

C.C. No. 395/PW/2023

Exh. 146

P.W. No. 1 on S.A. :

Name : Chetan Ramanlal Desai

Further Examination-in-chief by Ld. A.P.P. Smt. P. S. Patil for the State :-

5. Then Ketan Seth had some dealings with our bank. He purchased bank's old securities and delivered some securities of Government. Ketan Seth informed the bank that he will be dealing with the bank through Home Trade limited and in the name of Home Trade Limited. However Home Trade Limited failed to deliver the Government securities amounting to Rs. 24.50 Crores. As the delivery was not done, the bank had informed Ketan Seth about the same over telephone, because only Ketan Seth was in connection with the bank in respect of Government securities. He had also visited our bank personally for four times.

6. On 15 March 2002, we sent a letter by fax to Ketan Seth and also had contact with him over telephone by our director asking him to come to bank with pending Government securities. We also informed that the bank will file police case if does not come to the bank. On 18 March 2002, Mr. Ketan Seth, Mr. N. S. Trivedi, Mr. Subodh Bandari and Mrs. Kanan Mevawala came to our bank. They had a meeting with the board of directors of the bank to resolve the matter. Mr. N. S. Trivedi and Mr. Subodh

Bhandari stated that they are the directors of Home Trade Limited and Kanand Mevawala was stated to be manager. They gave a suggestion to the bank that they will purchase the Government securities which they have not delivered to the bank. These securities were amounting to Rs. 24.5 Crores. They stated that they are ready to give Government securities of Rs. 27.5 Crores against the Government securities which were not delivered to the bank.

7. They also gave a schedule showing how they will deliver these Government securities to the bank. They also asked for 15 days to deliver these Government securities to the bank. They asked this period to deliver Government securities by Subsidiary General Ledger Account. A SGL account is where the amount is paid upfront and the securities are there after sold from one account to another. Our bank is having such SGL account with UTI Bank. They however did not fulfill their commitment. Thereafter they gave four post dated cheques to the bank on the ground of non delivery of Government securities. However these cheques were issued without having any balance in the account of Home Trade Limited. These cheques returned unpaid with a memo and remark refer to drawer. There was no practice with banks at that time to give a reason of insufficient funds in such memo.

8. The commitment letter was given to the board of director of bank on 18 March 2002. It was drafted and signed by Mr. N. S. Trivedi. The investigating officer has taken this original

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letter from the bank in his custody.

Witness submitted that he is not feeling well and requires one date. Hence the examination in chief is deferred till next date.

R. O. & A. C.

Sd/-

(Abhijit R. Solapure)
Addl. C. J. M., 47th Court,
Esplanade, Mumbai.

Date : 11.12.2025

P.W. No. 1 on S.A. :

Name : Chetan Ramanlal Desai

Further Examination-in-chief by Ld. A.P.P. Smt. N.P. Tavare for the State :-

9. They executed two contract notes against the pending delivery of Government Securities of Rs.27.5 Crores. The first contract note No.7165 was for Rs.9 Crores and second contract note No.7443 was for Rs.18.5 Crores totally amounting to Rs.27.5 Crores. These contract notes were for 8.07 % GOI-2017. These two contract notes were fake and were not connected with SEBI. Ketan Sheth and others were capable enough having knowledge of money market and Government Securities. However, our Bank being in the small town had no such knowledge of money market and Government Securities.

10. Ketan Sheth had introduced M/s. Home Trade as a member of SEBI. The contract notes which ever may have been submitted should be generated through SEBI. M/s. Home Trade Limited and their directors were knowing that we had no knowledge. So to cheat the Bank and after pre-planning, they gave fake contract notes to the Bank since beginning. The first transaction was done through Niraj Surati regarding Government Securities. He failed to provide Securities after covering money from the Bank. Hence, to solve this matter, he brought Ketan Sheth in picture. He firstly visited the Bank regarding Government Securities with Niraj Surati. He second time visited the Bank to introduce his company Ketan Sheth and Company and M/s.

Giltedge India. He visited the Bank for third time to introduce M/s. Home Trade Limited, which was member of SEBI as per his statement.

11. He submitted that his company is registered and is dealing in Government Securities. Ketan Sheth purchased some Government Securities which our Bank was holding formerly. The contract notes given by Home Trade company and Ketan Sheth were fake. The fourth visit was by Ketan Sheth, Subodh Bhandari, N.S. Trivedi and Kanan Mewawala. If Ketan Sheth would not have introduced Home Trade Limited, our Bank would not have gone into liquidation. Many employees have lost their livelihood including myself.

12. The Pending Delivery Letter was given by me to the concerned Police Officer and I am having the original acknowledgment with me. I can produce this original acknowledgment in this matter.

(Learned APP seeks to submit some documents which are in the custody of this witness. This has been objected by the Advocates for the accused. Learned APP submitted that the record will be verified and further examination-in-chief will be taken on the next date)

R. O. & A. C.

Sd/-

**(Abhijit R. Solapure)
Addl. C. J. M., 47th Court,
Esplanade, Mumbai.**

Date : 30.12.2025

P.W. No. 1 on S.A. :

Name : Chetan Ramanlal Desai

Further Examination-in-chief by Ld. A.P.P. Smt. P. S. Patil for the State :-

13. Today I have brought the original acknowledgment by which I had given the documents to police officer. Now I am shown this original document produced today in this matter. It bears the signature of Investigating Officer Mr. Sosa. I had given letter dated 16.03.2002 to the Investigating Officer by way of this acknowledgment. It is the same acknowledgment and hence it is given **Exhibit-199**.

14. Though the letter dated 16.03.2002 was given on 16.03.2002 itself, it was mischievously stated that it was given on 16.04.2002. It was having inward No.4720 dated 16.03.2002 of our Bank. I say that all the contract notes issued to the Bank were fake. When a member broker of National Stock Exchange deals in Government Securities with any Bank, the deal is to be generated in NSE. Further NSE issues P-Note (Purchase Note) which the member broker has to give to the purchaser. The Bank did not get any P-Notes in any of the purchase of Government Securities through Home Trade Limited and Ketan Sheth Limited.

15. Ketan Maskariya used to come to our Bank to deliver the contract notes and the original Securities sold by the Bank through Ketan Sheth or Home Trade Limited. He was directly

giving these Securities to Public Debt Department of RBI, Ahmedabad. Kanan Mewawala as a Manager of Home Trade Limited, used to talk with the Bank on telephone regarding Security transactions. Sanjay Agarwal as Chairman of Home Trade Limited, has signed some cheques and contract notes. I say that Sanjay Agarwal was arrested in this matter and had given an undertaking that he be released so that he can pay the amount. But he has not followed his undertaking.

(Witness wanted some time due to his throat issue, hence the further examination-in-chief deferred)

R. O. & A. C.

Sd/-

**(Abhijit R. Solapure)
Addl. C. J. M., 47th Court,
Esplanade, Mumbai.**

Date : 08.01.2026

Further examination-in-chief after recess

16. The Bank has not received the money till today and also a case has been filed by the Bank for the offence punishable under section 138 of Negotiable Instruments Act. The Bank has suffered loss of Rs.29 Crores. The accused have received the amount of investment from the Bank and they have cheated the Bank by giving fake notes. They have not acted upon the commitment given to the Bank in relation to the contract notes. So the Bank was compelled to file FIR against Home Trade Limited

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and their office bearers i.e. Sanjay Agarwal, Ketan Sheth, N.S. Trivedi, Subodh Bhandari, Ketan Maskaria, Kanan Mewawala and others. Accused have not repaid the amount till today. I can identify these accused.

17. I can identify the documents. Now I am shown the original FIR in Gujarati language filed with Valsad City Police Station on 06.06.2002. It is the same. It bears my signature. Contents therein are true and correct. Hence it is given **Exhibit-200**. I can identify the contract notes and cheques. Now I am shown the original cheques.

(Learned APP submitted that she will be filing an application for secondary evidence in relation to some documents on record and requested to adjourn the further examination-in-chief. The prosecution is directed to take the necessary steps today itself).

R. O. & A. C.

Sd/-

**(Abhijit R. Solapure)
Addl. C. J. M., 47th Court,
Esplanade, Mumbai.**

Date : 08.01.2026

