

First Information Report

(U/s 154 of CrPC)

1. District: Surat PS: Rander Police Station FIR No. I-226/02
2. Occurrence of offence:
From Date: 25/09/2000 to Date: 01/06/2002
3. Reported the offence at the Police Station: Date: 30/08/2002 10:25 hrs.
4. Place of offence and direction and distance from PS: Adajan Nagarik Sahakari Bank Ltd., Manthan Apartment, near Gujarat Gas Circle, Adajan, Surat.
5. Reported to the PS Date: 30/08/2002.
6. Name of the complainant / informer: Shri Ashok Jayantilal Sheth, aged 46, Res. Anjan, authorized manager, for and on behalf of Adajan Nagarik Sahakari Bank Ltd. "Manthan Apartment, near Gujarat Gas Circle, Adajan Road, Surat.
7. Names and addresses of the accused:-
 - (1). Home Trade Limited, Registered Company, Occupation: Broker of Share Securities etc. (1) International InfoTech Park, Tower No. 3, 5th Floor, Vashi Railway Station Complex, New Mumbai, Dist. Illegible, Maharashtra.
 - (2). Shri Nandkishor Shankarlal Trivedi, aged about 45, occupation: business, Res. Devbhuvan, 2nd Floor, Chira bazaar, Mumbai.
 - (3). Shri Ketan Kantilal Sheth, aged about 40, occupation: business, Res. 193, Lalit Kutir, Gulmahor Cross road, 9, Juhu, Mumbai.
 - (4). Shri Sanjay Hariram Agrawal, aged 35, occupation: business, Res. Juhu, Shalimar, CAS, Gulmahor Crossroad, Juhu.



- (5). Subodh Bhandari, aged about 46, occupation: Business, 704-B, Govind Complex, Vasi, New Mumbai-40005.
- (6). Shri Hiten Bhupendra Shah, adult aged, occupation: , Res. 102, Gandhi Nivas, Ashoknagar, Mumbai.
- (7). Shri Hiren Gada, adult aged, occupation: business, Senior Vice President, Home Trade Limited, Registered Company. Business: broker of share securities etc. Office address (1) International InfoTech Park, Tower No. 3, 5th Floor, Vashi Railway Station Complex, New Mumbai, Dist. Illegible, Maharashtra. (2) 709, Raheja Centre, 214, Free Press Journal Marg, Mumbai-400002, Maharashtra.
- (8). Shri Sashank Gopal Rande, aged 40, occupation: business, Res. 3/1, Radhakrishna Nivas, Ground Floor, SK Bole Road, Dadar (CWJ), Mumbai.
- (9). Shri Vijay Himmatlal Modi, aged 46, occupation: business, Res. A-203, Amita Co. O. Housing Society, Kulupadavi road, Borivali (East), Mumbai-400063.
- (10). Shri Salil Dinkarlal Gandhi, aged 43, occupation: Business, Res. 11/13, Gold Coin Co. O. Ha. Society, Tardev, Mumbai-400034.
- (11). Shri Allan James Macmillan, aged 41, occupation: business, Res. 785, Castro Street, Montenu, CA 94041, USA.
- (12). Shri Rasal Bankcam Vegar, adult aged, occupation: Business, Res. Timber Hill Terrace, Iron Field, MA 1940, USA.
- (13). Shri Maick alias Manoj Ambelal Shah, aged about 58, occupation: business, Res. Belari Road, RMV Extension, Bangalore-506080.
- (14). Shri Dhananjay Achaval, adult aged, occupation: business, Director, Home Trade Limited, Registered Company, occupation: Broker of Share, securities etc., Office addresses (1) International

InfoTech Park, Tower No. 3, 5th Floor, Vashi Railway Station Complex, New Mumbai, Dist. Illegible, Maharashtra. (2) 009, Raheja Centre, 214, Free Press Journal Marg, Mumbai-400002, Maharashtra.

(15). Smt. Shilpa Hiten Shah, Res. 102, Gandhi Nivas, Ashok Nagar, Vadala, Santacruz, Mumbai.

(16). Smt. Jagruti Ketan Sheth, Res. 193, Lalit Kutir, 9, Gulmahor road, Kuku Munda.

(17). Kanan Mevavala, Res. Jayant Mahal, 5th Floor, Opp. Vankhede Stadium, Marine Drive, Mumbai.

(18). Ketan R. Maskariya, Director, Home Trade Limited, Office address: 709, Raheja Centre, 214, Free Press Journal Marg, Mumbai. Office address (1) International InfoTech Park, Tower No. 3, 5th Floor, Vashi Railway Station Complex, New Mumbai, Dist. Illegible, Maharashtra. (2) 709, Raheja Centre, 214, Free Press Journal Marg, Mumbai-400002, Maharashtra.

Brief Fact:

Under IPC section-406, 409, 420, 421, 422, 423, 34, 114, 120(b). With the intention of committing fraud with the bank and to grab the amount, stated that they can make the delivery of the government security in time, and forged false and fake documents and produced the documents bearing the signature and the stamp in the Court and in order to commit fraud and cheating with the bank, gained its trust and confidence and in order to obtain the amount of the government security, put signature on the contract note and falsely stated that they will sell the government security and produced false documents before the bank and committed fraud of Rs. 3,06,06,250/- with the complainant bank, and committed the offence.



Complaint

Date: 30/08/2002

I state my complaint that our bank has been established under The Banking Regulation Act, 1848 and Gujarat Cooperative Act and Sub-Rules at Adajan Road, Surat, and it is a cooperative bank and in order to do the banking activities, our bank has been given the license by Reserve Bank of India, Ahmedabad and the office of our bank is located on Adajan Road, Surat. As per the Resolution passed by the Board of Directors of the said bank, I the complainant has been authorized to lodge the complaint and carry out legal proceedings against the accused of this offence and accordingly, I have lodged the present complaint against the accused of this case.

Accused no. 1 "Messrs Home Trade Limited" is a firm and it has been registered with National Stock Exchange as a Share and Stock Broker and accused no. 2 to 18 are the directors and the agents of the said firm and have stated that the accused firm is engaged in the trading of the share securities etc., and as the accused stated so before me the complainant, and I the complainant relied on what the accused said and accepted him as an agent of the accused no. 1 firm and accused no. 2 to 18 are the directors and the agents of the accused no. 1 firm. He said that he himself does the administration of the firm as the director and agent of the firm and he is responsible for the administration of the firm and in that capacity, the present complaint has been lodged against the accused persons.

The complainant bank is supposed to make the investment of the statutory liquidity amount addressed as the SLR and as per the SLR, the amount has to be invested in the government security and the ratio of the SLR is decided by the Reserve Bank of India from time to time as per the provision of the Banking Regulation Act, 1949, and it is compulsory for all

the cooperative banks to abide by such orders of the Reserve Bank, and thus, it was compulsory for the complainant bank also to make the investment in the government security to maintain the SLR.

Accused no. 3 Ketan Sheth, with Niraj Surati, the chartered accountant, Res. Bhruch, had come to the office of the complainant bank located at the address Muktanandnagar, near Adajan Circle, on 25th September 200? In person and accused no. 3 stated that he is a leading share broker at Mumbai and Messrs. Home Trade Ltd is engaged in the trading of Government securities, and said that he is the director of the Company. Besides, accused no. 4 Sanjay Agrawal is the chairman and chief executive of the said company, and accused no. 2 Nandkishor Trivedi is the executive director of the company, and all the three of them are the main office bearers of Home Trade Ltd and are the authorized signatories, he had said. Besides, Home Trade Ltd is registered with National Stock Exchange, and as its evidence, he has produced the photocopy of the certificate in this regard and he further said that they have the fully computerized air-conditioned office with ultra-modern facilities at Mumbai and most of the works of Mumbai-Pune Stock Exchange are done by their firm and had produced the claims regarding the works of the firm.

Taking into account the above mentioned fact stated by the accused no. 3, the complainant bank had entered into the contract with the said company in order to purchase the government security of 12% of Rs. 1 crore and regarding the said contract, the complainant bank had given a cheque of HDFC bank and the accused had made the delivery of the government security to the complainant bank.

Thereafter, in order to purchase the securities of 50 lakh of 10.25%, the complainant bank had entered into the contract with the said company on 15/01/2001 and the complainant bank had made the payment of it through the cheque of HDFC bank and the accused had made the delivery



of the securities to us the complainant bank. As the accused firm Home Trade Ltd had made the delivery of both previous contracts, and as the Reserve Bank of India had made the endorsement in favour of the bank, therefore, taking into account the said facts, the complainant bank had given the contract of purchasing the government security of 10.25% of Rs. 50 lakh and the complainant bank had made its payment to the accused company by the cheque of HDFC.

Thereafter, on 05/12/2001, accused no. 3 Shri Ketan Sheth and Niraj Surati had come to the office of the complainant bank in person and had said that Home Trade Ltd is doing the work of the government security on large scale and another registered company of this group titled Wez India Ltd is coming in the Market and the advertisement of their company will be made by Shahrukhkhan, Rutvik Roshan, Sachin Tendulkar, and Priyanka Chopra. Thus, they had presented such claims regarding the work of their company.

Taking this fact into account, they told us that since the market price of the securities of two crore rupees that we had purchased from them earlier, we the complainant bank will earn good benefit and saying so, we had made the contract of selling the said securities with the accused company and in return, they had asked us to purchase the new securities of Rs. 3 crore of 7.5% as its market price is less and thus, our bank had made the contract with the said company to purchase the new securities. When the amount of the selling contract was adjusted with the amount of the purchase contract, the cheque of the amount of difference of Rs. 67, 26,076-38 paisa of HDFC Bank of the name of the accused firm was given to the accused firm and the accused firm deposited the said cheque in its bank account and had encashed it. But thereafter, the complainant bank did not make the delivery of the security of Rs. 3 crore of 7.5% despite repeated demand for the delivery of the said securities. Thus, what the accused had

said in person on 05/12/2001 at the office of the complainant bank, was said with the mala fide intention of committing fraud and cheating with the complainant bank, and the accused firm had taken the delivery of all the securities of the selling contract and the accused then did not make the delivery of the new security that was purchased as per the contracts. Thus, the accused made false claims with the intention of committing the offence and fraud with the complainant bank and did not make the delivery of the security and committed fraud with the bank.

Trusting the claim of the accused, and we the complainant have made the financial transactions with the accused of this case in order to maintain the SLR as follows.

Details of the Financial Transactions:

On 28/09/2000, the complainant bank had asked Messrs. Home Trade Ltd to purchase the security of 1 crore rupees of SDL-2010 of 12% and accordingly, the accused had given the contract note (10629). In this regard, the complainant bank had given the cheque of Rs. 1, 00, 25,000/- of HDFC Bank and Messrs. Home Trade Ltd had encashed the said cheque. Regarding this payment, the delivery of the said security has been made to the bank.

On 15/01/2001, the complainant bank had asked to purchase the security of Rs. 50 lakh of CG-2012 of 10.25% and in this regard, Home Trade Ltd had given the Contract Note no. 6401. The complainant bank had given the cheque of Rs. 48, 60,138-89 of HDFC Bank and the accused firm had encashed the said cheque and had given the delivery of the securities.

On 29/08/2001, the complainant bank had asked the accused firm to purchase the government security of Rs. 50 lakh of GOI-2021 of 10.25% and the accused firm had given the contract note no. 6739. The complainant



bank had given the cheque of Rs. 52, 42,048.61 regarding the said transaction and Home Trade Ltd had encashed the said cheque but did not make the delivery of the securities.

On 05/12/2001, the complainant bank had decided to sell the government security that it had through Home Trade Ltd. In this regard, the bank had made the contracts with the accused firm at the rate mentioned beside the security.

Sr. No.	Name of security	Amount of selling (total price)
1.	12% SDL-2010	1,21,36,666.67 physical delivery
2.	10.25% CG-2012	58,08,541,67 Home Trade received
3.	10.25% GOI-2021	59,34,965.25 they had the delivery

Rs. 2, 38, 80,173.62 paisa

The same day, the complainant bank decided to purchase the security of CG-2010 of 7.50% of Rs. 3,06,06,250/- and accordingly, the accused company had issued and given contract note no. 6911, and accused no. 5 had put his signature on it on behalf of the accused no. 1.

Regarding the said contract, the complainant bank had sold the security through contract note no. 6905 and 6907, and had made the delivery of the said security to Home Trade Ltd., and the security sold through contract note no. 6909 was in the custody of the Home Trade, and the security purchased by the bank was pending through the contract note no. 6739. The amount of difference of Rs. 67, 26,076.38/- of the above mentioned purchase and selling was given to Messrs. Home Trade by the bank by the draft of HDFC bank. Despite this fact, the complainant bank has paid the full consideration against the total price of Rs. 3, 06, 06,250/-

of the security of GOI-2010 of 7.5% purchased from accused Messrs. Home Trade. Despite this, Home Trade Ltd has failed in making the delivery of the security. The copies of the contract mentioned in this paragraph has been attached herewith.

In order to get the delivery of the above mentioned government security that it has purchased, the complainant bank contacted the accused on phone and in person now and again and the complainant took the follow up and wrote letter on 25/01/2002 to get the early delivery of the government security and asked Home Trade Ltd to make the delivery of the security. Then, a reminder letter was written on 18/03/2002 again and there was no response or reply of it. So, at last, the bank sent a letter to the accused on 09/04/2002 by registered AD asking to make the delivery instantly. A copy of it is attached herewith.

At the time of the confirmation and the payment of the contract of purchase of the security of GOI-2010 of 7.5%, the accused persons gave promise and assurance to the complainant bank for the physical delivery in specific time limit but despite the time period was over, and despite the repeated demand of the delivery of the security, the accused did not make the physical delivery of the securities with mala fide intention fraudulently. So, the complainant bank informed the accused that it will take legal action against them. So, against the said security, the accused made the physical delivery of GOI-2017, 8.07% vide the letter dated 12.04.2002 and said that with the promise of giving GOL, 7.50%, the contract bearing the signature could not be found from the security market on 29.03.2002, so they had executed the contract (the copy is attached herewith in the list). Besides, the accused said that they will make the delivery of the government security by 30.04.2002 and if they cannot make the delivery by 30.04.2002, the accused had sent the cheque no. 984321 dated 27.05.2002 of Rs.



3,24,62,700/- of HDFC bank, Nariman Point branch, and had asked the complainant bank to encash it (the copy of it is attached herewith).

Thereafter, I the complainant and the director of the bank Pankaj Shah had gone to the office of the accused firm at Mumbai to get the said security and the director of the firm Shri Nandkishor Trivedi who is accused no. 2 of this case was present and they had met him and he had assured that the delivery of the security will be made in very short period. He had said that if the delivery is not received, the bank can encash the said cheque but then, despite the time period was over, the accused could not make the delivery of the said government security to the complainant bank.

Therefore, the complainant presented the cheque given by the accused I the HDFC bank on 27/05/2002 and the said cheque returned with the remark 'account blocked' on 01/06/2002, and when the accused had given the said cheque, the accused knew that the cheque will get returned, and despite this fact, the accused had given the cheque with the mala fide intention of committing fraud and cheating with the complainant bank. As the said cheque got returned, a notice has been given under the Negotiable Instrument Act section-138. Despite the said notice, the accused have not paid the said amount in time limit and therefore, we are entitled to lodge the separate complaint under the Negotiable Instrument Act. This complaint has been lodged for the offences punishable under the Penal Code.

In the above circumstances, the accused of this case, with the intention of committing fraud with the complainant bank and to siphon off the money of the bank, falsely promised that they can make the delivery of the government security in time and showed forged and fake documents and gained the trust of the complainant bank by doing so, and besides, in order to get the amount of the government security, the accused also put signatures on the contract note. But at the time of issuing such contract

note, the accused knew very well that they did not have the government security that they were supposed to give to the complainant bank, and they also knew that they will never be able to give the physical delivery of it to the complainant bank. Despite this fact, they had given the cheque that got returned. Thus, with the mala fide intention of committing fraud and cheating with the complainant bank, the accused falsely said to sell the government security and took the money and then did not make the physical delivery of the securities and the accused have committed the punishable offences of serious nature. Chartered accountant Niraj Surati had introduced accused Ketan Sheth to the bank and he knows regarding the transactions mentioned in the complaint and he had attempted to sell the securities to the bank and he had helped in giving the said cheque as well. Therefore, he is our main witness.

After the cheque given by the accused got returned, the complainant bank came to know that the accused have committed fraud with the bank and meanwhile, the accused of this case hatched the criminal conspiracy and in order to get the illegal financial benefit in connivance with one another, committed fraud with the bank and besides, the bank has come to know that the accused have done so with the mala fide intention of committing fraud with the bank. Despite the attempts to contact the accused persons of this case, they could not be traced or found at their residential and office addresses. Besides, there is the possibility that they may flee from India and therefore, I lodge this complaint against the accused persons and request to seize their properties and to seize their passport and take necessary legal action in this regard.

The complainant bank is a cooperative bank and the money of the complainant bank is the money of the public and the accused, in connivance with one another, committed the fraud with the complainant bank with pre-planning and siphoned off the money of the bank. Therefore,



I lodge my complaint to take legal action against the accused for the offences punishable under IPC section-406, 409, 420, 421, 422, 423, 465, 467, 468, 471, 114, 34, 120(b).

The witnesses for the complainant bank are the directors and the staff members of the bank and the chartered accountant Niraj Surati and those whose names may surface as witnesses in the investigation.

Date: 20/08/2002

Sd/-

Adajan Sahakari Bank Manager

The above written complaint was received vide the Local Application No. 443/02 dated 20/08/2002 of the Police Inspector, Rander Police Station, the offence registered on the basis of the said application, and dispatched to the Court with compliments.

To,
Hon'ble Chief Judicial First Class Magistrate,
Chief Court, Surat.

Date: as above.

Police Sub Inspector
Rander Police Station
Surat City