

FIRST INFORMATION REPORT

(Under Section 154 Cr.P.C.)

1. **District:** Delhi **PS:** EO-III Delhi
Year: 2021
FIR No: RC2212021E0013 **Date:** 06/10/2021

2. **Acts & Sections:**

Acts	Sections	R/W Section
IPC	120 B	
IPC	406	
IPC	420	
IPC	468	
IPC	471	
PC Act-1988 (As amended in 2018)	13(2) r/w 13(1)(d)	

3. **Suspected offences:** Bank Fraud
(a) **Occurrence of offence:**
Day: **Time Period:**
From Date: 2011 **To Date:** 2015
(b) **Information Received at PS:** 11.05.2021
Date: 11/05/2021
(c) **General Diary Reference:**
Entry No.: 06
Date: 06/10/2021 **Time:** 13:20:01

4. **Type of Information:** Written

5. **Place of Occurrence:** Chandigarh, Bhatinda and Punjab
(a) **Direction & distance from PS:**
Beat No.:
(b) **Address:**
Plot No.: **Area:**
City: **Pin:**
State: **District:**
(c) **In case, outside the limit of this Police Station, then**
Name of PS: **District:**

6. **Complainant / Informant:**
Complainant 1

(a) **Name:** Mr. M Ahamed Kabeer
(b) **Father's/Husband's Name:**
(c) **Date/Year of Birth:**
(d) **Nationality:** INDIAN
(e) **Passport:**

Passport No.	Date Of Issue	Place Of Issue
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(f) **Occupation:** Sr Regional Manager

(g) **Address:**

Plot No	Area	City	State	District	Pin
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7. **Details of known/suspected/unknown accused with full particulars:**

Edin

Accused 1**Name:** M/s Kissan Fats Limited(1)**Address:**Registered Office 71, Hazi Rattan, Link Road, Bhatinda, Bhatinda, Bathinda, Punjab
Factory Fazilka Road, Vill Ghubaya, Tehsil Jalalabad (W), District Ferozpur, Ferozpur, Ferozepur, Punjab**Accused 2****Name:** Mr.Rajinder Mittal(2), **Father/Husband name:** Dwarka Das Mittal**Address:**

5-A, Civil Lines, Bhatinda, Bhatinda, Bathinda, Punjab

Accused 3**Name:** Mr.Subhash Chander Mittal(3)**Address:**H.No. D-5/128/2, Ward 12, Railway Road, Kotkapur, Faridkot, Faridkot, Punjab
O-602, Ganpati Apartment, Ganpati Estate, Bhatinda, Bathinda, Punjab, 151001**Accused 4****Name:** Mr.Harmanpreet Singh(4)**Address:**

113, Sector-46A, Chandigarh, Chandigarh, Chandigarh, Chandigarh (UT), 160017

Accused 5**Name:** Mr.Rajesh Goyal(5), **Father/Husband name:** Hem Raj Goyal**Address:**

H.No. 2258-A, ST No. 18, Bhagu Road, Bhatinda, Bathinda, Punjab, 151005

Accused 6**Name:** Mr.Rakesh Aggarwal(6)**Address:**

Flat No. 601, B-Block, Ganpati Township, Bhatinda, Bathinda, Punjab

Accused 7**Name:** UnknownUnknown Public Servants(7)**Address:****8. Reasons for delay in reporting by the complainant/informant:****9. Particulars of properties stolen:**

Item Name	Age of Property	Estimated Value (in INR)
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10. Total value of property stolen:**11. Inquest Report/U.D. Case No., if any:****12. First information contents:**A written complaint dated 07/05/2021 addressed to the Head of Branch, CBI/EO-III/New Delhi was submitted by M
Ahamed Kabeer, Senior Regional Manager, IOB, Chandigarh, which is reproduced as under:-इण्डियन ओवरसीज़ बैंक **INDIAN OVERSEAS BANK**

फोन : 0172 - 2795335

सतर्कता विभाग **Vigilance Department**

Email : 0812rm@iob.in

क्षेत्रीय कार्यालय चण्डीगढ़ **Regional Office Chandigarh**SCO-26, 01ST FLOOR, MADHYA MARG, SECTOR 7-C, CHANDIGARH-160019

No.RO/VIG/CBI/ /2021-22

दिनांक /Dated: 07.05.2021

To,

Head of Branch

Central Bureau of Investigation

EO-III, CGO Complex,

Lodhi Road New Delhi - 110003

Dear Sir,



Complainant:

Indian Overseas Bank a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970 having its Central Office at No.763, Anna Salai, Chennai and branches across country with one such Chandigarh Main Branch at Ground Floor, SCO No. 26, Sector 7-C, Madhya Marg, Chandigarh which comes under the administrative control of Indian Overseas Bank, Regional Office, First Floor, SCO No. 26, Sector 7-C, Madhya Marg, Chandigarh.

I, Shri M. Ahamed Kabeer S/o Mohammed Sharbudeen aged about 49 years, working as Senior Regional Manager, Indian Overseas Bank, Regional office, Chandigarh am duly authorized by the competent authority of the complainant bank to lodge this complaint.

Complaint against:

1. KISSAN FATS LIMITED (Borrower Company)

Registered office: 71, Hazi Rattan, Link Road, Bhatinda, Punjab 151005.

Factory address: Fazilka Road, Vill. Ghubaya, Tehsil Jalalabad (W), District Ferozpur, Punjab.

PAN No. - AABCK4335Q

CIN: U15143PB2000PLC023294

2. Sri. Rajinder Mittal S/o Lt. Sri Dwarka Dass Mittal (**Managing Director**) residing at 5 -A, Civil Lines, Bathinda, Punjab, 151001.

Passport No: Z29628985

Place of Issue: BATHINDA

PAN No. - AARPM9226F

DIN: 00033082

Aadhar No.: 965496611938

Phone No.: 9815184020,9915030201

3. Sri. Subhash Chander Mittal (**Director**) residing at H. No B5/128/2 Ward 12, Railway Road, Kotkapur, Faridkot, Punjab and also residing at : O-602 Ganpati Apartment, Ganpati Estate, Bhatinda, Punjab - 151001.

Passport : G4892236

Place of Issue: BATHINDA

PAN No. - ACBPM4400F

, DIN: 00391512

Phone No.: 9915030203

4. Sri. Harmanpreet Singh (**Director**) residing at House No. 113, Sector 46-A Chandigarh 160017.

PAN No. - AZZPS7925G

DIN : 00758973

Phone No.: 9417669744

Mail ID : harmanpreetsingh65@gmail.com

5. Sri. Rajesh Goyal S/o Hem Raj Goyal (**Director**) residing at House No.-22558-A, ST NO-18, Bhagu Road , Bhatinda, Punjab - 151005.

PAN No. - ALBPG1196R

DIN: 07365177

Aadhar No.: 976600843668

Phone No.: 0164-2240163

Mail ID : rajesh22558@gmail.com

6. Sri. Rakesh Aggarwal (**Director**) residing at Flat No. 601, B- Block, Ganpati Township, Bhatinda, Punjab and also residing at : B-301 Ganpati Enclave Dabhwali Road, Bhatinda, Punjab - 151005

PAN No. - ABNPA6558M

DIN: 06687719

Phone No.: 9876430042, 9815035952, 8054273163

Mail ID : rakeshcosmos@rediffmail.com

7. Other unknown Persons & unknown Public Servants.

No	Details required	Details submitted
1	The complaint has authorization from the competent authority to file the complaint	Yes, The complainant is duly authorised by the competent authority to lodge the complaint with CBI.
2	The account has been declared NPA as per the laid down procedure	The account M/s KISSAN FATS LIMITED has been classified as Non-Performing Asset on 01.07.2014 as per bank guidelines.

3	The date of NPA and outstanding thereof have been mentioned	<p>NPA date 01.07.2014.</p> <p>CC A/c No. : 028402000012814 : Rs. 33.79 Crores</p> <p>TL A/c No. : 028403281400001 : Rs. 38.36 Crores</p> <p>FITL A/c No. : 028403161400001 : Rs. Zero</p> <p>Total amount involved in Fraud is Rs. 72.15 Crores</p> <p><u>However, The account is closed under the One Time Settlement (OTS) Scheme of the bank on 22.12.2020 for an amount of Rs. 39.56 Crore</u></p>
4	The NPA account has been declared as fraud, with the date of Declaration	The account is declared as fraud and fraud reported to RBI on 06.12.2019 vide FMR No IOBK1904-0038.
5	Where there is delay in filing complaint with CBI after declaration of fraud by the bank. The delay has been explained.	There is no delay in lodging the complaint
6	The grounds for declaring the fraud by the bank are mentioned clearly.	<p>As per forensic audit report dated 30.09.2019 by Navneet & Company the auditors have observed the borrower company had diverted the funds to sister concerns Viz. M/s. BCL (Bhatinda Chemical Limited) and M/s. Ganpati Townships Limited.</p> <p>Firm had prepared two sets of audited Financial Statement for the year ended 31.03.2014, one copy for bank and other copy for statutory authorities. Management of the company has changed/fabricated/falsified shareholder resolution to reduce shareholding of Gee City Builders from 21.40 percent to 19.88 percent. The company has increased the share premium by Rs. 7 per share for this purpose. Wrong CA certificates submitted to show capital infusion to Bank etc.</p> <p>The Company was maintaining Current Accounts with other banks Viz. Punjab National Bank, Kotak Mahindra Bank, Axis Bank and Oriental Bank of Commerce without obtaining NOC from IOB. All the findings of the forensic audit of the captioned account suggest huge diversion of funds.</p>
Details of background of complaint, sanctioned credit facilities. Primary and collateral securities etc are mentioned.		<p>The company M/s Kissan Fats Limited was in the business of solvent extractors, seed crushers and oil extractors, oil refiners, oil manufacturing by imported Crude Palm Oil (CPO). The company was initially promoted by Mr. Inderjeet Singh on 21.01.2000 as a private limited company. Subsequently the company was converted from Private Limited to Public Limited Company and was acquired by Mr. Rajinder Mittal himself/ through BCL Industries Limited and his family members, thus holding 100 percent stake in M/s Kissan Fat Limited himself/by his family members/through BCL Industries Limited. During the year 2004 and 2005, Company has undergone major expansions cum modernization plans, increasing the capacity of existing Refinery cum Vanasapati Plant and installed a new Solvent Extraction Plant.</p> <p>Company was enjoying credit facilities of Rs 74.00 Crores from State Bank of India, Chandigarh which were later on taken over by Indian Overseas Bank, Chandigarh Main Branch by enhancing the credit facilities to Rs. 98.00 Cores, which were further enhanced to Rs. 118.00 Crores within a span of one year. The limits were guaranteed by personal guarantee of Smt. Swati Mittal d/o Sri. Rajinder Mittal & w/o Sri. Sunil Singh and corporate guarantee of M/s Ganpati Townships Limited (CIN U70100PB2005PLC028718). The company was in the</p>

business of manufacturing of edible oil by way of imports of crude palm oil. The company started showing signs of Sickness during 2012-13, 2013-14 as it could not meet the obligation of payment of Letter of Credit, which were ultimately devolved. The sales of the company reduced to 58 percent during 2013-14 as compared to 2011-12. During this phase, the company approached the bank for restructuring. Bank sanctioned the restructuring package vide their sanction dated 11.03.2014 whereby WCTL and FITL were sanctioned as fresh facilities and total facilities sanctioned was Rs. 120.12 Crores. The company could not meet the repayment of restructured loans and the account was categorized as NPA on 30.09.2015. However during Statutory Audit of the Bank, the Date of NPA was shifted from 30.09.2015 to 01.07.2014. Later during inspection of factory by bank officials on 19.03.2016 there was no manufacturing activity going at the factory. Bank took symbolic possession of the property mortgaged on 07.06.2017 and later physical possession on 24.10.2018 and same was put on auction twice but no bids received. Suit for Recovery was filed with DRT on 26.07.2017.

Navneet & Company was appointed as Forensic Auditor of the captioned account on 17.11.2018. Meanwhile, The company approached the bank for OTS (One Time Settlement) for Rs. 74.25 Crores on 06.03.2019 against book outstanding of Rs. 109.66 Crores. OTS was sanctioned for Rs. 75.25 Crores vide sanction advise dated 16.07.2019. The forensic auditor submitted the forensic audit report vide their letter dated 30.09.2019. The observations made in the said forensic audit report are detailed in point No.10, based on which fraud was reported to RBI on 06.12.2019 for Rs. 72.15 crores. Later, the company paid Rs. 37.50 Crore (50% of OTS amount) only and failed to pay the remaining amount as per OTS sanction terms. Hence, the OTS sanctioned was cancelled on 12.03.2020. The Company was once again sanctioned OTS of Rs. 39.56 crores on 03.09.2020 by central office against then outstanding of Rs. 72.15 crores which was paid by it and account since closed on 22.12.2020.

Details of First Credit Facilities sanctioned

(Rs. In Crores)

Nature of Limit (Takeover)	Amount Sanctioned
Date of Sanction : 21.01.2011	
Sanctioned By : Corporate Credit Department – II , Central Office	
Cash Credit (Including takeover of CC Limit of Rs.42.00 crores from SBI) (Fresh)	65.00
Sub Limit : at Bhatinda Branch (Fresh)	(15.00)
Sub Limit: PC/Export Bills on DP/upto 180 days (LC/ Non LC) (Fresh)	(32.50)
Term Loan (Original Limit Rs. 15 Crores)(takeover from SBI at DP/Outstanding whichever is less) (Fresh)	13.00
LC (Inland/Foreign) at DP/DA terms for 90 days (Fresh) (including takeover of LC limit of Rs.15.00 crs from SBI)	20.00
Total	98.00
Forward Contract limits – for Forward booking of US Dollars against import and export bills (Fresh)	50.00

(Rs. In Crores)

Nature of Limit (Renewal)	Amount Sanctioned
Date of Sanction : 11.04.2012	
Sanctioned By : Mid Corporate Department , Central Office	

Cash Credit(Enhanced from Rs. 65.00 Crores)	80.00
Sub Limit : CC at Bhatinda Branch	(15.00)
Sub Limit : PC/Export Bills on DP/upto 180 days (Enhanced from 32.50 Crores)	(40.00)
Term Loan (Renewed at DP)	8.00
Letter of Credit (Enhanced from Rs. 20.00 Crores)	30.00
Sub Limit : LOC/Buyers Credit 180 tenor	(15.00)
Total	118.00
Forward Purchase/Sale Contract(Enhanced from Rs. 50.00 Crores)	(70.00)
Credit Conversion Factor	1.40

Crores)

(Rs. In

Nature of Limit (Renewal)	Amount Sanctioned
Date of Sanction: 31.10.2013	
Sanctioned By : Large Corporate Department , Central Office	
Short Review/renewal of account for a period upto 31.03.2014	N.a.

Details of **Latest** Credit Facilities sanctioned

(Rs. In Crores)

Nature of Limit (Restructure)	Amount Sanctioned
Date of Sanction: 11.03.2014	
Sanctioned By : Large Corporate Department , Central Office	
Term Loan (Reviewed at DP)	1.00
Cash Credit (Reduced from Rs. 80.00 Crores)	59.85
Working Capital Term Loan (WCTL) (Fresh)	48.36
Funded Interest Term Loan (FITL)(Fresh)	10.91
LC/LG (Sub Limit under CC)	30.00
Total	120.12

Details of Securities :

Prime
Crores)

(Rs. In

Description	Value at the time of Sanction as on 31.03.2013	Present Value as on 15.01.2019
Term Loan : First charge on entire block assets of the company (Including EM of factory L & B)	WDV - Rs. 25.84	P & M - 20.00 L & B - 11.60

For Working Capital Limits : Exclusive First charge by way of hypothecation on all the current assets i.e present and future including Raw material, finished good lying in factory as well as in transit and book debts.	Stocks - Rs. 55.16	Stocks- NIL BD - 96.08 as per ABS as on 31.03.2018
	Book Debts - Rs. 81.63	
	Other assets - Rs. 16.37	

Collateral
Crores

Rs. In

Brief Description	Value at the time of sanction	Present Value	
1) Term Loan - Second charge on all the current assets i.e present and future	Rs. 153.16	Stocks- NIL BD - 96.08	
2) For Working Capital Limits: Second charge on entire block assets of the company i.e. i)Hypothecation of Plant & machinery	Rs. 25.84/- As per audited balance as on 31.03.2013	First Valuation	Second Valuation
		FMV: Rs. 28.39 FSV: Rs. 24.13 by Gurmeet Singh dated 08.12.2018	FMV: Rs. 20.00 FSV: Rs. 17.00 By IPS Arora & Assoc dated 14.12.2018
ii) EM of Factory Land & Building situated at Fazilka Road, VIII. Ghubaya, Tehsil Jalalabad (W), Distt. Ferozpur, Punjab.		FMV:12.10 FSV:10.10 By Ajay Puniani dated 29.11.2018	FMV:11.60 FSV:9.25 by S. Sourabh & associates dtd 17.11.2018
3) Additional Security: Second charge in Mittal city commercial mall & 4 star hotel (Comfort inn) situated on land admeasuring 7350 sq yd. vide sale deed no 14840 dated 14.03.2005 and hotel comprising of 100 rooms located on Goniana Road bhatinda in the name of M/s Ganpati townships Limited.	FMV- 104.50 FSV - 78.37 By Er. A.S Chawla & Associates (Approved valuer of Kotak Mahindra Bank)	FMV Rs. 27.36 FSV Rs. 21.65 of unsold portion of the properties By Ar. Rakesh Jindal & Associates Dated 02.05.2019 (Approved valuer of Complainant bank)	
First Charge is with Kotak Mahindra bank Ludhiana.			

Dis

		Rs. 8.40
	4) Pledge of 30% shares of M/s Ganpati townships Limited.	Now Known (Total no of shares 1065000 @ Rs.78.88 per share value) Valued by the company as per letter dated 07.09.2018
	<p>Details of second charge & position of security: We had a 2nd charge on Mittal City Commercial Mall & 4 Star Hotel and First charge is with Kotak Mahindra Bank Limited, Ludhiana. NOC not provided by Kotak Mahindra Bank for creating second charge and hence no mortgage formalities done to provide second charge to our bank, However our Second charge is registered with ROC on the above property.</p> <p>As per the letter dated 21.02.2019 in which borrower company stated that Mittal City, being commercial Real Estate project (Current Assets of the GTL), Fund/Cash flow was to be generated from sale proceeds of the constructed area of the Mittal City Mall to pay the dues of lenders. Ganpati Township Limited has also sold/transferred the property to the customers from whom advance was received. As such, area of Mittal City Mall sold out and paid the dues of lenders & customers from whom advance in shape of booking amount was received.</p> <p>The latest position of securities: As the account is closed under OTS, all the securities are released.</p>	
8	Legal facts constituting cognizable offence have specific mention	On the basis of findings of Forensic Audit report borrower had diverted the funds to sister concerns and made payment of unsecured loans during currency of bank loan. Management of the company has changed/ fabricated/falsified shareholder resolution to reduce shareholding in sister concern by increasing the share premium. There have been instances of cash withdrawal. Company had willfully prepared two financial statements for the year ended 31.03.2014 and submitted wrong CA certificate to show capital infusion to Bank etc thereby cheated and defrauded the bank by diversion of funds.
9	Name(s) and role of erring bank official(s) as per the staff Accountability Report is / are clearly Mentioned	No lapses against any staff member observed in the investigation under fraud angle conducted by the bank.

Findings of Forensic Audit Report, if conducted and Internal Investigation report are duly Incorporated.

The forensic auditor Navneet & Company conducted the forensic audit of the captioned account and submitted the forensic audit report vide their letter dated 30.09.2019. In the said forensic audit report; following are some key points of observations made by the auditor indicating cheating and fraud:

1) The Company M/s Kissan Fats Limited (hereafter referred as KFL) has diverted a sum of Rs. 249.98/- Crores to M/s BCL Industries Ltd. On analysis of Statement of accounts and audited balance sheets of KFL and BCL Industries Limited it is evident that a sum of Rs. 249.98 crores is receivable by KFL from BCL Industries Limited for a period from 2011 to 2017. But as per Audited balance sheet of BCL Industries Limited for the year ended 31.03.2018 amount payable to KFL is NIL. Rs. 20.57 Crores also diverted to Ganpati Township limited which is the amount pending as receivable of interest income during the period from 2010-11 to 2016-17. Hence funds diverted by the company to sister concerns.

2) Company has diverted a sum of Rs. 17.76 Crores outstanding as unsecured loans as on 31.03.2011 during the period 01.04.2011 to 31.03.2016 in violation of sanction terms. Out of the sanctioned takeover enhancement of Rs. 23.00 Crores on 21.01.2011, the company has diverted Rs. 14.86 crores during the year 2011-12. As per finding of Audit report these loans were payable to the proprietorships of Mr. Rajinder Mittal (Managing Director).

3) KFL has prepared two sets of audited financial statements for the year ended 31.03.2014, one copy for bank and other copy for statutory authorities viz. ROC, Income Tax. Both the financial statements have been audited and signed by same statutory auditor and on same date.

4) The company has made material alteration with sale and purchase booked in audited financial statement and as reported in VAT returns filed by it during relevant the same period.

10 5) Management of the company has changed /fabricated/falsified shareholder resolution to reduce shareholding of Gee City Builders Private limited from 21.40 percent to 19.88 percent. The company has increased the share premium by Rs. 7 per share for this purpose.

6) KFL received Rs. 7.87 crores against issued of Shares to Gee City builders private limited and funds on receipt were transferred to BCL Industries Ltd.

7) KFL was maintaining various current accounts with other banks and without obtaining NOC from complainant bank.

8) Major Debtors have negated to have any business relations with KFL and even if they have relations, they have no payable to KFL. Certain names of the parties were mentioned in the Stock statement submitted to complainant bank duly certified by chartered accountant; however the parties have negated to have any relation with KFL, however they have relations with BCL only. Hence KFL submitted CA certified debtors which were not in agreement with the book of accounts of the company, hence probability of them being falsified/ untrue cannot be ruled out.

9) KFL has defrauded the bank by submitting various FALSE CA certificates regarding infusion of capital to eyewash the bank that level of unsecured loans as per sanction terms is being maintained.

10) KFL after diverting funds to its related parties submitted restructure proposal with assurance of 2nd charge on the property lying with Kotak Mahindra Bank. But later in violation of sanction terms the company cheated the complainant bank by showing its inability to obtained 2nd charge from Kotak Mahindra bank and leaving complainant bank with lesser security.

11) The complainant bank declared the account as NPA on 30.09.2015. Mr. Harmanpreet Singh & Subhash Chander Mittal both directors of the company have resigned from the directorship on 04.02.2016 but w.e.f 02.09.2015(i.e. after lapse of 156 Days). Such delay filing of Form DIR-12 with back dated resignation clearly indicates after thought basis of such act.

11	<p>Details of crime proceeds/ end use funds as per the findings of Forensic Audit are mentioned.</p>	<p>The Suspect had fraudulently diverted the loan proceeds and had cheated and caused wrongful loss to the complainant bank and obtained wrongful benefit for themselves and others</p> <p>As per the forensic audit the cumulative passable diversion may be summarised as under.</p> <p>A : Diversion of Funds :</p> <p>1) Company has diverted a sum of Rs. 17.76 Crores outstanding as unsecured loans as on 31.03.2011 to the proprietorships of Mr. Rajinder Mittal (Managing Director).</p> <p>2) The company has diverted a sum of Rs. 249.98 crores to BCL Industries Limited.</p> <p>3) The Company has diverted a sum of Rs. 20.57 Crores to Ganpati Township Limited.</p> <p>B) Transactions with related party & Cash Withdrawals</p> <p style="text-align: right;">(Rs. In Lakhs)</p> <table border="1" data-bbox="558 750 1181 1512"> <thead> <tr> <th>S. No</th> <th>Name of Party</th> <th>Outflow</th> <th>Inflow</th> <th>Net (A-B)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>BCL Industries Limited</td> <td>35,054.62</td> <td>23,206.87</td> <td>11,847.75</td> </tr> <tr> <td>2</td> <td>Ganpati Township limited</td> <td>1,000.48</td> <td>1,085.00</td> <td>-84.52</td> </tr> <tr> <td>3</td> <td>Pioneer Industries Limited</td> <td>1,355.73</td> <td>104.79</td> <td>1,250.94</td> </tr> <tr> <td>4</td> <td>R K Agro</td> <td>1,237.51</td> <td>-</td> <td>1,237.51</td> </tr> <tr> <td>5</td> <td>R K Exports</td> <td>5,727.16</td> <td>2,067.21</td> <td>3,659.95</td> </tr> <tr> <td>6</td> <td>Rollen Investments Ltd</td> <td>122.85</td> <td>-</td> <td>122.85</td> </tr> <tr> <td>7</td> <td>Sarva Priya Exports Pvt Ltd</td> <td>196.75</td> <td>149.20</td> <td>47.55</td> </tr> <tr> <td>8</td> <td>Cash Withdrawal and Deposits</td> <td>1838.98</td> <td>475.83</td> <td>1363.15</td> </tr> <tr> <td>9</td> <td>Cash Withdrawal by Ram Avtar</td> <td>5642.90</td> <td>-</td> <td>5642.90</td> </tr> </tbody> </table>	S. No	Name of Party	Outflow	Inflow	Net (A-B)	1	BCL Industries Limited	35,054.62	23,206.87	11,847.75	2	Ganpati Township limited	1,000.48	1,085.00	-84.52	3	Pioneer Industries Limited	1,355.73	104.79	1,250.94	4	R K Agro	1,237.51	-	1,237.51	5	R K Exports	5,727.16	2,067.21	3,659.95	6	Rollen Investments Ltd	122.85	-	122.85	7	Sarva Priya Exports Pvt Ltd	196.75	149.20	47.55	8	Cash Withdrawal and Deposits	1838.98	475.83	1363.15	9	Cash Withdrawal by Ram Avtar	5642.90	-	5642.90
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9	Cash Withdrawal by Ram Avtar	5642.90	-	5642.90																																																
12	<p>In case of uncertainty about the criminality on the part of the bank officials. The bank has mentioned allegations against unknown public servants.</p>	<p>Prima facie no involvement of public servant in the fraud is found. However, during the course of investigation any element of fraud is detected against any of the public servant / employee appropriate criminal action under law of the land may be initiated against the erring members.</p>																																																		

13	<p>Roles of CA, Statutory Auditors, Stock Auditors, Empanelled Valuers etc if any are mentioned.</p>	<p>1) CA. Pramod Mittal (Mem No. 081456) P. Mittal & Company Mittal Streeel , Amrik Singh Road Bhatinda - 15100.</p> <p>1.1 The captioned statutory auditor has audited and signed on same date two sets of audited financial statements for the year ended 31.03.2014. One copy was submitted by KFL to bank and other copy for statutory authority's viz. ROC, Income Tax.</p> <p>2) CA Kamal Jain (Mem. No. 097577), Kamal Purshottam Jain & co. , 134/6 , Pukhraj Colony , Bhatinda - 151001.</p> <p>2.1 The captioned auditor has issued certificates dated 06.12.2014 and 31.05.2015 that funds to the tune of Rs. 7.17 Crores and Rs. 4.00 Crores have been brought as unsecured loan during the year 2014-15. On 21.04.2014 certificates stating that on 21.03.2014 and 28.03.2014 funds to the tune of Rs. 3.06 crores and Rs. 0.38 crores has been infused as promoter contribution in the company. However as per Forensic Audit report findings CA certificates submitted were FALSE regarding infusion of capital/ unsecured loans.</p> <p>2.2 The captioned auditor had also certified certain Stocks & Book Debts statements which were submitted by the company to us. However as per Forensic Audit findings some debtor's parties mentioned in the Stock statements have negated to have any relation with KFL, however they have relations with BCL only. Hence CA certified debtors are not in agreement with the book of accounts of the company, hence probability of them being falsified/ untrue cannot be ruled out.</p>
14	<p>Availability of relevant original documents and their safe custody with the bank is mentioned.</p>	<p>The original loan documents are with the complaint banks Chandigarh Branch and other relevant documents with ARM Branch, Chandigarh where account has been transferred after NPA.</p>
15	<p>The bank has ensured that there is no contradiction in the complaint as to whether it is an act of crime or a business loss.</p>	<p>Yes</p>

16. **Role of individual suspects in perpetration of fraud:** Suspect No 1 M/s Kissan Fats Limited is a Limited company and all its affairs were managed by suspect 2 being the Managing Director and suspect No. 3 to 6 being other directors. The funds lend by the complainant bank to company M/s Kissan Fats Limited were diverted by the directors of the company i.e. suspect 2 to 6 with intention to defraud the bank.

17. Details of Associates:

Details of Associates enjoying credit limits with the bank: Nil

Details of Associates not enjoying any credit facilities with the complainant bank: **Details mentioned in Forensic Audit Report.**

18. Status of NCLT proceedings: CP No. 3/Chd/Pb/2018 :- Mr. Jiwan Kumar Bansal one of the director in the company M/s GANPATI TOWNSHIPS LIMITED has filed the petition before NCLT, Chandigarh against GTL and others and made us the party being the financial creditor to M/s Kissan Fats Ltd. NCLT has sent this matter to mediation centre for resolution. On 18.03.2019 Order was delivered by NCLT where petition was dismissed as petitioner has withdrawn the petition.

19. Status of account with other banks: Details of Bank account maintained by the company are mentioned on page no 19 of Forensic Audit Report.

20. Details of assets and liabilities of the suspects are not available with the records of the complainant bank. There are no court cases / orders in respect of the criminal complaint being preferred now.

21. Details of FIRs registered against the suspects by other banks and financial institutions:

In RC Registered by CBI RC 12/83/EOU-VII/ New Delhi, Mr. Rajinder Mittal was named as one of the suspect. In the judgment of Criminal appeal No.,: 44-T of 09.07.2011 , CRA 184/2013 dated 31.10.2014 by Special CBI Judge, Patiala Mr. Rajinder Mittal has been named as one of the convict.

Thus it is clear that the complainant bank is defrauded and cheated by the above mentioned suspects and others as detailed above for **Rs. 72.15 crores**. As such the complainant bank prays for registration of RC against the suspects.

We, therefore, request you to lodge FIR against all the suspects, for having defrauded the bank jointly by conspiring together misrepresenting the facts and cheating the complainant bank for amount involved in fraud of **Rs. 72.15 crores**. If involvement of any public servant is observed during the course of investigation appropriate proceedings under Prevention of Corruption Act or any other law of the land as deemed fit.

Complainant bank also requests for assistance of the authorities for recovery of the public money lost by it due to perpetration of the fraud by the above mentioned Company, other accused and unknown persons.

Yours faithfully

Sd.XXX

(M. AHAMED KABEER)

Senior Regional Manager

The complaint discloses commission of offences punishable u/s 120-B,420, 406, 468 & 471 IPC and section 13(2) r/w 13(1)(d) of PC Act, 1988 by M/s Kissan Fats Ltd, Bhatinda, Punjab, Sh Rajender Mittal, Managing Director of M/s Kissan Fats Ltd., Sh Subhash Chander Mittal, Sh Harmanpreet Singh, Sh Rajesh Goyal, Sh Rakesh Aggarwal, All Directors of M/s Kissan Fats Ltd. and other unknown persons and unknown public servants. A regular case is, therefore, registered and entrusted to Shri Rajbir Singh, Inspector of Police/CBI/EOU-VII/EO-III/New Delhi for investigation.


S.D. MISHRA
SP, CBI, EO-III, N.D.

13. Action taken : Since the above information reveals commission of offence(s) u/s as mentioned at Item No.2:

(1) Registered the case and took up the investigation: Yes

OR

(2) Directed

Name of IO:

Rajbir Singh

Rank:

INSPECTOR (EO-III Delhi)

No:

116653

to take the investigation

OR

(3) Refused investigation due to:

OR

(4) Transferred To PS:

District:

on point of jurisdiction.

Attached documents:

Document name

FIR read over to the complainant/informant, admitted to be correctly recorded and a copy given to the complainant / informant, free of cost.

R.O.A.C.

14. Signature/Thumb Impression of the complainant/informant


Signature of Officer
in-charge Police Station

S.D. MISHRA
SP, CBI, EO-III, N.D.

Name: SARALADAS Nilambar MISHRA
Rank: SUPDT. OF POLICE (EO-III Delhi)

15. Date and time of dispatch to the Court:

Encl: 1) Photo copy of Complaint
2) FIR (in original)
The 3) letter for am. uploading of FIR.

1) The Court of Honble District /
Spt. Judge, CBI, Chandigarh.

Encl. No. RC 221 2021 EO013 | 3514 | dt. 06.11.2021.

Sub
6/11/21

Diary No. 221 2021 05120003

12/05/2021

CA 221 2021 EOD72

19/05/2021



4
Dak Receipt Section
CBI/EO-III/New Delhi
Diary No. 3853
Date 11/05/21

DY No-201/SB Crime/EO-VII

11/05/2021

इण्डियन ओवरसीज़ बैंक INDIAN OVERSEAS BANK

क्षेत्रीय कार्यालय चण्डीगढ़ Regional Office Chandigarh

Add: SCO-26, 01ST FLOOR, MADHYA MARG, SECTOR 7-C, CHANDIGARH-160019

Ref.RO/CBI/ 2 /2021-22

फोन : 0172 -2795335

Email: 0812rm@iob.in

दिनांक/Dated : 07.05.2021

To,
Head of Branch
Central Bureau of Investigation
EO-III, CGO Complex,
Lodhi Road New Delhi - 110003

Dear Sir,

Please find enclosed our complaint dated 07.05.2021 against **M/s KISSAN FATS LIMITED** and others. We also wish to bring to your notice that earlier also we have preferred complaint with ref no. RO/VIG/1/2020-21 dated 12.05.2020 in the same case. The Original complaint was returned back to us, for incorporating a few details from your office vide letter ref no. 966/2212021E0034/EOU-VII/EO-III/ND dated 09.03.2021.(Copy enclosed)

Now, we once again submit the complaint after incorporating the details as required:

1) During staff accountability exercise conducted under fraud angle by the bank, no lapses observed against any staff member. The details are mentioned in the point no. 9 of our complaint.

Further, the account is closed under One Time Settlement (OTS) scheme of the bank on 22.12.2020. The details are mentioned in the point no 7.

We, therefore, request you to lodge FIR against all the suspects, for having defrauded the bank jointly by conspiring together, misrepresenting the facts and cheating the complainant bank for an amount involved in the fraud of **Rs. 72.15 crores.**

Yours faithfully,

(M. AHAMED KABEER)
Senior Regional Manager

PA
11/5/21

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[SIKRI LA]
11/5/21



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इण्डियन ओवरसीज़ बैंक INDIAN OVERSEAS BANK

सतर्कता विभाग Vigilance Department

क्षेत्रीय कार्यालय चण्डीगढ़ Regional Office Chandigarh

SCO-26, 01st FLOOR, MADHYA MARG, SECTOR 7-C, CHANDIGARH-160019

No.RO/VIG/CBI/ 1 /2021-22

फोन : 0172 -2795335

Email : 0812rm@iob.in

दिनांक/Dated: 07.05.2021

To,
Head of Branch
Central Bureau of Investigation
EO-III, CGO Complex,
Lodhi Road New Delhi – 110003

Dear Sir,

Complainant:

Indian Overseas Bank a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970 having its Central Office at No.763, Anna Salai, Chennai and branches across country with one such Chandigarh Main Branch at Ground Floor, SCO No. 26, Sector 7-C, Madhya Marg, Chandigarh which comes under the administrative control of Indian Overseas Bank, Regional Office, First Floor, SCO No. 26, Sector 7-C, Madhya Marg, Chandigarh.

I, Shri M. Ahamed Kabeer S/o Mohammed Sharbudeen aged about 49 years, working as Senior Regional Manager, Indian Overseas Bank, Regional office, Chandigarh am duly authorized by the competent authority of the complainant bank to lodge this complaint.

Complaint against:

1. KISSAN FATS LIMITED (Borrower Company)

Registered office: 71, Hazi Rattan, Link Road, Bhatinda, Punjab 151005.

Factory address: Fazilka Road, Vill. Ghubaya, Tehsil Jalalabad (W), District Ferozpur, Punjab.

PAN No. – AABCK4335Q

CIN: U15143PB2000PLC023294

2. Sri. Rajinder Mittal S/o Lt. Sri Dwarka Dass Mittal (**Managing Director**) residing at 5 –A, Civil lines, Bathinda, Punjab, 151001.

Passport No: Z29628985

Place of Issue: BATHINDA

PAN No. - AARPM9226F

DIN: 00033082

Aadhar No.: 965496611938

Phone No.: 9815184020,9915030201

4



3. Sri. Subhash Chander Mittal (**Director**) residing at H. No B5/128/2 Ward 12, Railway Road, Kotkapur, Faridkot, Punjab and also residing at : O-602 Ganpati Apartment, Ganpati Estate, Bhatinda, Punjab - 151001.

Passport : G4892236

Place of Issue: BATHINDA

PAN No. - ACBPM4400F

DIN: 00391512

Phone No.: 9915030203

4. Sri. Harmanpreet Singh (**Director**) residing at House No. 113, Sector 46-A Chandigarh 160017.

PAN No. - AZZPS7925G

DIN : 00758973

Phone No.: 9417669744

Mail ID : harmanpreetsingh65@gmail.com

5. Sri. Rajesh Goyal S/o Hem Raj Goyal (**Director**) residing at House No.-22558-A, ST NO-18, Bhagu Road , Bhatinda, Punjab – 151005.

PAN No. - ALBPG1196R

DIN: 07365177

Aadhar No.: 976600843668

Phone No.: 0164-2240163

Mail ID : rajesh22558@gmail.com

6. Sri. Rakesh Aggarwal (**Director**) residing at Flat No. 601, B- Block, Ganpati Township, Bhatinda, Punjab and also residing at : B-301 Ganpati Enclave Dabhwali Road, Bhatinda, Punjab – 151005

PAN No. - ABNPA6558M

DIN: 06687719

Phone No.: 9876430042, 9815035952, 8054273163

Mail ID : rakeshcosmos@rediffmail.com

7. Other unknown Persons & unknown Public Servants.

No	Details required	Details submitted
1	The complaint has authorization from the competent authority to file the complaint	Yes, The complainant is duly authorised by the competent authority to lodge the complaint with CBI.
2	The account has been declared NPA as per the laid down procedure	The account M/s KISSAN FATS LIMITED has been classified as Non-Performing Asset on 01.07.2014 as per bank guidelines.



3	The date of NPA and outstanding thereof have been mentioned	<p>NPA date 01.07.2014. CC A/c No. : 028402000012814 : Rs. 33.79 Crores TL A/c No. : 028403281400001 : Rs. 38.36 Crores FITL A/c No. : 028403161400001 : Rs. Zero Total amount involved In Fraud is Rs. 72.15 Crores</p> <p><u>However, The account is closed under the One Time Settlement (OTS) Scheme of the bank on 22.12.2020 for an amount of Rs. 39.56 Crore</u></p>
4	The NPA account has been declared as fraud, with the date of Declaration	The account is declared as fraud and fraud reported to RBI on 06.12.2019 vide FMR No IOBK1904-0038.
5	Where there is delay in filing complaint with CBI after declaration of fraud by the bank. The delay has been explained.	There is no delay in lodging the complaint
6	The grounds for declaring the fraud by the bank are mentioned clearly.	<p>As per forensic audit report dated 30.09.2019 by Navneet & Company the auditors have observed the borrower company had diverted the funds to sister concerns Viz. M/s. BCL (Bhatinda Chemical Limited) and M/s. Ganpati Townships Limited.</p> <p>Firm had prepared two sets of audited Financial Statement for the year ended 31.03.2014, one copy for bank and other copy for statutory authorities. Management of the company has changed/fabricated/falsified shareholder resolution to reduce shareholding of Gee City Builders from 21.40 percent to 19.88 percent. The company has increased the share premium by Rs. 7 per share for this purpose. Wrong CA certificates submitted to show capital infusion to Bank etc.</p> <p>The Company was maintaining Current Accounts with other banks Viz. Punjab National Bank, Kotak Mahindra Bank, Axis Bank and Oriental Bank of Commerce without obtaining NOC from IOB. All the findings of the forensic audit of the captioned account suggest huge diversion of funds.</p>



7

Details of background of complaint, sanctioned credit facilities. Primary and collateral securities etc are mentioned.

The company M/s Kissan Fats Limited was in the business of solvent extractors, seed crushers and oil extractors, oil refiners, oil manufacturing by imported Crude Palm Oil (CPO). The company was initially promoted by Mr. Inderjeet Singh on 21.01.2000 as a private limited company. Subsequently the company was converted from Private Limited to Public Limited Company and was acquired by Mr. Rajinder Mittal himself/ through BCL Industries Limited and his family members, thus holding 100 percent stake in M/s Kissan Fat Limited himself/by his family members/through BCL Industries Limited. During the year 2004 and 2005, Company has undergone major expansions cum modernization plans, increasing the capacity of existing Refinery cum Vanasapati Plant and installed a new Solvent Extraction Plant.

Company was enjoying credit facilities of Rs 74.00 Crores from State Bank of India, Chandigarh which were later on taken over by Indian Overseas Bank, Chandigarh Main Branch by enhancing the credit facilities to Rs. 98.00 Cores, which were further enhanced to Rs. 118.00 Crores within a span of one year. The limits were guaranteed by personal guarantee of Smt. Swati Mittal d/o Sri. Rajinder Mittal & w/o Sri. Sunil Singh and corporate guarantee of M/s Ganpati Townships Limited (CIN U70100PB2005PLC028718). The company was in the business of manufacturing of edible oil by way of imports of crude palm oil. The company started showing signs of Sickness during 2012-13, 2013-14 as it could not meet the obligation of payment of Letter of Credit, which were ultimately devolved. The sales of the company reduced to 58 percent during 2013-14 as compared to 2011-12. During this phase, the company approached the bank for restructuring. Bank sanctioned the restructuring package vide their sanction dated 11.03.2014 whereby WCTL and FITL were sanctioned as fresh facilities and total facilities sanctioned was Rs. 120.12 Crores. The company could not meet the repayment of restructured loans and the account was categorized as NPA on 30.09.2015. However during Statutory Audit of the Bank, the Date of NPA was shifted from 30.09.2015 to 01.07.2014. Later during inspection of factory by bank officials on 19.03.2016 there was no manufacturing activity going at the factory. Bank took symbolic possession of the property mortgaged on 07.06.2017 and later physical possession on 24.10.2018 and same was put on auction twice but no bids received. Suit for Recovery was filed with DRT on 26.07.2017.

Navneet & Company was appointed as Forensic Auditor of the captioned account on 17.11.2018. Meanwhile, The company approached the bank for OTS (One Time Settlement) for Rs. 74.25 Crores on 06.03.2019 against book outstanding of Rs. 109.66 Crores. OTS was sanctioned for Rs. 75.25 Crores vide sanction advise dated 16.07.2019. The forensic auditor submitted the forensic audit report vide their letter dated 30.09.2019. The observations made in the said forensic audit report are detailed in point No.10, based on which fraud was reported to RBI on 06.12.2019 for Rs. 72.15 crores. Later, the company paid Rs. 37.50 Crore (50% of OTS amount) only and failed to pay the remaining amount as per OTS sanction terms. Hence, the OTS sanctioned was cancelled on 12.03.2020. The Company was once again sanctioned OTS of Rs. 39.56 crores on 03.09.2020 by central office against then outstanding of Rs. 72.15 crores which was paid by it and account since closed on 22.12.2020.

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9

Details of First Credit Facilities sanctioned

(Rs. In Crores)

Nature of Limit (Takeover)	Amount Sanctioned
Date of Sanction : 21.01.2011 Sanctioned By : Corporate Credit Department – II , Central Office	
Cash Credit (Including takeover of CC Limit of Rs.42.00 crores from SBI) (Fresh)	65.00
Sub Limit : at Bhatinda Branch (Fresh)	(15.00)
Sub Limit: PC/Export Bills on DP/upto 180 days (LC/ Non LC) (Fresh)	(32.50)
Term Loan (Original Limit Rs. 15 Crores)(takeover from SBI at DP/Outstanding whichever is less) (Fresh)	13.00
LC (Inland/Foreign) at DP/DA terms for 90 days (Fresh) (including takeover of LC limit of Rs.15.00 crs from SBI)	20.00
Total	98.00
Forward Contract limits – for Forward booking of US Dollars against import and export bills (Fresh)	50.00

(Rs. In Crores)

Nature of Limit (Renewal)	Amount Sanctioned
Date of Sanction : 11.04.2012 Sanctioned By : Mid Corporate Department , Central Office	
Cash Credit(Enhanced from Rs. 65.00 Crores)	80.00
Sub Limit : CC at Bhatinda Branch	(15.00)
Sub Limit : PC/Export Bills on DP/upto 180 days (Enhanced from 32.50 Crores)	(40.00)
Term Loan (Renewed at DP)	8.00
Letter of Credit (Enhanced from Rs. 20.00 Crores)	30.00
Sub Limit : LOC/Buyers Credit 180 tenor	(15.00)
Total	118.00
Forward Purchase/Sale Contract(Enhanced from Rs. 50.00 Crores)	(70.00)
Credit Conversion Factor	1.40

(Rs. In Crores)

Nature of Limit (Renewal)	Amount Sanctioned
Date of Sanction: 31.10.2013 Sanctioned By : Large Corporate Department , Central Office	
Short Review/renewal of account for a period upto 31.03.2014	N.a.

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Details of **Latest** Credit Facilities sanctioned (Rs. In Crores)

Nature of Limit (Restructure)	Amount Sanctioned
Date of Sanction: 11.03.2014 Sanctioned By : Large Corporate Department , Central Office	
Term Loan (Reviewed at DP)	1.00
Cash Credit (Reduced from Rs. 80.00 Crores)	59.85
Working Capital Term Loan (WCTL) (Fresh)	48.36
Funded Interest Term Loan (FITL)(Fresh)	10.91
LC/LG (Sub Limit under CC)	30.00
Total	120.12

Details of Securities :

		(Rs. In Crores)
Prime		
Description	Value at the time of Sanction as on 31.03.2013	Present Value as on 15.01.2019
Term Loan : First charge on entire block assets of the company (Including EM of factory L & B)	WDV - Rs. 25.84	P & M - 20.00 L & B - 11.60
For Working Capital Limits : Exclusive First charge by way of hypothecation on all the current assets i.e present and future including Raw material, finished good lying in factory as well as in transit and book debts.	Stocks - Rs. 55.16 Book Debts - Rs. 81.63 Other assets - Rs. 16.37	Stocks- NIL BD - 96.08 as per ABS as on 31.03.2018

Collateral Rs. In Crores

Brief Description	Value at the time of sanction	Present Value	
1) Term Loan - Second charge on all the current assets i.e present and future	Rs. 153.16	Stocks- NIL BD - 96.08	
2) For Working Capital Limits: Second charge on entire block assets of the company i.e. i)Hypothecation of Plant & machinery	Rs. 25.84/- As per audited balance as on	First Valuation	Second Valuation
		FMV: Rs. 28.39 FSV: Rs. 24.13 by Gurmeet Singh dated 08.12.2018	FMV: Rs. 20.00 FSV: Rs. 17.00 By IPS Arora & Assoc dated 14.12.2018



<p>ii) EM of Factory Land & Building situated at Fazilka Road, Vill. Ghubaya, Tehsil Jalalabad (W), Distt. Ferozpur, Punjab.</p>	<p>31.03.2013</p>	<p>FMV:12.10 FSV:10.10 By Ajay Puniani dated 29.11.2018</p>	<p>FMV:11.60 FSV:9.25 by S. Sourabh & associates dtd 17.11.2018</p>
<p>3) Additional Security: Second charge in Mittal city commercial mall & 4 star hotel (Comfort inn) situated on land admeasuring 7350 sq yd. vide sale deed no 14840 dated 14.03.2005 and hotel comprising of 100 rooms located on Goniana Road bhatinda in the name of M/s Ganpati townships Limited.</p>	<p>FMV- 104.50 FSV – 78.37 By Er. A.S Chawla & Associates (Approved valuer of Kotak Mah- indra Bank)</p>	<p>FMV Rs. 27.36 FSV Rs. 21.65 of unsold portion of the properties By Ar. Rakesh Jindal & Associates Dated 02.05.2019 (Approved valuer of Complainant bank)</p>	
<p>4) Pledge of 30% shares of M/s Ganpati townships Limited.</p>	<p>Now Known</p>	<p>Rs. 8.40 (Total no of shares 1065000 @ Rs.78.88 per share value) Valued by the company as per letter dated 07.09.2018</p>	
<p><u>Details of second charge & position of security:</u> We had a 2nd charge on Mittal City Commercial Mall & 4 Star Hotel and First charge is with Kotak Mahindra Bank Limited, Ludhiana. NOC not provided by Kotak Mahindra Bank for creating second charge and hence no mortgage formalities done to provide second charge to our bank, However our Second charge is registered with ROC on the above property. As per the letter dated 21.02.2019 in which borrower company stated that Mittal City, being commercial Real Estate project (Current Assets of the GTL),Fund/Cash flow was to be generated from sale proceeds of the constructed area of the Mittal City Mall to pay the dues of lenders. Ganpati Township Limited has also sold/transferred the property to the customers from whom advance was received. As such, area of Mittal City Mall sold out and paid the dues of lenders & customers from whom advance in shape of booking amount was received.</p>			
<p><u>The latest position of securities: As the account is closed under OTS, all the securities are released.</u></p>			
<p>8</p>	<p>Legal facts constituting cognizable offence have specific mention</p>	<p>On the basis of findings of Forensic Audit report borrower had diverted the funds to sister concerns and made payment of unsecured loans during currency of bank loan. Management of the company has changed/ fabricated/falsified shareholder resolution to reduce shareholding in sister concern by increasing the share premium. There</p>	

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		have been instances of cash withdrawal. Company had willfully prepared two financial statements for the year ended 31.03.2014 and submitted wrong CA certificate to show capital infusion to Bank etc thereby cheated and defrauded the bank by diversion of funds.
9	Name(s) and role of erring bank official(s) as per the staff Accountability Report is / are clearly Mentioned	No lapses against any staff member observed in the investigation under fraud angle conducted by the bank.
10	<p>Findings of Forensic Audit Report, if conducted and Internal Investigation report are duly Incorporated.</p> <p>The forensic auditor Navneet & Company conducted the forensic audit of the captioned account and submitted the forensic audit report vide their letter dated 30.09.2019. In the said forensic audit report, following are some key points of observations made by the auditor <u>indicating</u> cheating and fraud:</p> <p>1) The Company M/s Kissan Fats Limited (hereafter referred as KFL) has diverted a sum of Rs. 249.98/- Crores to M/s BCL Industries Ltd. On analysis of Statement of accounts and audited balance sheets of KFL and BCL Industries Limited it is evident that a sum of Rs. 249.98 crores is receivable by KFL from BCL Industries Limited for a period from 2011 to 2017. But as per Audited balance sheet of BCL Industries Limited for the year ended 31.03.2018 amount payable to KFL is NIL. Rs. 20.57 Crores also diverted to Ganpati Township limited which is the amount pending as receivable of interest income during the period from 2010-11 to 2016-17. Hence funds diverted by the company to sister concerns.</p> <p>2) Company has diverted a sum of Rs. 17.76 Crores outstanding as unsecured loans as on 31.03.2011 during the period 01.04.2011 to 31.03.2016 in violation of sanction terms. Out of the sanctioned takeover enhancement of Rs. 23.00 Crores on 21.01.2011, the company has diverted Rs. 14.86 crores during the year 2011-12. As per finding of Audit report these loans were payable to the proprietorships of Mr. Rajinder Mittal (Managing Director).</p> <p>3) KFL has prepared two sets of audited financial statements for the year ended <u>31.03.2014</u>, one copy for bank and other copy for statutory authorities viz. ROC, Income Tax. Both the financial statements have been audited and signed by same statutory auditor and on same date.</p> <p>4) The company has made material alteration with sale and purchase booked in audited financial statement and as reported in VAT returns filed by it during relevant the same period.</p>	

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5) Management of the company has changed /fabricated/falsified shareholder resolution to reduce shareholding of Gee City Builders Private limited from 21.40 percent to 19.88 percent. The company has increased the share premium by Rs. 7 per share for this purpose.

6) KFL received Rs. 7.87 crores against issued of Shares to Gee City builders private limited and funds on receipt were transferred to BCL Industries Ltd.

7) KFL was maintaining various current accounts with other banks and without obtaining NOC from complainant bank.

8) Major Debtors have negated to have any business relations with KFL and even if they have relations, they have no payable to KFL. Certain names of the parties were mentioned in the Stock statement submitted to complainant bank duly certified by chartered accountant; however the parties have negated to have any relation with KFL, however they have relations with BCL only. Hence KFL submitted CA certified debtors which were not in agreement with the book of accounts of the company, hence probability of them being falsified/ untrue cannot be ruled out.

9) KFL has defrauded the bank by submitting various FALSE CA certificates regarding infusion of capital to eyewash the bank that level of unsecured loans as per sanction terms is being maintained.

10) KFL after diverting funds to its related parties submitted restructure proposal with assurance of 2nd charge on the property lying with Kotak Mahindra Bank. But later in violation of sanction terms the company cheated the complainant bank by showing its inability to obtained 2nd charge from Kotak Mahindra bank and leaving complainant bank with lesser security.

11) The complainant bank declared the account as NPA on 30.09.2015. Mr. Harmanpreet Singh & Subhash Chander Mittal both directors of the company have resigned from the directorship on 04.02.2016 but w.e.f 02.09.2015(i.e. after lapse of 156 Days). Such delay filing of Form DIR-12 with back dated resignation clearly indicates after though basis of such act.

11) Details of crime proceeds/ end use funds as per the findings of Forensic Audit are mentioned.

The Suspect had fraudulently diverted the loan proceeds and had cheated and caused wrongful loss to the complainant bank and obtained wrongful benefit for themselves and others

As per the forensic audit the cumulative passable diversion may be summarised as under.

A : Diversion of Funds :

1) Company has diverted a sum of Rs. 17.76 Crores outstanding as unsecured loans as on 31.03.2011 to the proprietorships of Mr. Rajinder Mittal (Managing Director).

dx



- 2) The company has diverted a sum of Rs. 249.98 crores to BCL Industries Limited.
3) The Company has diverted a sum of Rs. 20.57 Crores to Ganpati Township Limited.

B) Transactions with related party & Cash Withdrawals
(Rs. In Lakhs)

S. No	Name of Party	Outflow	Inflow	Net (A-B)
1	BCL Industries Limited	35,054.62	23,206.87	11,847.75
2	Ganpati Township limited	1,000.48	1,085.00	-84.52
3	Pioneer Industries Limited	1,355.73	104.79	1,250.94
4	R K Agro	1,237.51	-	1,237.51
5	R K Exports	5,727.16	2,067.21	3,659.95
6	Rollen Investments Ltd	122.85	-	122.85
7	Sarva Priya Exports Pvt Ltd	196.75	149.20	47.55
8	Cash Withdrawal and Deposits	1838.98	475.83	1363.15
9	Cash Withdrawal by Ram Avtar	5642.90	-	5642.90

- 12 In case of uncertainty about the criminality on the part of the bank officials. The bank has mentioned allegations against unknown public servants. Prima facie no involvement of public servant in the fraud is found. However, during the course of investigation any element of fraud is detected against any of the public servant / employee appropriate criminal action under law of the land may be initiated against the erring members.
- 13 Roles of CA, Statutory Auditors, Stock Auditors, Empanelled Valuers etc if any are mentioned.
1) CA. Pramod Mittal (Mem No. 081456)
P. Mittal & Company Mittal Street , Amrik Singh Road
Bhatinda - 15100.
1.1 The captioned statutory auditor has audited and signed on same date two sets of audited financial statements for the year ended 31.03.2014. One copy was submitted by KFL to bank and other copy for statutory authority's viz. ROC, Income Tax.
2) CA Kamal Jain (Mem. No. 097577),
Kamal Purshottam Jain & co. , 134/6 , Pukhraj Colony ,
Bhatinda - 151001.



		<p>2.1 The captioned auditor has issued certificates dated 06.12.2014 and 31.05.2015 that funds to the tune of Rs. 7.17 Crores and Rs. 4.00 Crores have been brought as unsecured loan during the year 2014-15. On 21.04.2014 certificates stating that on 21.03.2014 and 28.03.2014 funds to the tune of Rs. 3.06 crores and Rs. 0.38 crores has been infused as promoter contribution in the company. However as per Forensic Audit report findings CA certificates submitted were FALSE regarding infusion of capital/ unsecured loans.</p> <p>2.2 The captioned auditor had also certified certain Stocks & Book Debts statements which were submitted by the company to us. However as per Forensic Audit findings some debtor's parties mentioned in the Stock statements have negated to have any relation with KFL, however they have relations with BCL only. Hence CA certified debtors are not in agreement with the book of accounts of the company, hence probability of them being falsified/ untrue cannot be ruled out.</p>
14	Availability of relevant original documents and their safe custody with the bank is mentioned.	The original loan documents are with the complaint banks Chandigarh Branch and other relevant documents with ARM Branch, Chandigarh where account has been transferred after NPA.
15	The bank has ensured that there is no contradiction in the complaint as to whether it is an act of crime or a business loss.	Yes

16. Role of individual suspects in perpetration of fraud: Suspect No 1 M/s Kissan Fats Limited is a Limited company and all its affairs were managed by suspect 2 being the Managing Director and suspect No. 3 to 6 being other directors. The funds lend by the complainant bank to company M/s Kissan Fats Limited were diverted by the directors of the company i.e. suspect 2 to 6 with intention to defraud the bank.

17. Details of Associates:

Details of Associates enjoying credit limits with the bank: Nil

Details of Associates not enjoying any credit facilities with the complainant bank: **Details mentioned in Forensic Audit Report.**



18. Status of NCLT proceedings: CP No. 3/Chd/Pb/2018 :- Mr. Jiwan Kumar Bansal one of the director in the company M/s GANPATI TOWNSHIPS LIMITED has filed the petition before NCLT, Chandigarh against GTL and others and made us the party being the financial creditor to M/s Kissan Fats Ltd. NCLT has sent this matter to mediation centre for resolution. On 18.03.2019 Order was delivered by NCLT where petition was dismissed as petitioner has withdrawn the petition.

19. Status of account with other banks: Details of Bank account maintained by the company are mentioned on page no 19 of Forensic Audit Report.

20. Details of assets and liabilities of the suspects are not available with the records of the complainant bank. There are no court cases / orders in respect of the criminal complaint being preferred now.

21. Details of FIRs registered against the suspects by other banks and financial institutions:

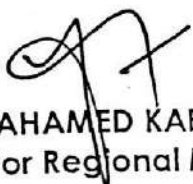
In RC Registered by CBI RC 12/83/EOU-VII/ New Delhi, Mr. Rajinder Mittal was named as one of the suspect. In the judgment of Criminal appeal No.: 44-T of 09.07.2011 , CRA 184/2013 dated 31.10.2014 by Special CBI Judge, Patiala Mr. Rajinder Mittal has been named as one of the convict.

Thus it is clear that the complainant bank is defrauded and cheated by the above mentioned suspects and others as detailed above for **Rs. 72.15 crores**. As such the complainant bank prays for registration of RC against the suspects.

We, therefore, request you to lodge FIR against all the suspects, for having defrauded the bank jointly by conspiring together misrepresenting the facts and cheating the complainant bank for amount involved in fraud of **Rs. 72.15 crores**. If involvement of any public servant is observed during the course of investigation appropriate proceedings under Prevention of Corruption Act or any other law of the land as deemed fit.

Complainant bank also requests for assistance of the authorities for recovery of the public money lost by it due to perpetration of the fraud by the above mentioned Company, other accused and unknown persons.

Yours faithfully


(M. AHAMED KABEER)
Senior Regional Manager

Encl:

1) Forensic audit report dated 30.09.2019 by Navneel & Company.