

**NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION  
NEW DELHI**

**CONSUMER CASE NO. 947 OF 2015**

1. MUMBAI METROPOLITAN REGION  
DEVELOPMENT AUTHORITY

[THROUGH ITS JOINT PROJECT DIRECTOR  
(LEGAL)] BANDRA-KURLA COMPLEX,  
BANDRA(E)

MUMBAI-400051.

.....Complainant(s)

Versus

1. DENA BANK & 4 ORS.

MALABAR HILL BRANCH, 204, ASMITA  
BUILDING, WALKESHWAR,  
MUMBAI-400006

2. DENA BANK

CHAIRMAN & MANAGING DIRECTOR,

3. -

-

4. -

-

5. -

-

.....Opp.Party(s)

**BEFORE:**

**HON'BLE MR. JUSTICE V.K. JAIN, PRESIDING MEMBER**

**For the Complainant** : Mr. Pallav Sisodia, Sr. Advocate with  
: Mr. Anshuman Animesh, Advocate  
Ms. Sakshi Kaushik, Advocate  
Mr. Darpan Bhuyan, Advocate

**For the Opp.Party :** Mr. Jos Chiramel, Advocate  
Mr. Ajay Singh, Advocate  
Mr. Harish Gupta, Advocate  
Mr. Shreejith and Mr. R.R. Lokhande,  
Mr. Arvinder, Officials of Dena Bank

**Dated : 03 Jun 2016**

**ORDER**

**JUSTICE V.K. JAIN, PRESIDING MEMBER**

The complainant in Consumer Complaint No. 947 of 2015 is a statutory authority set up under the Provisions of Mumbai Metropolitan Region Development Authority Act, 1974. The said complainant invited quotations from Banks for investment of the surplus funds to the extent of Rs.800 crores for a period of one year. In response to the said notice, the opposite party namely Dena Bank (hereinafter referred to as 'Bank') offered interest @ 9.99% per annum for a Fixed Deposit of Rs. 350 crores for a period of 366 days. Thereupon, the complainant transferred a sum of Rs.350 crores to the bank through RTGS on 19.03.2014. Vide letter dated 19.3.2014, alleged to have been sent by Fax, the bank was requested to issue Term Deposit Received for Rs. 350 crores. On 21.3.2014, an additional sum of Rs.1.50 crores was transferred by the complainant to the Bank through RTGS and the bank was requested to issue the Fixed Deposit Receipt in the name of the complainant. The said letter dated 21.3.2014 is also alleged to have been sent by Fax. The bank issued 45 Fixed Deposit Receipts (Annexure P-5 (Colly) to the complaint).

The complainant received a letter dated 05.7.2014 from the Sr. Inspector of Police, EOW, Unit-I, CB,CID, Mumbai informing it that a fraud had been committed in respect of its Fixed Deposits with the bank and an amount of Rs.45 crores had been siphoned off. When the complainant contacted the bank to ascertain the status of the said Fixed Deposit Receipts, it was informed that the said Fixed Deposit Receipts were not original. Vide letter dated 10.7.2014, the bank informed the complainant that they had found that an overdraft account had been opened in its name and in the said overdraft account there was an outstanding of Rs.45.23 crores against the fixed deposits. It was further stated in the said letter dated 10.7.2014, that the original Fixed Deposit Receipts duly discharged by the complainant were held by the Branch and the matter of creation of overdraft had been referred to the CBI for investigation. Vide letter dated 15.7.2014, the Bank forwarded the copies of the documents relating to the opening of the overdraft account and grant of the loan against the Fixed Deposit Receipts to the complainant. The complainant reiterated to the bank that it had not applied for grant of any overdraft facility nor had it collected the cheque book from the bank. The bank was also asked to authenticate the Fixed Deposit Receipts which were in the possession of the complainant. The complainant handed over all the 45 Fixed Deposit Receipts of Rs.351.50 crores to the bank, vide letter dated 28.11.2014. On 02.1.2015, the bank informed the complainant that the signature on the said Fixed Deposit Receipts did not match with the signature of the bank officer.

On maturity of the Fixed Deposit Receipts, the bank has refused to pay the proceeds to the complainant on the ground that the Fixed Deposit Receipts in the custody of the complainant were forged documents, whereas the bank required genuine Fixed Deposit Receipts issued by it, before it could pay the maturity amount of the Fixed Deposits to the complainant. The bank also sought to adjust from the proceeds of the Fixed Deposits, the amount outstanding in the overdraft account opened in the name of the complainant MMRDA. Being aggrieved, the complainant is before this Commission, seeking the following reliefs:

- “a) The opposite party bank be held liable for deficiency in service;*
- b) The opposite party bank be directed to pay Rs.3,88,05,85,615/- to the complainant being the repayment of 45 FDRs as due and payable on maturity dates viz. 20.3.2015 and 22.3.2015;*

*c) The opposite party bank be directed to pay further interest @ 11.99% p.a. at quarterly rest on the aforesaid amount as per Clause (b) w.e.f. 20.3.2015 till the repayment of the amount of Rs.3,88,05,85,615/-*

*d) The opposite party Bank be directed to pay an amount of Rs.4,50,00,000/- as compensation / damages for default in repayment of the amount of Rs.3,88,05,85,615/-*

*e) The opposite party bank be directed to pay damages to the complainant to the tune of Rs.1,00,00,000/- with interest @ 24% per annum”.*

2. The complaint has been resisted by the opposite party, which has taken a preliminary objection that it is not instituted by a competent person. Yet another preliminary objection taken by the opposite party is that since there are allegations of fraud, the complainant should be relegated to the Civil Court and a consumer complaint is not an appropriate remedy for the adjudication of such disputes. The bank has also resisted the complaint on the ground that the complainant is not a consumer, as defined in the Consumer Protection Act, 1986. In nut shell, the case of the bank is that the complainant had opened an overdraft account against pledge of the certain fixed deposit receipts as well as a loan account with it, and later, on the instructions of the complainant, the money was transferred to the loan account from where it was transferred to third parties by way of cheques issued to the complainant. According to the bank, fixed deposit receipts were collected, the overdraft account and loan accounts were opened and the cheques whereby money was transferred to third parties were issued, on behalf of the complainant, by the person whom the complainant had authorized to negotiate the fixed deposits and collect the fixed deposit receipts. This is also the case of the bank that the fixed deposit receipts in possession of the complainant are not the genuine receipts issued by it against the fixed deposits.

3. The complainant in Consumer Complaint No.259 of 2014 namely Maharashtra Tourism Development Corporation Ltd. invested Rs.1,25,82,82,737/- with the Bank between January, 2014 to March, 2014 and 20 fixed deposit receipts were issued by the bank against the said deposits. In this case also, the complainant received a letter from the Economic Offences Wing of the Crime Branch, CID, informing it of the fraudulent opening of overdraft account in its name and siphoning off Rs.69.04 crore in the same manner in which money was siphoned off from the account of MMRDA, the complainant in Consumer Complaint No.947 of 2015. It is also stated that CBI has already filed a charge sheet against several persons, including Shri P.V. Nagarkar, the then Senior Manager of the bank, who fraudulently and dishonestly delivered fixed deposit receipts to one Devendra Bhogle against the forged documents.

4. In its written version to the complaint, the bank has alleged that certain persons authorized by the complainant who had submitted letters for investment in fixed deposits, had submitted forged documents to the bank and those very persons had collected the fixed deposit receipts from the bank but handed over fake fixed deposit receipts to the complainant. Later on, based upon the documents submitted by them, overdraft / loan facilities were granted against deposit of the genuine original fixed deposit receipts duly discharged by the complainant. On merits, it is alleged that the negligence, if any, was entirely on the part of the complainant since the very same person who were authorized by

the complainant to invest the funds in Fixed Deposits and negotiate rates with the bank, collected the Fixed Deposits from the Bank had also dealt with the bank in the matter of advancing loan and allowing overdraft facilities against the said Fixed Deposits. It is claimed that all the transactions, except transfer of money to the bank through RTGS were carried out by the above referred persons and the bank had no reason to doubt their intentions and bonafides. It is also claimed in the written version filed by the opposite party that the Fixed Deposit Receipts held by the complainant are forged and fabricated documents. It is further alleged that the Fixed Deposits Receipts which were duly discharged and pledged with the bank are entirely different from the Fixed Deposit Receipts held by the complainant.

5. The opposite party has taken a preliminary objection that the complainant having invested the money for earning interest, hired or availed its services for a commercial purpose and therefore it is not a consumer as defined in Section 2(1)(d) of the Consumer Protection Act. I however, find no merit in this contention. The expression 'commercial purpose' has not been defined in the Act and therefore, as held herein below by the Hon'ble Supreme Court in **Laxmi Engineering Works Vs. P.S.G. Industrial Institute (1995) 3 SCC 583**, we have to go by the dictionary meanings.

*"In the absence of a definition, we have to go by its ordinary meaning 'Commercial' denotes "pertaining to commerce" (Chamber's Twentieth Century Dictionary); it means "connected with, or engaged in commerce; mercantile, having profit as the main aim" (Collins English Dictionary) whereas the word 'commerce' means "financial transactions especially buying and selling of merchandise on a large scale" (Concise Oxford Dictionary)".*

Going by the Dictionary meaning of the expression 'Commerce' as far as hiring or availing services are concerned, a person can be said to have hired or availed services only if they are connected or related to the business or commerce in which he is engaged. It was also held by the Hon'ble Supreme Court in **Laxmi Engineering Works** (supra) that what is a 'commercial purpose' is a question of fact to be decided in the facts of each case and it is not the value of the goods that matters but the purpose for which the goods brought are put to. The same would be equally applicable to for hiring or availing services.

6. If a Corporation or an Undertaking of the Government has surplus funds available with it for a short period, it would not like to keep such funds idle and would like to invest them, in such a manner that it is able to get adequate return on such investment. Earning interest by temporary deployment the surplus funds in a bank is altogether different from business activities such as manufacturing, trading or rendering services. The complainant in Consumer Complaint No. 259 of 2014 namely Maharashtra Tourism Development Corporation is engaged primarily in development of tourism in Maharashtra, whereas Mumbai Metropolitan Region Development Authority, complainant in Consumer Complaint No. 947 of 2015 is an Authority, constituted under the provisions of the MMRDA Act, 1875 and focuses primarily on infrastructure development of the Mumbai Metropolitan Region. The main source of income of MMRDA is the sale of land for development. Neither of these complainants is a finance company or otherwise engaged in the business of the collecting and deploying funds. Therefore, it cannot be said that the surplus funds were invested by them with the bank as a part of their respective business activities or to promote, advance or facilitate such activities. Therefore, it would be difficult to say that the said deployment of funds was made for a commercial purpose.

7. It was contended by the learned counsel for the opposite party that the complaints are not instituted by authorized persons on behalf of the MTDC and MMRDA. I however, find no merit in the contention. The complaint on behalf of MTDC is signed by Mr. Akhilesh Shukla, who is Manager Accounts of the said company and has been duly authorized by the Managing Director, in exercise of the powers vested in him by way of Board Resolution dated 30.3.1976. The authorization dated 24.7.2014 in favour of Mr. Akhilesh Shukla has been filed along with the complaint. The complaint on behalf of MMRDA is supported by the affidavit of Mr. Laxman Pimple Khute, Financial Advisor but, as per the Memo of Parties, it purports to be filed through Mrs. Yogita A. Parelkar, Joint Project Director (Legal) of MMRDA. The said complainant has placed on record an office order dated 08.12.2011, whereby pursuant to Section 7(A) of MMRDA Act, 1974, Mr. S.K. Pimple Khute has been authorized to sign appeal / petition / affidavit and coordinate the work relating thereto and to give instructions on behalf of the said authority. The complainant has also filed the Office Order dated 03.12.2011 whereby Smt. Yogita A. Parelkar was authorized to sign Vakalatnamas and appoint Advocates / Solicitors / Counsels in authorized Courts and Tribunals on behalf of MMRDA. In view of the said authorizations, it cannot be said that the aforesaid complaint has not been instituted by a duly authorized person on behalf of MMRDA. The documents relevant to the complaint having been filed along with and pursuant to these complaints, had these complaints not been instituted by authorized persons on behalf of the MMRDA / MTDC, the said documents could not have been filed before this Commission. I am therefore, satisfied that the complaints have been instituted by duly authorized persons.

8. It is an admitted position that a charge sheet against four persons, including Shri Pritam Vidyadhar Nagarkar, the then Senior Manager of the Bank has been filed by CBI before the concerned Special Judge. The case was registered by the CBI on a written complaint from the Dy. General Manager / Zonal Manager, Dena Bank for committing a fraud on the said bank and causing it loss, to the extent of Rs.244.81 crores. The investigation conducted by CBI revealed that the KYC related documents i.e. PAN card of MTDC, documents related to authorized signatory of MTDC, PAN Card of Managing Director and PAN Card of Chief Accounts Officer were handed over to one Devendra Bhogle who posed himself as an Officer of Dena Bank. The signature were forged on the aforesaid KYC documents and handed over to Dena Bank, Malabar Hill Branch, which prepared fixed deposit receipts in the name of Maharashtra Tourism Development Corporation. The charge sheet filed by CBI further shows that pursuant to the criminal conspiracy and dishonest intention to cheat, forged letter dated 07.2.2014 in the name of MTDC for handing over the fixed deposit to Shri Devendra Bhogle was submitted to the Bank and the said Fixed Deposit Receipts were obtained by Shri Devendra Bhogle, who then replaced them with forged receipts and handed them over to MTDC.

The charge sheet further shows that pursuant to the aforesaid criminal conspiracy to which Shri P.V. Nagarkar, Senior Bank Manager was a party, an application was submitted to Dena Bank for OD / LAD against the said receipts. Mr. P.V. Nagarkar recommended sanction and disbursement of OD for Rs.29.70 crores against security of Rs.33.00 crores and the said proposal was approved by the Zonal Credit Approval Committee as per the recommendations of the Branch. Shri P.V. Nagarkar however, did not communicate the terms of the sanction to MTDC in order to ensure that it does not come to know of the overdraft. The cheque book of MTDC was received from the bank by one of the accused namely Rahul Mukesh Gohil. Thereafter, various forged cheques for RTGS were issued from the said account and funds were diverted to third party accounts and then siphoned

off. The same modus-operandi was adopted to obtain overdraft of Rs.22.00 crores against the FDRs of Rs.24.45 crores and then to obtain LAD of Rs.12.80 crores against the FDRs in the name of MTDC Limited.

9. The charge sheet filed by CBI shows that pursuant to the criminal conspiracy amongst the above referred persons, including Mr. P.V. Nagarkar, Senior Bank Manager, Dena Bank, a forged letter dated 10.4.2014, addressed to Chief Manager, Dena Bank for handing over Fixed Deposit Receipts of Rs.351.8 crores to Shri Rahul Mukesh Gohil, was submitted to Dena Bank and after obtaining the FDRs from the bank in the aforesaid manner, Shri Rahul Mukesh Govil replaced them with forged FDRs which were handed over by him to MMRDA. The charge sheet further shows that pursuant to the aforesaid conspiracy one of the accused submitted an application for OD of Rs.36.00 crores against some of the FDRs in the name of MMRDA. The overdraft against security of the FDRs was recommended by Shri P.V. Nagarkar, Senior Manager and sanctioned by the Zonal Credit Approval Committee. In this case also, Mr. P.V. Nagarkar, Senior Manager, Dena Bank did not communicate the terms of sanction so as to keep MMRDA in dark in obtaining of the said loan. The charge sheet also shows that one of the accused namely Devendra Bhogle submitted an application dated 02.7.2014 for loan of Rs.14.40 crores against two FDRs of MMRDA for Rs.16.00 crores and the said loan was sanctioned and disbursed by Shri P.V. Nagarkar himself. The funds were thereafter transferred from the loan account, through various forged cheques, using the mechanism of RTGS.

10. The following factual position emerges from the documents placed on record:-

(i) MMRDA transferred Rs.351.5 crores, whereas Maharashtra Tourism Development Corporation transferred about Rs.125.00 crores to Dena Bank, Malabar Hill Branch, pursuant to offers received by them from Dena Bank through its Senior Manager through P.V. Nagarkar;

(ii) the Fixed Deposit Receipts were issued by the bank in the name of the complainants;

(iii) the Fixed Deposit Receipts in the custody of the complainants are forged documents;

(iv) forged authority letters dated 03.2.2014, 07.2.2014, 14.2.2014, 18.2.2014, 08.3.2014, 22.4.2014, 25.4.2014 and 08.5.2014 purporting to be from MTDC, were purportedly brought to the bank, the original FDRs were purportedly collected from the bank on the strength of those authority letters and then substituted by fake FDRs, which were delivered to MTDC, by Mr. Devendra S. Bhogle. Some of these forged letters purportedly requested the bank to deliver the FDRs to Mr. Rahul, whereas the remaining letters purportedly requested the bank to deliver them to Mr. Devendra Bhogle. While depositing the fake FDRs with MTDC, Shri Devendra Bhogle also collected the genuine letters written by MTDC to the bank requesting it to keep its funds in the fixed deposits.

(v) genuine fixed deposit receipts in the favour of MMRDA were purportedly collected from the bank on the strength of the forged authority letters but fake Fixed Deposit Receipts were delivered in the office of MMRDA, by Mr. Rahul Mukesh

Gohil, who represented to be an officer of the bank. He collected the genuine letter dated 19.3.2014, by MMRDA to the bank, while delivering the fake FDRs;

(vi) the signatures of the functionaries of Maharashtra Tourism Development Corporation on the Customer Relationship Form were forged;

(vii) The purported signature of the authorized signatory of MTDC on the applications dated 11.03.2014 and 24.6.2014 for loan / overdraft against security of the fixed deposits were forged.

(viii) The purported signature of the authorized signatory of MTDC on several applications for RTGS transfer to the third parties was forged.

(ix) The purported signature of the authorized signatory of MTDC on the cheques which were issued for the purpose of making RTGS transfers to the third parties were forged.

The PAN cards of the functionaries of MTDC in the record of the bank are forged documents.

(x) The purported signature of the functionary of MMRDA on the Customer Relationship Form, which otherwise remained blank, were forged.

(xi) The purported signature of the Assistant Chief Accounts Officer of MMRDA on the PAN Card, annexed to the Customer Relationship Form for opening an account in the name of MMRDA were forged. The copy of the PAN card is also a forged documents.

(xii) The purported signature of the Assistant Chief Accounts Officer of MMRDA on the letter to the bank, seeking to avail 90% overdraft / LAD facility against the Fixed Deposits were forged.

(xiii) The purported Resolutions of the Board of Directors of MMRDA dated 22.4.2014 and 02.7.2014 were forged.

(xiv) The purported signature of the authorized signatory of MMRDA on the applications dated 23.4.2014 and 02.7.2014 for grant of the financial assistance by way of loan / overdraft against the security of the Fixed Deposit Receipts were forged.

(xv) The purported signature of the authorized signatory of MMRDA and MTDC on the Demand Promissory Note, letter of continuity and letter of set-off were forged.

(xvi) The purported signature of the authorized signatory of MMRDA and MTDC on the specimen signature card were forged.

(xvii) The specimen signature card relevant to the account in the name of MMRDA does not bear photograph of the authorized signatory of the account holder despite

the same being mandatory and there being earmarked space on the specimen signature card for affixing his photograph.

(xviii) The name of the authorized signatory does not appear on the specimen signature card relevant to the account opened in the name of MMRDA, despite there being earmarked column for the purpose. In fact, even the relevant instructions for operating the account have not been selected on the said signature card. Even the PAN number and type of account were not written in the said card despite there being earmarked space for the said purpose.

(xix) The address, telephone number and Email ID of the account holder was not filled up on the specimen signature card despite there being earmarked space for the purpose.

(xx) The cheque book register contains the signature of an unknown person against the entry pertaining to issue of a cheque book on 17.5.2014 to MMRDA. The cheque book register is signed by Mr. Rahul Mukesh Gohil against the entry pertaining to issue of the cheque book to MTDC.

(xxi) The purported signature of the Assistant Chief Accounts Officer of MMRDA on the applications dated 21.5.2014, 23.5.2014, 28.5.2014 and 29.5.2014 for making RTGS transfers in favour of third parties were forged.

(xxii) The purported signature of the Assistant Chief Accounts Officer of MMRDA on the cheques issued for the purpose of making RTGS transfers to third parties were forged.

(xxiii) The purported signature of the Assistant Chief Accounts Officer of MMRDA on the cheques issued in favour of the third parties, namely Public Health Foundation of India and Modi Innovation Society were forged.

11. The next question which arises for consideration in these complaints is as to whether, when viewed in the light of the above referred facts and circumstances, any defect or deficiency in the services rendered by the bank to the complainants MTDC and MMRDA is made out or not.

12. In his letter dated 10.07.2014, written to the Superintendent of Police, Central Bureau of Investigation, Shri M.L. Behera, Zonal Manager of Dena Bank, while describing the procedure to open Term Deposit Accounts, inter-alia stated as under:

*“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 person/s taken in the 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 Branch Manager has not followed the above procedure, rather the KYC documents were invariably received through Shri 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 Shri Vimal Barot or his associates.

..... The procedure to sanction / recommend for sanction to the higher authority are (i) Before an advance against Term Deposit receipt is sanctioned, branch should ensure that the KYC have been complied with all respects. (ii) An unstamped application cum letter of Pledge signed by all the holders of the Term Deposit receipt should be obtained requesting a loan / overdraft against the Term Deposit receipt. (iii) The Term Deposit receipt duly discharged on the reverse over rupee 1 revenue stamp by all the depositors/ authorized signatories should be obtained. (iv) The signature at the back of the receipt should be verified with those in the relative specimen card. Stamp should be affixed and signed by an Officer of the branch. (v) The bank's Lien should be marked on the Term Deposit receipt prominently as also in the account in computer system where account is maintained. (vi) Loan documents like Demand Promissory Note, Letter of Set-Off, Letter of Continuity signed with the Organization Rubber stamp in presence of Bank Officials”.

The following procedure of the bank was described in the letter dated 18.7.2014, written by the Chief Manager of the bank to MMRDA:

Sr. No.	Query	Reply
1.	What is banks' process of granting overdraft	<p>Following procedure is followed while granting overdraft against Term Deposit Receipt (TDR) –</p> <ul style="list-style-type: none"> <li>- Obtaining Request Letter of the holder of the TDR</li> <li>- Obtaining Resolution, in case of Corporate accounts, authorizing signatory/ies for opening / operating of Overdraft against TDR.</li> <li>- Prescribed Loan application duly filled in and signed by the authorized signatories.</li> <li>- Obtaining original TDRs duly discharged by the authorized signatory/ies.</li> <li>- Obtaining set of documents like Demand Promissory Note,</li> </ul>

		<p><i>Letter of Continuity, Letter of Set Off duly signed by the authorized signatory/ies.</i></p> <p><i>-Verifying the genuineness of TDRs physically as well as in the system.</i></p> <p><i>- Marking of Banks' lien on respective TRDRs in the system.</i></p> <p><i>- Specimen signature Card of the authorizing signatory/ies for operating an Overdraft account.</i></p>
2.	<i>Bank's process of signature verification</i>	<i>Signature verification is done in the presence of the branch officials and verifying the KYC documents like PAN card, Passport etc.</i>
3.	.....	
4.	.....	
5.	<i>Banks' process of KYC and how an overdraft account of MMRDA can be opened</i>	<i>For opening of an Overdraft account KYC process as listed in the Reply Point no.1 will be followed.</i>
6.	<i>Banks' process of calling customer for effecting RTGS/NEFT</i>	<i>As per extant guidelines, customers are required to submit the prescribed application form for effecting RTGS/NEFT transactions duly filled in all respect and signed by the authorized signatory/ies.</i>

7.	<i>Banks' process of issuance and delivery of cheque books to the customers</i>	<i>As per extant practice followed by our bank, cheque book is issued at the request of the account holder and had to be collected personally by the account holder or an authorized person.</i>
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13. It would thus be seen that the Term Deposit Accounts in the name of the complainants could be opened by the bank only after obtaining the prescribed KYC documents such as address proof and identity proof which were required to be verified with the originals and the signature of the authorized persons, to be taken in the presence of a bank official.

In the case of MMRDA, no address proof of the complainant Authority was taken by the bank. Though, a photocopy of PAN card of one Mr. Naveen H. Bagadiya who purportedly attested the said photocopy as the Assistant Chief Accounts Officer of MMRDA, seems to have been taken, no proof of Mr. Naveen H. Bagadiya being the Assistant Chief Accounts Officer of MMRDA such as his identity card was taken by the bank. There is no evidence or even allegation of the Assistant Chief Accounts officer of MMRDA having visited the Branch for the purpose of the verification, which the bank officials were to carry out before opening the account in the name of MMRDA. No document evidencing the address of Mr. Naveen H. Bagadiya was taken by the bank, before opening the account. Thus, the procedure prescribed by the bank for opening the Fixed Deposit account was not followed. The prescribed verification required presence of an authorized signatory of MMRDA in the bank, along with proof of his address as well as his identity, verification of the copies of the KYC documents with the originals and the signatures appearing on the KYC documents by verifying the same with the signature to be taken in the presence of the bank official. The bank has not told this Commission, as to who had brought the copy of the PAN card to it, but, even if it is presumed that a person representing himself to be the Assistant Chief Accounts Officer of MMRDA had approached the bank for the purpose of opening an account, the bank was required to obtain the proof of his being a functionary of MMRDA as well as the proof of his address. He should have been made to sign in the presence of the bank official, in order to verify the signature on the KYC document such as PAN card with the signature made in the presence of the bank official. The bank was not expected to open the account without the authorized signatory of MMRDA actually attending the branch along with the original documents of his address and his identity and without verification of his signature by comparing the same with the signature on the KYC documents. If it is presumed that someone brought the PAN card of Mr. Naveen H. Bagadiya to the bank and claimed that Mr. Bagadiya was the Assistant Chief Accounts Officer of MMRDA, the bank should have insisted upon his personal appearance along with proof of his address and identity. However, in the present case, the bank did not even obtain any documents which would establish the identity of Mr. Naveen H. Bagadiya as the Assistant Chief Accounts Officer of MMRDA. No proof of his address was obtained. In fact, there is no evidence even of the original PAN card of Mr. Naveen H. Bagadiya having been produced before the bank for the purpose of verification.

14. In case of MTDC, the statement of Mr. T.T. Solanke, Chief Accounts Officer shows that the PAN card of MTDC, documents related to authorized signatory of MTDC, PAN Card

of the Managing Director and PAN card of Chief Accounts officer were given to Mr. Devendra Bhogle, who represented to be an officer of the Dena Bank. However, considering the procedure of the bank for opening such accounts, it was necessary for the bank to insist upon the personal visit of the functionaries of the MTDC to the branch along with the original documents. Thereafter, their signatures should have been taken in the presence of the bank officials and verified with the signatures on the KYC documents. That admittedly, was not done in this case. Moreover, there is no evidence of any documents of address of either MTDC or its functionaries having been taken by the bank before opening the account in the name of MTDC. The document of identity, when an account is to be opened in the name of a corporate such as MTDC would comprise not only the document establishing the personal identity of the person who claims to be the functionary of the Corporate but also the document, which would show him to be such a functionary. Though, the PAN card could establish the identity of the certain persons, they could not have shown them to be the functionaries of MTDC. It would be immaterial, if the persons, photocopies of whose PAN cards were made available to the bank by Shri Devendra Bhogle actually happened to be the functionaries of the MTDC. What is relevant is that the bank did not carry out any verification such as obtaining their identity cards to verify their linkage with MTDC. In fact, even the photocopies of the PAN Cards of Mr. Jagdish Patil and Mr. Tulshi Ram Solanke, functionaries of MTDC, available in the record of the bank are forged documents, as is evident from the photocopies of the said documents filed by MTDC. This in turn, shows that the original PAN Cards were never produced before the bank. The requisite verification, which envisaged comparison with the originals thus, was not carried out.

15. A perusal of the customer relationship form in respect of MMRDA shows that it is an absolutely blank document, except the forged stamp of MMRDA and a forged signature at the place meant for the signature of the first applicant. Even the name of the account holder or the date of the opening the account is not filled up. This blank customer relationship form leaves no doubt at all that the account in the name of MMRDA was opened by / in connivance with the concerned bank officers at Malabar Hill Branch of Dena Bank.

16. The specimen signature card relevant to the account opened in the name of MMRDA also is an absolutely blank document, except bearing the forged stamp of MMRDA and a forged signature at the place meant for the signature of the first applicant. Even the instructions for operating the account have not been selected. Though there is a space earmarked for affixing the photograph of the account holder, no photograph appears on the specimen signature card. The address of the account holder has also not been filled and all the relevant columns have been left blank. There is absolutely no explanation from the bank as to why the customer relationship form and the specimen signature card were left blank and why even the photograph of the account holder was not affixed on the specimen signature card.

17. The customer relationship form for opening the account in the name of MTDC purports to be signed by two authorized signatories of the aforesaid company. The investigation conducted by CBI has revealed that the signatures as well as the stamp, affixed on the aforesaid form were forged. The opening of the account was introduced by one Hiren Praful Gala who claims to be authorized proprietor of Vee Pee Store, which is the proprietorship concern of his uncle. He was examined by this Commission on 14.10.2015. In his statement before this Commission he inter-alia stated that Mr. Nagarkar then Branch Manager at that time, had called him and introduced him to two gentlemen sitting in his cabin and introduced them as the officers of MTDC without giving their names or designations to him and he had

signed in the column of Introduction at the instance of Mr. Nagarkar, despite the fact that he did not know either of those two persons sitting in the cabin of Mr. Nagarkar. He also stated that the aforesaid two persons had neither signed nor stamped the account opening form in his presence nor did they show their identity card to him. He further stated that he cannot identify those persons if they are brought before him. This person could not assign any reason for not asking the persons present in the cabin of Mr. Nagarkar to show the proof of his identity or atleast their business card to him. It is obvious from the statement of Mr. Gala that the account in the name of MTDC was opened by certain unauthorized persons in connivance with Mr. Nagarkar, the then Branch Manager at Malabar Hill Branch of Dena Bank. The connivance of Mr. Hiren Praful Gala is also evident from the facts and circumstances of the case. No-one would introduce a corporate account in the name of a Government Undertaking, merely on the request of the bank manager unless he knows the person who claims to be the officers of such an Undertaking of the Government. The least he would do, even if he is to oblige the bank manager, is to see the proof of identity of those persons in order to satisfy himself that they actually represented the Undertaking in whose name the account was sought to be opened.

18. The bank having received Rs. 351.5 crores from MMRDA by way of direct transfer, it was its duty to deliver the original Fixed Deposit Receipts in the office of MMRDA against due acknowledgement or to deliver the same to person duly authorized by MMRDA in this regard after verifying his authority and identity. The case of the bank is that the original Fixed Deposit Receipts were delivered to one Rahul Mukesh Gohil, who claimed to be an authorized representative of the MMRDA. However, there is no evidence of the bank having verified the identity of Mr. Rahul Mukesh Gohil as a functionary of MMRDA. No identity card of Mr. Rahul Mukesh Gohil, showing him to be a functionary of MMRDA was obtained by the bank. Had such a document been obtained, it would have been available in the record of the bank. Delivering Fixed Deposit Receipts of more than Rs. 350 crores, opened in the name of a statutory body to a rank outsider, without verifying the alleged association between him and the account holder was an act of gross negligence and clearly shows a nexus between the bank officer who delivered the Fixed Deposit Receipts and the person who allegedly collected the same from the bank. Though according to the bank, Mr. Rahul Mukesh Gohil had brought an authority letter purportedly to be signed by the Assistant Chief Accounts Officer of MMRDA, no attempt was made by the bank to verify the signature appearing on the said letter. The least expected from the bank, before handing over Fixed Deposit Receipts of more than Rs.350 crores to Mr. Rahul Mukesh Gohil was to depute a bank official to visit the office of MMRDA and verify the signatures appearing on the said letter. Alternatively, the bank should atleast have contacted the Assistant Chief Accounts Officer of MMRDA on telephone and verified his signatures on the aforesaid letter from him, before delivering the Fixed Deposit Receipts to Mr. Rahul Mukesh Gohil. Had the bank not been negligent in delivering the Fixed Deposit Receipts to Mr. Rahul Mukesh Gohil, it probably would not have possible to siphon off the money belonging to MMRDA, since as per the procedure of the bank, pledge of original Fixed Deposit Receipts with it was necessary for availing the overdraft / loan facility against the Fixed Deposit Receipts.

It was contended by the learned counsel for the bank that the signature on the aforesaid authority letter dated 10.4.2014 whereby Mr. Rahul Mukesh Gohil was purportedly authorized to collect the Fixed Deposit Receipts from the bank being similar to the admitted signature of the Assistant Chief Accounts Officer of MMRDA on the placement letter dated 19.3.2014, the bank was justified in acting upon the said letter. I however, find no merit in the contention. It has come in the statement of Mr. Jitender Salvi of MMRDA that the

aforesaid letter dated 19.3.2014 was delivered by him to Mr. Rahul Mukesh Gohil at the time when he brought the Fixed Deposit Receipts of Rs.351.5 crores to the office of MMRDA. It is therefore, obvious that the Fixed Deposit Receipts to Mr. Rahul Mukesh Gohil had been delivered by the bank even before receipt of the original letter dated 19.3.2014 for the placement of the term deposits. In any case, the bank could not have delivered the original Fixed Deposit Receipts to Mr. Rahul Mukesh Gohil without first verifying his identity as a functionary of MMRDA, and verifying the signature appearing on the Authority Letter.

19. As per the FIR lodged by the bank, the procedure prescribed by the bank for sanction of the loan against fixed deposits envisaged KYC compliance in all respects such as obtaining an unstamped letter-cum pledge signed by the holders of the Fixed Deposit Receipts, requesting a loan / overdraft against the Fixed Deposit Receipts. The Fixed Deposit Receipts are to be discharged on the reverse by signing on a revenue stamp by the authorized signatory and loan documents such as Demand Promissory Note, letter of Set Off and Letter of Continuity should be signed in the presence of the bank official, along with the Rubber stamp of the Organization. The FIR further shows that the Bank Manager did not personally verify the genuineness of the documents with the concerned organization and therefore failed to exercise proper due diligence as a Branch Manager. Moreover, there is no evidence of the loan documents such as Demand Promissory Note, Letter of Set Off and letter of continuity having been signed in the presence of the bank official and the seal of MMRDA on those documents having been put in their presence. The same happened to be the position in case of sanction of the loan / overdraft to MTDC against its fixed deposits. There is no evidence of the requisite loan documents such as Demand Promissory Note, Letter of Set Off and Letter of Continuity having been signed in the presence of the bank official along with seal of MTDC. There is no evidence of the bank officer having verified the genuineness of the documents with MTDC. This was yet another act of gross negligence on the part of the bank, which shows connivance between the bank officials and the persons who siphoned off the money belonging to the complainants.

In letter dated 18.7.2014 to MMRDA the Chief Manager of the bank while describing the procedure for grant of overdraft against Fixed Deposit Receipts, stated that in case of corporate accounts, Resolution authorizing the signatory to open / operate the overdraft account against Fixed Deposit Receipts was required. Though, a Resolution purporting to be passed by the MMRDA is available in the record of the bank. There is no evidence of the genuineness of the said Resolution having been verified by the bank in any manner. The Resolution purporting to be passed by MTDC and available in the record of the bank also was not verified by the bank either by deputing a bank official to visit the office of the organization to carry out the requisite verification or by ensuring the presence of the bank official in the Branch, along with the proof of his identity, to verify the genuineness of the said Resolution. In my opinion, the bank could not have acted upon a copy of purported Resolutions without verifying their genuineness with the concerned organization i.e. MMRDA and MTDC.

20. As per the above referred letter dated 18.7.2014, specimen signature card of the authorized signatory was required for operating an overdraft account. There is no evidence of a separate specimen signature card for operating the overdraft account having been taken by the bank, either in case of MMRDA or in the case of MTDC before allowing the overdraft / loan facility.

21. It has come in the FIR lodged with CBI that an overdraft of Rs.36.00 crores against security of Fixed Deposit Receipts was ratified by the Zonal Credit Approval Committee but it was not conveyed to MMRDA. The same was the position in the case of MTDC. This was yet another act of negligence on the part of the bank. Had the sanction of the aforesaid loan of Rs.36.00 crores being conveyed to MMRDA/MTDC, the said organization would immediately have informed the bank that no such credit facility was even applied by it.

22. The cheque book in the name of MMRDA and MTDC were issued without obtaining any letter of authority from the account holder. It is also not known by whom the cheque book was received from the bank in case of MMRDA. Obviously, the bank could not have issued the cheque book without a proper authority letter from MMRDA and without verifying the identity of the receiver of the cheque book. The cheque book, in the name of MTDC, purportedly to have been delivered to Mr. Rahul Mukesh Gohil. Since there was no letter from MTDC requesting the bank to deliver the cheque book to him, the said delivery was absolutely unauthorized and unwarranted. This was yet another act of negligence on the part of the bank and reveals a nexus between the bank officials and the persons who siphoned off the money belonging to the complainants.

23. Some of the fixed deposit receipts in the name of MTDC were delivered by the bank to Mr. Devendra Bhogle, whereas the remaining Fixed Deposit Receipts were delivered to Mr. Rahul Mukesh Gohil. In doing so, the bank was purporting to act upon authority letters purporting to be written by MTDC to the bank, requesting it to deliver the same to the aforesaid persons. There is no evidence of the genuineness of the aforesaid authority letters which otherwise were forged documents, having been verified by the bank from MTDC either by deputing a bank official to visit the office of the complainant to verify the signature on the said letters or by even calling up the person who purportedly signed the said letters on behalf of MTDC. Moreover, there is no evidence of the bank having collected any evidence of Mr. Devendra Bhogle / Mr. Rahul Mukesh Gohil being associated with MTDC. Considering that the aforesaid company was a Government of Maharashtra Undertaking, the fixed deposit receipts, could have been handed over only to an officer / functionary of the said company. Therefore, the fixed deposit receipts could not have been delivered to them unless the bank had verified that they were the functionaries / officers of MTDC. There is no evidence of the aforesaid persons having even claimed to be the functionaries / officers of MTDC. In fact, even the purported signature of Mr. Kishori Jagdish Gadre on the authority letters to the bank and the seal of MTDC on the aforesaid letters are not identical. The difference in the signature is so obvious that even a layman can point out the same, not to talk of a bank officer who is supposed to be an experienced person in the matters such a comparison of signature of the account holder. The letter dated 03.2.2014 did not have any seal of MTDC, whereas the seal on the letter dated 07.2.2014 is different from the seal on the letters dated 14.2.2014, 18.2.2014 and 08.3.2014. The above said act of the bank officials clearly indicates that they were hand in gloves with the persons who siphoned off the money belonging to MTDC.

24. The learned counsel for the complainant has submitted a compilation of judgments, containing **Bihata Cooperative Development Cane Marketing Union Ltd. & Anr. Vs. Bank of Bihar & Ors., AIR 1967 SC 389, Canara Bank Vs. Canara Sales Corporation & Anr. (1987) 2 SCC 666, Haryana Gramin Bank & Anr. Vs. Madan Lal (2011) 15 SCC 113 and State Bank of India Vs. Sheo Kumar Sharma (2014) CPJ 167 (NC)**, whereas the learned counsel for the opposite parties has filed a compilation of judgments, including **Deepak Khosla & Anr. Vs. Union of India & Ors. 163 (2009) DLT 575 (DB)**,

**Anil Rishi Vs. Gurbaksh Singh (2006) 5 SCC 558, Sebastiao Luis Fernandes (Dead) through LRs Vs. K.V.P. Shastri through LRs 2014(1) SCJ 634, K.M. Abbu Chettiar Vs. Hyderabad State Bank, AIR 1954 Mad 1001, Indian Overseas Bank Vs. Industrial Chain Concern, (1990) 1 SCC 484, Steel Authority of India Ltd. Vs. Punjab & Sind Bank & Ors. Manu/DE/6261/2012, Bhagwani D. Patel Vs. India Bank & Ors. III (2011) CPJ 175 (NC) and CMD & Ors. Vs. Bhagwanji D. Patel & Anr. Order dated 17.2.201 of Hon'ble Supreme Court of India in Civil Appeal No. 9366 of 2011.**

25. In Haryana Gramin Bank (supra), Hon'ble Supreme Court expressly held that the petitioner bank was vicariously liable for the wrong doings of its officials/ employees which resulted in monetary loss to the respondent. In Bihta Cooperative Development (supra), the Apex Court held that if the signature on the cheque is not genuine, there is no mandate on the bank to pay and the question of any negligence on the part of the customer such as leaving the cheque book carelessly would afford no defence to the bank. The bank was found to be negligent in not ascertaining whether the signature on the cheque in question was genuine and the circumstances attending the encashment of the cheque proved that the bank was negligent and some of its officers fraudulent right from the beginning. Upholding the order decreeing the suit against the bank, it was observed that fraud could only be perpetrated because of the complicity of the employees of the bank. In Canara Bank (supra), the Court held that when a cheque containing a forged signature is presented, the bank has no authority to make payment against such a cheque and it could deny its liability only where it establishes that the customer was disentitled to make a claim on account of adoption, estoppel or ratification. It was further held the bank, when it makes payment of such a cheque, cannot plead the defence of negligence on the part of the customer. In Sheo Kumar Sharma (supra), it was contended on behalf of the bank that the proceedings under the Consumer Protection Act being summary in nature, the subject disputes could not be adjudicated merely on evidence by affidavit. It was submitted that the charge of forging and cheating has to be proved by leading voluminous evidence which would include cross examination of the experts who had examined the relevant documents and that is beyond the scope of the proceedings under the Consumer Protection Act. The contention however was rejected by this Commission, noticing that the factum of issue of cheque book in the case before it was not in dispute and therefore, deficiency in rendering services to the customer was writ large.

In the case before this Commission, acts and omissions constituting negligence on the part of the bank stand established from the material placed before this Commission and in fact, have also been admitted in the FIR lodged by the bank itself against several persons, including the then Branch Manager, Mr. P.V. Nagarkar. More importantly, this is not the case of the bank that the documents and signature which the complainants MMRDA and MTDC claim to be forged are in fact genuine documents and signatures. For instance, the bank does not even claim that the purported signature on the customer relationship form and the specimen signature card are genuine signatures of the functionaries of the complainants. This is also not the case of the bank that the applications for availing overdraft / loan against Fixed Deposit Receipts bear genuine signatures of the functionaries of the said complainants. This is also not the case of the bank that the cheques used for the purpose of facilitating RTGS transfer bear genuine signatures of the functionaries of the complainants. The bank also does not say that the copies of the PAN cards available in its record are the true copies of the genuine PAN cards. Similarly, this is also not the case of the bank that the Demand Promissory Note, Letter of Set Off and Letter of Continuity available in its record bear genuine signatures of the functionaries of the complainants. This is also not the case of the bank that the Board Resolutions of the complainants available in its record



were actually passed by the complainants. The failure of the bank officials to follow the procedure prescribed by the bank for opening Fixed Deposits accounts and overdraft / loan accounts have been admitted by the bank in its complaint to CBI and in the letter dated 18.7.2014 written to MMRDA. Therefore, there seems to be practically no dispute that the documents available in the record of the bank except the placement letters of fixed deposits receipts are forged documents. Therefore, it would be difficult to say that the factual questions involved in these complaints require voluminous oral and documentary evidence, including examination of the handwriting experts. As far as the fixed deposit receipts in the custody of the complainants are concerned, I have no hesitation in holding that the same are forged documents and no evidence is really required to render this finding. The complainants may be under a bonafide belief that the fixed deposit receipts in their custody are genuine documents but in fact, they are forged documents. Some of the genuine fixed deposit receipts are in the custody of the bank, but the whereabouts of the remaining genuine fixed deposit receipts are not known, and could not be found even by CBI.

26. I have perused the decisions in the Deepak Khosla (supra) Anil Rishi (supra) and Sebastiao Luis Fernandes (supra) and K.M. Abbu Chettiar (supra), but have not found any such legal proposition which would disentitle the complainants from obtaining an appropriate relief from this Commission. In Steel Authority of India (supra), a learned Single Judge of the High Court dismissed a Writ Petition filed against the Punjab & Sind Bank holding that disputed question of fact incapable of adjudication in Writ jurisdiction were involved. The appeal preferred by SAIL (supra) was also dismissed holding that principle enunciated by the Hon'ble Supreme Court in Canara Bank (supra) ought to apply when the officials of the bank, not authorized, purport to act on behalf of the bank. It was observed in the course of the judgment that an institution like a bank is governed by rules and regulations and procedure and the action of the officer if not authorized, if it makes the bank liable, would expose the bank to large financial claims. The aforesaid judgment, in my opinion, would not apply since this is not the case of the bank that the concerned branch manager at Malabar Hill branch of the bank was not authorized to accept the fixed deposits, open the Fixed Deposit accounts and make the RTGS / cheque based transfers. The case of the bank is that the overdraft upto a particular limit could be sanctioned by the bank manager, whereas the overdraft / loan beyond that limit required approval from the Zonal Committee. This is also the case of the bank that the branch manager Mr. P.V. Nagarkar, sanctioned overdraft / loan only to the extent he was competent to do and the higher limit was duly approved by the concerned Zonal Committee. Therefore, it cannot be said that Mr. Nagarkar was acting beyond the scope of his ostensible authority as the concerned branch manager. On the other hand, a Division Bench of the Hon'ble High Court of Delhi expressly held the bank to be liable in case of fraud practiced by its officials, in **Punjab National Bank Vs. Durga Devi & Ors. 13 (1977) DLT 377**. The following observation made by the Division Bench of the High Court is pertinent in this regard:

*“Unfortunately for the bank, acts of fraud or collusion by the bank officials with a view to benefit a person presenting a forged or materially altered cheque result in payment being made by the bank against such cheque. Such an act of the bank employees, being within the course of their employment, is binding on the bank at the instance of the person who is damaged by the fraud of the officials of the bank. The only remedy of the bank is against the officials. But this is between the bank and the officials. The third party who suffers the loss due to the fraud practiced by the bank*

*officials is entitled to hold the bank liable for the loss caused to him by the fraud of the officials of the bank.*

*We think that banks are public institutions, more so those which are nationalized banks. They owe a duty of fairness to their customers. Once the banks are convinced that their employees have acted fraudulently in relation to a customer, the banks should at once acknowledge liability turn such fraud to the customers. They should not needlessly deny a just claim of the customer on frivolous grounds. So much of time, energy and money of the banks and the customers is wasted in finding out such a litigation to the benefit of no one”.*

27. In Bhagwani D. Patel (supra) it was contended on behalf of the bank that there was a deep rooted conspiracy involving the attorney of the complainants with the certain other persons and therefore, voluminous and detailed evidence would be required, for which a Consumer Forum was not an appropriate Forum. There was a factual dispute in that case as regards the genuineness or otherwise of a receipt purporting to be issued by the bank. The withdrawals made by the attorney of the complainants from time to time were also in dispute. It was on the particular facts of the case, that this Commission held that Consumer Forum was not the appropriate Forum to decide those disputes. The decision of this Commission was later upheld by the Hon'ble Supreme Court in Civil Appeal No.9366 of 2011. The aforesaid decision is clearly distinguishable on facts and therefore, does not apply to the factual situation prevailing in these complaints.

28. For the reasons stated hereinabove, the complaints are disposed of with the following directions:

- (i) In Consumer Complaint No.947 of 2015, the opposite party Dena Bank is directed to pay the entire principal amount of Rs.351.50 crores to the complainant along with the interest applicable to the said Fixed Deposit Receipts from time to time;
- (ii) In Consumer Complaint No.259 of 2014, the opposite party Dena Bank is directed to pay the principal amount of Rs.1,25,82,82,737/- to the complainant along with the interest applicable to the said Fixed Deposit Receipts from time to time;
- (iii) The payment in terms of this order shall be made within six weeks from today;
- (iv) The fixed deposits made by the complainants with the opposite party shall stand discharged and paid, on payment in terms of this order;
- (v) The forged Fixed Deposit Receipts available with the complainants shall be delivered to the opposite party, at the time of payment in terms of this order;
- (vi) The parties shall bear their respective costs of the complaint.

29. Before parting with these cases, it would be necessary to refer to certain acts of negligence committed by the functionaries / officers of MMRDA and MTDC. It is an admitted case that the original letters whereby the term deposit was placed upon the bank were delivered by MMRDA and MTDC to Devendra Bhogle / Rahul Mukesh Gohil. The case of the complainants is that the aforesaid persons claimed to be employees of the Dena Bank and that was the reason the said letters were handed over to them. However, there is no evidence or even an averment of any identity card of Mr. Devendra Bhogle or Mr. Rahul Mukesh Gohil showing them to be the employees of the Dena Bank having been taken and retained either by MMRDA or by MTDC. It has come in the statement of Tulshi Ram Solanke, Chief Accounts Officer of MTDC that Mr. Devendra Bhogle had represented himself as officer of Dena Bank and therefore, the original letters were handed over to him. He claimed that Mr. Devendra Bhogle has produced an identity card of Dena bank showing him to be an officer of Dena Bank. However, no copy of any such identity card is available in the record of the MTDC. The functionaries of MTDC, before delivering the said letter to Mr. Bhogle ought to have verified his identity by visiting the concerned branch and in case, they decided to verify the identity on telephone, atleast a copy of his identity card showing him to an officer of Dena Bank ought to have been retained. In the absence of such a copy in the record of the MTDC, it would be difficult to accept the bald self-serving statement made by the functionaries of MTDC in this regard. In fact, MTDC delivered not only the placement letters but also the KYC related documents, such as PAN card of MTDC, PAN card of Managing Director of MTDC and PAN card of Chief Accounts Officer of MTDC to Shri Devendra Bhogle without either verifying his identity by visiting the concerned branch or retaining a copy of the identity card alleged to have been shown by him.

In case of MMRDA, the placement letters of Fixed Deposit Receipts were delivered to Mr. Rahul Mukesh Gohil who also claimed to be an officer of Dena Bank. It has come in the statement of Jitender Salvi, Accounts Officer of MMRDA, that he had called the Malabar Hill Branch of Dena Bank where a lady officer asked him to contact Rahul Mukesh Gohil and also gave his mobile number which he passed on to Deputy Accountant Ms. Mansi Khadekar. He further stated that Mansi Khadekar as well as he himself had contacted Rahul Mukesh Gohil from the landline number of MMRDA. He does not specifically say that Mr. Rahul Mukesh Gohil had represented himself to be an officer of Dena bank. If no such representation was made by him, the placement letter should not have been delivered to him. If he represented himself to be an officer of Dena Bank, either his identity should have been verified by visiting the concerned Branch or atleast a copy of his identity card should have been obtained and kept in the record of MMRDA. In the absence of such an action, his statement cannot be taken at its face value.

It has also come in the statement of officers of MTDC that the fixed deposit receipts to their office were brought by Mr. Devendra Bhogle. The officials of MMRDA in my opinion, ought to have accepted the fixed deposit receipts from him, without verifying his identity by visiting the branch or atleast obtaining and retaining a copy of his identity card. In any case, the genuineness of the fixed deposit receipts obtained from Mr. Devendra Bhogle should have been verified by the officers of MTDC from the concerned branch by personally visiting the said branch. That however, was not done. Similarly, MMRDA received original fixed deposit receipts from Mr. Rahul Mukesh Gohil, without verifying his identity by visiting the

concerned branch and without taking and retaining a copy of his identity card, if any. The fixed deposit receipts brought by him were also not verified by MMRDA.

The above referred acts of negligence on the part of the functionaries / officers of MMRDA and MTDC cannot be ignored as minor aberrations and need to be dealt with administratively, so as to ensure that water tight instructions are in place and no-one is able to repeat such acts of fraud in future. However, the aforesaid acts of negligence on the part of the functionaries / officers of MMRDA and MTDC have no bearing on the liability of the opposite party Dena Bank. It is therefore, directed that one copy of this order be sent to the Chief Secretary, Government of Maharashtra for inquiring into the aforesaid acts of negligence and taking appropriate action in the matter.

.....J  
**V.K. JAIN**  
**PRESIDING MEMBER**