution in order to avoid being brought to justice. The modus operandi adopted by the complainant is feigning ignorance of its various bank accounts and transactions affected therein and claiming innocence. The OPs verily believe that the complainant would be found guilty of having committed grave and

aggravate penal offences and it would soon be brought to justice. The accounts of the complainant were frozen by CBI as complicity of the complainant was found in various fraudulent transfer of money through several banks. The complainant was aware of it throughout. The letter dated 01.07.2014 is a fabricated documents. The OPs raised preliminary issue relating to maintainability of the complaint as it raises complicated issues relating to fraud and misappropriation of money, which requires examination of voluminous documentary evidence and examination/cross-examination of witnesses. These issues cannot be decided in summary jurisdiction of this Commission. The complainant did not pay consideration for opening current account as such it is not a consumer as defined under Section 2(1)d) r/w Section 2(1)(e) of the Consumer Protection Act, 1986.

14. The complainant filed Rejoinder Reply, Affidavit of Evidence of Jayanto Narayan Choudhury, Vice President and documentary evidence. The OPs filed Affidavit of Evidence of Murlidhar Bhujbal and documentary evidence. The complainant has filed its written synopsis.

15. Dhanlaxmi Bank Limited and another (the OPs in CC/1696/2016) filed its written statement on 03.03.2017 and stated that Dhanlaxmi Bank Limited is reputed scheduled commercial bank and is in banking business since 1927. The complainant opened FD Account Nos.199424121/1, on 08.03.2013 of Rs.45,00,000/-, 199424150/1 on 23.03.2013 of Rs.5 crores, 199424171/1 on 15.04.2014 of Rs.5 crores, 199424184/1 on 16.04.2014 of Rs.5 crores, 199202520/1 on 19.06.2014 of Rs.5 crores and 199424344/1 on 21.06.2014 of Rs.5.06 crores (total amount of Rs.25.51 crores). The complainant availed overdraft facility of Rs.0.4 crore on FDR No.199424121/1, Rs.4.5 crores on FDR No.199424150/1, Rs.4.5 crores on FDR No.199424171/1, Rs.4.5 crores on FDR No.199424184/1, Rs.4.5 crores on FDR No.199424344/1 and Rs.4.5 crores on FDR No.1992012520/1. First account opening form, signed by Prof. K. Srinath Reddy, President and Mr. Amit Chaturvedy, Head Finance/Treasurer and other required documents were forwarded to the OPs bank on 08.03.2013. After checking the documents and observing KYC norms, FDRs were issued and Overdraft Accounts were opened. The OPs have not committed any deficiency in service. The FDRs relied upon by the complainant are not issued by the OP bank. Rate of interest as offered to the complainant was 9.25% and 9.50% per annum. Mrs. Amrita Mathews was

suspended on 28.09.2013 by the bank. Emails sent by her in November, 2013 were not in capacity of the employee of the bank. Above FDRs were prematurely closed by the complainant on different dates lastly on 04.07.2013. Mr. Sijo Joseph, Branch Manager of the OP bank did not submit reply dated 27.05.2014, which is a fabricated letter. Suspicious Transaction Report dated 05.11.2013 was filed as per the guidelines issued by RBI and other authorities time to time. The employees of the complainant and the officers other banks committed embezzlement under a larger conspiracy, for which, the complainant itself has lodged criminal complaint with Economic Offences Wing of CBI. During pendency of criminal investigation, this complaint is not maintainable. The complainant has not approached this Commission with clean hand and concealed material facts. The amounts were transferred to the account of the complainant in July, 2014 while the complaint was filed on 10.10.2016. As no application for condonation of delay has been filed and it is liable to be dismissed as time barred. The OPs raised preliminary issue relating to maintainability of the complaint as it raises complicated issues relating to fraud and misappropriation which requires examination of voluminous documentary evidence, expert evidence and examination/cross-examination of witnesses, which cannot be decided in summary jurisdiction of this Commission.

16. The complainant filed Affidavit of Evidence of Jayanto Narayan Choudhury and documentary evidence. The OPs filed Affidavit of Evidence of Vivek Shirke and documentary evidence. The OPs filed IA/16172/2017 for dismissing the complainant as not maintainable. Both the parties filed their written arguments.

17. We have considered the arguments of the counsel for the parties and examined the record. Relying upon the judgment of Supreme Court in Civil Appeal No.7289 of 2009, The Chairman & Managing Director, City Union Bank Limited Vs. R. Chandramohan (decided on 27.03.2023), the counsel for the OPs raised preliminary objection, relating to the maintainability of the complaints.

The Consumer Protection Act, 1986 was enacted with an object to provide for better protection of the interests of the consumers. For that

purpose, consumer council and other authorities have been established. Consumer markets for goods and services have undergone drastic transformation since the enactment of the Consumer Protection Act, 1986. The modern market place contains a plethora of products and services. The emergence of global supply chains rise in international trade and the rapid development of e-commerce have led to new delivery systems for goods and services and have provided new options and opportunities for the consumers. Equally, this has rendered the consumer vulnerable to new forms of unfair trade and unethical business practices. Misleading advertisements, tele-marketing, multi-level marketing, direct selling and e-commerce pose new challenges to consumer protection and will require appropriate and swift executive interventions to prevent consumer detriment. The Consumer Protection Act, 2019, has been enacted, repealing the earlier Act to meet out new challenges, in which, false and misleading advertisement and manufacture and sale of spurious and 'adulterant have been declared as an offence.

Section-3 of the old Act and Section 100 of the new Act provide that the provisions of the Act are in addition to and not in derogation to the provisions of any other law. A consumer can avail remedy before civil court, Arbitrator (if contract so provides) or any other tribunal/court constituted under the law. In the absence of any provision barring the jurisdiction of consumer foras, the question as to whether remedy available under 'consumer law' is barred specifically or impliedly does not arise. A person is a 'consumer' who buys any goods or avails service paying consideration, for his own uses and not for commercial purpose. The nature of the dispute which can be raised before consumer foras are defects in goods, deficiency in service and unfair trade practice. Banking facilities are not free of charge as the banks earn on it.

Section-13(2)(b) of the old Act and Section-38 (6) of new Act requires to decide the complaint on the basis of affidavit and documentary evidence, which means that the Commission has to decide the complaint in summary manner: But at the same, time, Section 13 (4) of the old Act and Section-38 (9) of the new Act, confers same powers upon the Commission, for trial of a consumer dispute, which are vested in Civil Court under Code of Civil Procedure, 1908, while trying a suit in respect of (i) the summoning and enforcing the attendance of any defendant or witness and examining the

witness on oath, (ii) requiring the discovery and production of any document or other material object, producible as evidence, (iii) the reception of evidence on affidavits, (iv) the requisitioning of-the report of the concerned analysis or test the appropriate laboratory or from other relevant source, (v) issuing of commission for the examination of any witness or document and (vi) any other matter which may be prescribed by Central Government. From these provisions it is clear that although under the Act, the jurisdiction of the authorities is limited to consumer dispute, but while deciding such dispute no limit, has been fixed on adjudicatory power. The authorities are conferred jurisdiction to decide the issue of "'unfair trade practice" which has been defined under Section 2 (r) of the old' Act and Section 2 (47.) of new Act. This definition is similar to the definition of "fraud" as given under Section 17 of Indian Contract Act, 1872. From these provisions-it is clear .that this Commission can hold a full trail, like a civil court or adopt summary procedure for decision of any. complaint:

A three Judges Bench of Supreme Court in Dr. J.J. Merchant Vs. Shrinath Chaturvedi, (2002) 6 SCC 635, (paragraph:7) held that the object and purpose of the Act is to render simple, inexpensive and speedy; remedy to the consumer with complaint against defective goods and deficient services, it being a benevolent piece of legislation; intended to protect a large body-of consumer from exploitation. Consumer Forum is an alternate Forum, established under the Act, to discharge the function of Civil Court. The, argument that the complicated, question of fact cannot be decided by the Forum, has been specifically rejected (in paragraph-12). Similar view has been taken in Amar Jwala Paper Mills. Vs. State Bank of India, (1988) 8 SCC 387, CCI Chambers Coop. Hsg. Society Ltd. Development Credit Bank Ltd. (2003)7 SCC 233. This view has been reaffirmed by three Judges Bench of Supreme Court, in Nizam Institute of Medical Sciences Vs. Prasanth S. Dhananka, (2009) 6 SCC 1 and IFFCO TOKIYO General Insurance Company Ltd. Vs. Pearl Beverages Ltd., (2021) 7 SCC 704.

18. The OPs submitted that last transaction was done in July 2014, while the complaint was filed in October, 2016. Section 24-A of the Act provides two

years limitation for filing the complaint. As the complainant did not file any application for condonation of delay as such the complaint is liable to be dismissed as time barred. CC/1294/2016 has been filed on 08.08.2016 and CC/1696/2016 on 10.10.2016. The complainant has stated that fraud by the OPs banks were came in the knowledge of the complainant in October, 2014, then criminal complaint with Superintendent of Police, Economic Offence Wing, Crime Branch, Mumbai was filed on 14.10.2014. These complaints are filed within two years from the date of knowledge of fraud.

Section 17 of Limitation Act, 1963, provides that in case fraud and mistake, limitation starts running from the date on which fraud or mistake came in the knowledge of the plaintiff. Supreme Court in V.N. Shrikhande (Dr) Vs. Anita Sena Fernandes, (2011) 1 SCC 53, held that where effect of medical negligence was manifest, cause of action arises on the date, when negligence was committed. However, where effect is latent, cause of arises when harm or injury is discovered. In Hyundai Motors India Limited Vs. Shailendra Bhatnagar, 2022 SCC OnLine SC 483, held that limitation would start running from the date, the defect was surfaced. In Jay Laxmi Salt Works (P) Ltd. Vs. State of Gujarat, (1994) 4 SCC 1, held that in cases of malfeasance, misfeasance and non-feasance, limitation can be computed from the date of occurrence the damage or the date when the claim is rejected.

19. The plea that complicated issues of fact are involved, which requires trial by

Civil Court is always raised by the opposite party for harassing a consumer. In the present case, none of the parties moved any application for cross-examination of the witness or for expert opinion. So far as the argument that the complainant has produced fake documents along with the complaint, is concerned, whatever documents were supplied by the banks or obtained from CBI or other government agency, were filed. If same documents are not available in the record of the banks then its branch managers are responsible for it and not the PHFI. The branch managers handed over the papers to the PHFI, which are available in its office, same was filed in the complaint. Preliminary objections raised by the opposite parties have no merit.

20. The counsel for the opposite parties argued that the employees of the complainant and the officers other banks committed embezzlement under a larger conspiracy, for which, the complainant itself has lodged criminal complaint with Economic Offences Wing of CBI. During pendency of criminal investigation, this complaint is not maintainable. This argument is not liable to be accepted. Supreme Court in Avitel Post Studioz Limited Vs.HSBC PI Holding (Mauri Lius) Limited (2021) 4 SCC 713, held that criminal and civil proceeding can go on simultaneously on same allegations. In Sunita Vs. Rajasthan .SRTC; (2020) 13 SCC 486, held that in civil proceedings the court is required to record findings on the basis of evidence on record and rule of adducing best evidence is not applicable.

21. Initially Dena Bank filed criminal complaint before CBI stating that Dena Bank takes bulk deposits from Government Institutions to augment its business. Internal inquiries revealed that Pritam Vidyadhar Nagarkar, Branch Manager Malabar Hill. Branch was posted at the branch since 25.08.2011. Malabar Hill Branch was not. having any, bulk deposit. Pritam Vidyadhar Nagarkar, therefore, tried to canvass bulk business. In this connection, he came into contact with Vimal Barot who introduced himself as custodian of government departments/corporations funds and was contacted with Showman group and posted there as Senior Vice President. In order to facilitate Malabar Hill branch in mobilizing bulk deposits Vimal Barot used to give information to Pritam Vidyadhar Nagarkar about the deposits available in a particular government organization/corporate. On the basis of that information Pritam Vidyadhar Nagarkar used to obtain interest rates from the Bank's Treasury Department Treasury Department, Head Office and conveyed this to Vimal Barot. Vimal Barot reportedly negotiated with the organization/corporate which offered the deposits and canvassed deposits for Dena Bank. Later on Pritam. Vidyadhar Nagarkar used to convey the interest rate, tenor of deposit, amount of deposit ,and IFSC code of the branch etc., to the concerned organization/corporate by way of email. The organization/corporate which offered the deposit used to remit the amount through RTGS, if the banks terms are acceptable. 'Term deposit accounts' were opened at the branch. The procedure to open 'term deposit accounts' are (i) KYC of the deposit account to be obtained by the branch by obtaining necessary documents like address proof, identity proof .of the concerned organization duly verified with the original and signature of the authorized persons taken in bank officials presence (ii) The original deposit receipts are

to be delivered to the authorized person of the organization under acknowledgement in the presence of bank officials. It is observed that Pritam Vidyadhar Nagarkar had not followed above procedure, rather the KYC documents were invariably received through Vimal Barot and other persons in all the suspected fraud accounts. Bank TDR receipts were delivered based on the organization's suspected fabricated authority letter brought by Vimal Barot or his associates. Pritam Vidyadhar Nagarkar used to receive the loan application including original TDR Receipt duly, discharged by the signatories who has signed in the documents given at the time of submission of KYC and also resolution of the organization/corporate on its letter head through Vimal Barot and associates instead of personally verifying the genuineness with the concerned organization/corporation.

Later on the complainant also filed criminal complaint i.e. Case No.RCBSM2014E000/CBI/BS&FC/Mumbai under Section 120-B, 419, 420, 467, 468 & 471 IPC R/w Section 13(2), 13(1)(d) of the Prevention of Corruption Act, 1988 was registered with Superintendent of Police, CBI, Bank Security and Fraud Cell, Mumbai, in respect of the transactions effected in the accounts of the PHFI opened with Dena Bank, Punjab National Bank and Bank of Maharashtra.

During investigation, CBI did not find complicity of the employees/authorised signatory of the complainant in fraudulent transaction nor charge sheet has been submitted against any employee of the complainant.

22. The allegations against Punjab and Sindh Bank in CC/1294/2016 are that the PHFI forwarded relevant forms and the documents to Punjab and Sindh Bank, Khar West Branch on 02.06.2014, as required, for fixed deposit of Rs.10/- crores. The forms were filled up in the handwriting of Mr. Nirmal Pathak and were duly signed and authenticated by authorised signatories of the PHFI, namely Mr. Amit Chaturvedi and Lt. Gen. Narayan Chatterjee (Retd.). The PHFI remitted Rs.5/- crores from its Account No.0340992008 with Citibank and Rs.5/- crores from its Account No.05861110000013 with HDFC Bank to the intermediary account No.03001100032877 of Punjab and Sindh Bank, Khar West Branch through RTGS on 05.06.2014. The PHFI

received FDR Nos.884262 and 884264, each of Rs.5/- crores for a period of one year, with maturity value of Rs.54654166/-, on 06.06.2014, issued by Punjab and Sindh Bank, Khar West Branch, who also issued confirmation letter dated 01.07.2014 of above fixed deposits. In spite of the fact that the PHFI had given undertaking that there would be no premature withdrawal of above fixed deposits, Punjab and Sindh Bank, Khar West Branch remitted Rs.50357535/- to the account of the PHFI with HDFC Bank on 02.07.2014 and Rs.50332877/- to the account of PHFI with Citibank on 04.07.2014. Investigating Officer, CBI, vide letter dated 24.07.2014 to Citibank, New Delhi informed that Rs.6.5 crores was transferred on 01.07.2014 and Rs.5/- crores was transferred on 03.07.2014 from the account of the PHFI with Dena Bank, Malabar Hill Branch to Punjab and Sindh Bank, Khar Branch. Thereafter, Punjab and Sindh Bank, Khar West Branch remitted Rs.50357535/- to the account with HDFC Bank on 02.07.2014 and Rs.50332877/- to the account with Citibank on 04.07.2014 of the PHFI. As Punjab and Sindh Bank, Khar West Branch remitted Rs.50357535/- to the account of the PHFI with HDFC Bank on 02.07.2014 and Rs.50332877/- to the account of PHFI with Citibank on 04.07.2014. The account of PHFI with HDFC Bank through letter dated 23.07.2014 and with Citibank, through letter dated 24.07.2014, were seized during investigation on the ground that amounts transferred to these accounts were tainted.

23. Punjab and Sindh Bank stated that Amit Chaturvedi, Head Finance and Narayan Chatterjee, Executive of the PHFI handed over all the necessary papers along with resolution of dated 22.05.2004 and list of authorised signatories for opening current account in its Khar West Branch, on which, Current Account No.03001100032877 was opened after following KYC norms and corroborating the transfer by RTGS, requested instructions and documents including cheques, whereby the instructions to transfer the amounts transacted in the current account. The amount received by the PHFI were credited in above current account on the instruction of the PHFI. Issuance of the FDRs are denied. On the instruction of the PHFI, Rs.50357535/- to its account with HDFC Bank was remitted on 02.07.2014 and Rs.50332877/- to its account with Citibank was remitted on 04.07.2014. Entire money along with accrued interest as deposited by the PHFI has been remitted back to the accounts of the PHFI on its instruction.

24. Although Punjab and Sindh Bank took plea that the PHFI handed over the papers for opening Current Account No.03001100032877 and money transferred on 05.06.2014 and 06.06.2014 by it, were credited in that account and the instructions of the PHFI it was remitted to the PHFI on 02.07.2014 and 04.07.2014 but it is silent about Rs.6.5 crores was transferred on 01.07.2014 and Rs.5/- crores was transferred on 03.07.2014 from the account of the PHFI with Dena Bank, Malabar Hill Branch to Punjab and Sindh Bank, Khar West Branch. Therefore, Punjab and Sindh Bank is liable to pay this money also to the PHFI and consumer complaint in this respect is maintainable. Supreme Court in Canara Bank Vs. Canara Sales Corporation, (1987) 2 SCC 666, held mere negligence of the customer will not prevent it in successfully suing the bank for recovery of the amount. Supreme Court in Canara Bank Vs. Canara Sales Corporation, (1987) 2 SCC 666 and Pradeep Kumar Vs. Post Master General, (2022) 6 SCC 351, held that the master is vicariously liable for the act of the servant.

25. The allegations of the PHFI in CC/1696/2016 against Dhanlaxmi Bank Limited are that the PHFI remitted Rs.5/- crores from its Account No.05861110000013 with HDFC Bank to the intermediary account No.019917700000013 of Dhanlaxmi Bank Limited, Branch Goregaon (West) on through RTGS on 05.04.2013, Rs.5 crores from its Account No.0340992008 with Citibank to the intermediary account No.019917700000013 of Dhanlaxmi Bank Limited, Branch Goregaon (West) on through RTGS on 05.04.2013 and Rs.5/- crores from its Account No.0340992008 with Citibank to intermediary account No.019917700000013 of Dhanlaxmi Bank Limited, Branch Goregaon (West) on through RTGS on 17.06.2013, for 'fixed deposit' for a period of one year. The PHFI received FDR Nos.1353157 (account No.019942400000171/1), 1353158 (account No.019942400000184/1) and 1353209 (account No.019920100002520/1), each of Rs.5 crores for a period of one year, with maturity value of Rs.5,49,28,065/- on 15.04.2014, Rs.54928065/- on 16.04.2014 and Rs.5,49,25,355/- on 19.06.2014, respectively, issued by Dhanlaxmi Bank Limited, Branch Goregaon (West). Ms. Amrita Mathews, the then AGM of Dhanlaxmi Bank Limited, vide letter dated 09.11.2013, confirmed above fixed deposit, which was followed by email dated 11.11.2013 and Interest Certificate issued by Dhanlaxmi Bank Limited dated 31.12.2013. Statutory Auditors of the PHFI sent balance confirmation format as on 31.03.2014 to Dhanlaxmi Bank Limited on 14.04.2014, which was confirmed by letter dated

27.05.2014. The PHFI received six demand drafts of total amount of Rs.5,49,28,065/-, relating to fixed deposit account No.01994240000171/1 through letter dated 15.04.2014 and other six demand drafts of total amount of Rs.5,49,28,065/-, relating to fixed deposit account No.01994240000184/1 through letter dated 16.04.2014 and other six demand drafts of total amount of Rs.5,41,13,699/-, relating to fixed deposit account No.019920100002520/1 (pre-mature) through letter dated 22.04.2014.

26. Dhanlaxmi Bank Limited stated that the PHFI opened FD Account Nos.199424121/1, on 08.03.2013 of Rs.45,00,000/-, 199424150/1 on 23.03.2013 of Rs.5 crores, 199424171/1 on 15.04.2014 of Rs.5 crores, 199424184/1 on 16.04.2014 of Rs.5 crores, 199202520/1 on 19.06.2014 of Rs.5 crores and 199424344/1 on 21.06.2014 of Rs.5.06 crores (total amount of Rs.25.51 crores). The PHFI availed overdraft facility of Rs.0.4 crore on FDR No.199424121/1, Rs.4.5 crores on FDR No.199424150/1, Rs.4.5 crores on FDR No.199424171/1, Rs.4.5 crores on FDR No.199424184/1, Rs.4.5 crores on FDR No.199424344/1 and Rs.4.5 crores on FDR No.1992012520/1. First account opening form and other required documents were forwarded to the Dhanlaxmi bank on 08.03.2013. Said account opening form was signed by Prof. K. Srinath Reddy, President and Mr. Amit Chaturvedy, Head Finance/Treasurer. After checking the documents and observing KYC norms, FDRs were issued and Overdraft Accounts were opened. The OPs have not committed any deficiency in service. The FDRs relied upon by the complainant are not issued by the OP bank. Rate of interest as offered to the complainant was 9.25% and 9.50% per annum. Mrs. Amrita Mathews was suspended on 28.09.2013 by the bank. Emails sent by her in November, 2013 were not in capacity of the employee of the bank. Above FDRs were prematurely closed by the complainant on different dates lastly on 04.07.2013. Mr. Sijo Joseph, Branch Manager of the OP bank did not submit reply dated 27.05.2014, which is a fabricated letter. Suspicious Transaction Report dated 05.11.2013 has been filed as per the guidelines issued by RBI and other authorities time to time.

27. Although Dhanlaxmi Bank Limited denied reply given by Mr. Sijo Joseph, Branch Manager to CBI but admits Suspicious Transaction Report dated 05.11.2013 submitted to Ministry of Finance. In this report, Dhanlaxmi Bank Limited stated that fund for opening FD Account Nos.199424121/1, on

08.03.2013 of Rs.4500000/- was raised from the account of Market Place. Again on 11.06.2013 an amount of Rs.5.06 crores was transferred from the account of Showman Infrastructure Private Limited. Although the PHFI transferred total amount of Rs.15/ crores but total FDRs of Rs.25.51 crores were opened in the name of the PHFI. On the charges that Ms. Amrita Mathews, the then Branch Manager had not followed KYC norms and other rules for opening FDRs and Overdraft Accounts, she was suspended and charge sheet was issued to her. Before this Commission, Dhanlaxmi Bank Limited has deliberately concealed the correct facts. However, the PHFI did not sustain any financial loss. Now all the FDRs and Overdraft accounts were closed. So far as criminal investigation by CBI, is concerned, it is contemplated on the FIR of Dena Bank and the complainant. In discharge of sovereign function, CBI was investigating it and everyone is liable to co-operate with the authorities.

ORDER

In view of above discussions, CC/1294/2016 is partly allowed. Punjab and Sindh Bank is directed to pay Rs.11.5 crores with interest @9% per annum from the date of transfer of this money to it till the date of payment to the complainant, within two months from the date of this judgment. CC/1696/2016 is dismissed.

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