

**First Information of a Cognizable Offense Reported at the Police Station under
Section 154 of the Code of Criminal Procedure**

Crime Register No.: I-274/2002

Sub-Division: Varachha Police Station

District: Surat

Date and Time of Offense: From 06/12/2001 until the present date

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1. Date and Time of Reporting: 06/08/2002 at 10:15 hours.
 2. Place of Offense, Distance, and Direction from Police Station: Surat Nagarik Sahakari Bank Limited, behind Gitanjali Cinema, Varachha Road, 2 furlongs north of the police station, near Sardar Chowki.
 3. Date of Dispatch from Police Station: 06/08/2002.
 4. Name and Address of Informant and Complainant: Mr. Naineshbhai Arvindbhai Chintaniya, aged 33, occupation: service, resident of 27/8, Samrat Apartment, Fifth Floor, Soni Faliya, Surat, and authorized officer of Surat Nagarik Sahakari Bank Limited.
 5. Name and Address of Accused:
 - (1) Omtrade Limited, with head office at J-5, Vashi Railway Station Complex, Mumbai-400703
 - (2) Mr. Nand Kishor Shankar Lal Trivedi, aged 45, occupation: business, resident of Dev Bhuvan, Second Floor, Room No. 32, Gajdar Street, Chira Bazaar, Mumbai-2
 - (3) Ketan Kantilal Sheth, aged 40, occupation: business, resident of 193, Lalit Kutir, C.H.S., Third Floor, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai-49
 - (4) Sanjay Hariram Agrawal, aged 35, occupation: business, resident of Juhu Shalimar, C.H.S. Limited, Seventh Floor, Gulmohar Cross Road No. 10, Mumbai-400049

- (5) Subodh Bhandari, aged 37, occupation: business, resident of 704/B, Govind Complex, Sector 14, Vashi, Navi Mumbai-400705
- (6) Hiten Bhupendra Shah, adult, occupation: business, resident of 102, Gandhi Niwas, Ashok Nagar Road, Vakola, Shantakunj, Mumbai-400055
- (7) Mr. Hiren Gada, adult, occupation: business, resident of Mumbai, current address unknown
- (8) Mr. Shashank Gopal Ranade, aged 40, occupation: business, resident of 3/1, Radhakrishna Niwas, Ground Floor, Dagadiwadi, S.K. Bole Road, Dadar (C.N.J.), Mumbai-400028
- (9) Mr. Vijay Himatlal Modi, aged 46, occupation: business, resident of A/203, Asmita Co-operative Housing Society Ltd., Kulupwadi Road, Borivali (East), Mumbai-400066
- (10) Mr. Salil Dinakarlal Gandhi, aged 43, occupation: business, resident of 11/13, Gold Coin Co-operative Housing Society Ltd., Tardeo, Mumbai-400034
- (11) Alan James Macmillan, aged 41, occupation: business, resident of 785 Tareto Street, Montanyu, C.A. 94041, U.S.A.
- (12) Rasal Bankekam Wegar, adult, occupation: business, resident of Timber Hall Terraces, Sayan Geld, A.M.E. 1940, U.S.A.
- (13) Mr. Mike alias Manoj Ambelal Shah, aged 58, occupation: business, resident of Belaro Road, R.M. Extension, Bangalore-5060080
- (14) Mr. Dhananjay Agrawal, adult, occupation: business, resident of Mumbai, current address unknown
- (15) Mrs. Shilpa Hiten Shah, adult, occupation: business, resident of 102, Gandhi Niwas, Ashok Nagar Road, Vakola, Shantacruz, Mumbai-400055
- (16) Mrs. Jagruti Ketan Sheth, adult, occupation: business, resident of 193, Lalit Kutir, C.H.S., Third Floor, Gulmohar Cross Road No. 9 (J.V.P.D.), Mumbai-400049
- (17) Miss Kanan Mewawala, aged 28, occupation: business, resident of Jayant Mahal, Fifth Floor, opposite Wankhede Stadium, Marine Drive, Mumbai-28
- (18) Mr. Ketan R. Mashkariya, aged 35, occupation: business, resident of Mumbai, current address unknown

(19) Mr. Niraj A. Surati, aged 34, occupation: business, resident of Suryo Flats, First Floor, Surya Shopping Complex, Bharuch, District Bharuch

(20) Mrs. Kruti Niraj Surati, adult, occupation: business, resident of Suryo Flats, First Floor, Surya Shopping Complex, Bharuch

6.. Brief Description of Offense, Including Sections, and Description of Property Taken, if Any:

The accused, with the intent to defraud from the outset, misrepresented that they were authorized by SEBI to deal in government securities, despite lacking such authorization. They provided a forged SEBI certificate and conducted transactions with the complainant bank. They neither possessed government securities nor had contracts with others to purchase such securities, yet they provided false contracts and other documents, knowing them to be fraudulent. Thus, all the aforementioned accused, in collusion and with mutual assistance, made false representations and promises to the complainant bank from the outset, acting with malicious intent and deceit, fraudulently and dishonestly misappropriating a substantial amount of Rs. 16,09,60,500/- (Rupees Sixteen Crore Nine Lakh Sixty Thousand Five Hundred only), committing cheating and criminal breach of trust under Indian Penal Code (IPC) Sections 406, 420, 409, 465, 467, 468, 471, and 114.

Complaint

Date: 06/08/2002

Complainant: Mr. Naineshbhai Arvindbhai Chintaniya, aged 33, occupation: service, authorized officer of Surat Nagarik Sahakari Bank Limited, resident of 27/C, Samrat Apartment, Fifth Floor, Soni Faliya, Surat. The written complaint dated 01/08/2002 was submitted to the Police Commissioner, Surat City, under reference no. J./Arj/21886/2002 dated 05/08/2002, leading to the registration of this offense.

The complaint is as follows:

The facts of our complaint are as follows:

(1) I, the complainant, am an authorized officer of Surat Nagarik Sahakari Bank Limited. The bank has been engaged in banking activities for the past 29 years and is registered with the District Registrar, Co-operative Societies. The Board of Directors of Surat Nagarik Sahakari Bank, through Resolution No. 8(7) dated 24/05/2002, authorized me to file this complaint against the accused, and this complaint is filed accordingly.

(2) Surat Nagarik Sahakari Bank, henceforth referred to as our bank, operates in accordance with circulars issued periodically by the Reserve Bank of India (RBI). One such circular mandates maintaining a Statutory Liquidity Reserve by investing 25% of Net Time and Demand Liabilities in government securities or approved securities.

(3) Accused Nos. 19 and 20, representing Accused No. 1 (Omtrade Limited), frequently met with us and provided information about government securities, often communicating with Omtrade's directors via mobile phone. They purchased various government securities from Mumbai and assured us of profits, encouraging us to invest. Accused Nos. 19 and 20 facilitated conversations with Omtrade's directors (Accused Nos. 2 to 18), who were actively involved in Omtrade's business and played a significant role. They repeatedly urged us to purchase government securities through them, promising substantial profits. Lured by their enticing and tempting promises, we placed trust in them, as the bank had previously purchased government securities from them. Initially, they delivered physical securities and facilitated their transfer in the bank's name, gradually building strong trust with our bank's Board of Directors.

(4) On 06/12/2001, the accused held a meeting at our bank. At 4:30 PM, representatives from Omtrade (Accused No. 1), including Niraj Surati (Accused No. 19), Ketan Sheth (Accused No. 3), Miss Kanan Mewawala (Accused No. 17), and

N.S. Trivedi (Accused No. 2), attended. They enticed our bank to sell existing securities worth Rs. 12.50 crore, comprising:

G.O.I. 10.47% – 2015 – Rs. 7.50 crore (face value)

G.O.I. 10.70% – 2020 – Rs. 5.00 crore (face value)

They promised higher profits and persuaded us to purchase new securities at lower rates, as follows:

Security Details:

G.O.I. 2010 – 7.50% – Rs. 10.00 crore (face value)

G.O.I. 2009 – 7.00% – Rs. 5.00 crore (face value)

Total: Rs. 15 crore

Through these inducements, they convinced our bank's officials but did not execute a direct sale. A settlement was made on 07/12/2001, with the accused agreeing to deliver securities worth Rs. 15 crore within 4 to 6 weeks.

(5) Despite the accused's assurances, the delivery of the Rs. 15 crore securities was not made within the stipulated time. The bank repeatedly followed up via phone and fax. When delivery was still not provided after a prolonged period, on 21/02/2002, Accused Nos. 19 (Niraj Surati), 3 (Ketan K. Sheth), 17 (Miss Kanan Mewawala), and 2 (N.S. Trivedi) visited the bank. Instead of delivering the securities, they proposed selling the Rs. 15 crore securities and purchasing a new security to yield higher interest returns:

Security Details:

G.O.I. 2017 – 8.07% – Rs. 15.00 crore (face value)

They enticed us with promises of higher interest, and the new security was purchased over the phone. The Rs. 15 crore face value security, including premium and interest, amounted to Rs. 16,09,60,500/- (Rupees Sixteen Crore Nine Lakh Sixty Thousand

Five Hundred only), which the bank paid in advance. The accused promised delivery within four weeks and provided a contract stipulating the same.

(6) Despite repeated follow-ups, the accused failed to deliver the government securities. We resorted to written correspondence and phone calls. On 23/01/2002, the accused responded, stating that securities were being transferred from RBI offices in different states, promising partial delivery by 30/01/2002 and 07/02/2002. Subsequently, Accused No. 2 (Home Trade Ltd.) faxed details of: Rs. 5 crore at 7.50% and Rs. 3 crore at 7.00% from Riddhi Sahakari Bank Ltd., RBI Bangalore, Receipt No. 312, dated 08/12/2001, Rs. 5 crore at 7.50% (2010) and Rs. 2 crore at 7.00% (2009) from Borat District Co-operative Bank Ltd., Kolkata, RBI D.D.O. Receipt No. 14447, dated 08/12/2001. On 20/02/2002, the accused promised delivery of the Rs. 15 crore security (8.07% 2017) within 4 to 6 weeks, as agreed in the meeting. Delivery was due before the March 2002 closing, by 25/03/2002. On 26/03/2002, we sent an urgent letter via fax and courier to Accused Nos. 1 and 19, noting the failure to deliver by 25/03/2002. In response, Accused No. 1 faxed on 26/03/2002, promising delivery in the first week of April. Despite multiple phone follow-ups, no delivery was made. On 03/04/2002, we arranged an urgent meeting for 04/04/2002, where the accused's statements suggested that the contracts provided were bogus and knowingly false. Under pressure, the accused issued two cheques in the bank's name:

- (1) HDFC Bank, Nariman, Mumbai, dated 14/06/2002, No. 984290, Rs. 7,85,47,045/-
- (2) HDFC Bank, Nariman, Mumbai, dated 21/06/2002, No. 984291, Rs. 8,98,93,600/-

Additionally, the accused provided receipts dated 08/12/2001 from Riddhi Sahakari Bank Ltd., RBI Bangalore (Receipt No. 312) and Borat District Co-operative Bank Ltd., Kolkata (RBI D.D.O. Receipt No. 14447). Upon verification, the RBI confirmed on 13/06/2002 that these receipts were bogus and fabricated, instructing us to take criminal action against the accused.

(7). The accused, with the intent to defraud from the outset, misrepresented their SEBI authorization, provided a forged SEBI certificate, and conducted transactions without possessing government securities or contracts to purchase them. They knowingly provided false contracts and documents, colluding and assisting each other to deceive the complainant bank, making false promises with malicious intent, and fraudulently misappropriating Rs. 16,09,60,500/- (Rupees Sixteen Crore Nine Lakh Sixty Thousand Five Hundred only), committing cheating, criminal breach of trust, and forgery under IPC Sections 406, 420, 409, 465, 467, 468, 471, and 114.

(8) We have filed this complaint against the aforementioned accused. However, we also lodge a complaint against any others found during the investigation to have participated in or abetted the offenses described herein.

Our Witnesses:

(1) Mr. C.C. Shah

(2) Mr. Mahesh K. Vaidh

Additional witness names will be provided if required.

Surat Nagarik Sahakari Bank Limited, Surat

Bhagal Branch Seal

Date: 01/08/2002

For Surat Nagarik Sahakari Bank Ltd.

Sd/- N. A. Chitanami

Authorized Officer

Enclosed: The photocopy of necessary documentary evidences attached, no. 1 to 30.

Before,

Part-I (of I-II) CC-100521/2003 IPC Sec. 406, 420, 409, 465, 468, 471, 114 FIR No. 274/2002
9th Addl. Senior Civil Judge & ACJM, Surat, Gujarat, Ketan Kantilal Seth Vs. State of Gujarat

Sd/- Illegible
(G. K. Chaudhary)
Police Inspector
Varachha Police Station
Surat city.

Copy dispatched with compliments to:

Hon'ble Chief judicial Magistrate,
Surat City.

Date: 06/08/2002.

Sd/- Illegible
(G. K. Chaudhary)
Police Inspector
Varachha Police Station,
Surat city