

PAPERS IN ENGLISH

NAVSARI TOWN POLICE STATION

PART-I CR NO. 93/2002

INDEX AND PAPERS

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Sd/- Illegible

(G. D. Thakor)

Police Sub Inspector

Navsari Town Police Station

Chargesheet

Police Station: Navsari Town

District: Navsari Chargesheet No.116/02

Date: 10/12/2002

Name and occupation of the complainant / informant:

Shri Bhanuprasad Harishankar

FIR No. I-CR No. 93/02 Date: 18/08/2002

Name and address of the accused sent up for trial in police custody or on bail	Name and address of person not sent up for trial	Property (including weapons) found with particulars of where, when and by whom found and whether forwarded to Magistrate	Name and address of witness	Brief fact of offence with details of sections
1	2	3	4	5
Ketan Kantilal Sheth,	(1). Sanjay Hariram Agrawal,	-	1. Complainant himself 2. Panch:	IPC Sections 406, 409, 420, 421, 422, 423,

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

<p>Share Broker. Res. 193, Gulmahor cross road no. 9, JVPD, Andheri Mumbai-400049, was arrested on (date unreadable) at 19:30 hrs. and on 21/09/02 and on (date unreadable) at 17:00 o'clock in police custody remand, and then sent to Court Custody of this Honb'le Court.</p>	<p>Res. Juhu, Shalimar Gulmahor Cross road, Mumbai. (2). Nandkishor S. Trivedi, Res. Gazadar Street, Mira bazaar, Mumbai. (3). Kumari Kanan Mevawala, Res. Jayant Mahal, 5th Floor, Opp. Vankhede Stadium, Marine Drive, Mumbai. (4) Ketan Mashkariya, Officer, Home Trade Ltd., Mumbai. (5). Subodh</p>		<p>Suresh Bhai Babubhai Chauhan. Residing at: Behind Nagalvadi Gate, Navsari 3. Panch: Sunil Shankarrao Gole, Residing at: Opposite Trupti Apartment, Rusmatvadi Road, Navsari 4. Witness: Arvindbhai Ramabhai Soni, Residing at: Rajmahal Apartment No. 1, 2nd Floor, Block No. 9, Navsari 5. Hitendra Shankarbhai Desai, Residing at: Patel Nagar Society, Chhapra Road, Navsari 6. Dhirubhai Manibhai Nayak, Residing at: 14/B, Purnima Society, Near Khetiwadi Farm, Ghodadod Road, Surat 7. Vinodchandra Ghelabhai Desai, Residing at: 301, Kastur Chopra, Chikuwadi, Asha Baug, Navsari 8. Mohanbhai Uttambhai Gandhi, Residing at:</p>	<p>120B. 467. 468. 34. The brief facts of these crimes are that the accused persons mentioned in Columns No. 1A and 1B. in collusion with each other, conspired criminally and with the intent to commit a crime. introduced themselves as brokers in the name of M/s. Euro Asian Securities, recognized by the National Stock Exchange, in the Mumbai area, gained trust, and during the purchase and sale of government securities through them, the accused mentioned in Columns No.</p>
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	<p>Bhandari, Res. Flat No. 703/B, Govind Complex, Sector-14, Vasi, Navi Mumbai. (6). Smt. Jagrutiben W/o Ketanbhai Kantilal Sheth, Res. 193, Lalit Kutir, Gulmahor Crossroad no. 9, JVPD, Mumbai. (7). Hiten b. Shah, Res. 102, Gandhi Nivas, Ashok Nagar Road, Vakola, Santacruz, Mumbai- 400055. (8). Smt. Shilpa H. Shah, res. Anjan, (9). Bina</p>		<p>Tamusvad, Tarota Bazaar, Above Bank of Baroda, Taluka/District Navsari 9. Shivajibhai Muljibhai Patel, Originally from: Amran, Taluka Jodia, District Jamnagar, Currently Residing at: Shantadevi Road, Ramkrishna Nagar Society, Navsari 10. Shankarbh ai Ramchandra Rathi, Residing at: 404, Pooja Apartment, Vijal Por Road, Taluka Jalalpor, District Navsari 11. Nanalal Madhubhai Malaviya, Residing at: Panchvati Kamalpark Society, Jalalpor, District Navsari 12. Witness: Gangaram Haribhai Patel, Residing at: Shivnagar Society, Umiya Niwas, Gauri Shankar Mahollo, Taluka Jalalpor, District Navsari 13. Kiranbhai Bhagwanji Bhagat, Residing at: Chhapra Road, G.L.B. 2,</p>	<p>1A and 1B, with the intention of betraying trust, cheating, and misappropriati ng funds from the complainant bank, changed the name of Euro Asian Securities company to Home Trade Limited. From February 1999 to 29/04/2002, they took funds amounting to Rs. 24,76,52,925/- from the complainant bank for purchasing government securities under contract notes No. 7453, 7413, 7455, 7401, 7399, GOI No. 2017, and 2013A, stating that they would purchase government securities,</p>
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To,
The
Police

<p>(10). Shri Hiren Gada, Senior Vice President, Home Trade Ltd., Mumbai.</p> <p>(11). Atul Shah, Senior Officer, Giltedge Management Services Ltd.</p> <p>(12). Kumari Vichita, Officer, Giltedge Management</p>	<p>Sanghavi, Res. 103, Liberty Apartment, 80-A, Sarojini road, behind Macdonald, Vile Parley west, Mumbai.</p>		<p>Navsari 14. Dr. Amitbhai Bachubhai Soni, Residing at: 17-D, Alka Society, Chhapra Road, Navsari</p> <p>15. Karamshi Damjibhai Patel, Residing at: Shantadevi Road, Sardar Society, Bungalow No. 8, Originally from: Gajdi, Taluka Jodia, District Navsari</p> <p>16. Yashwantbhai Gulabbhai Desai, Residing at: 101, Swapna, Opposite Subhashnagar Society, Ghodadod Road, Surat</p> <p>17. Thakorbbhai Maganlal Desai, Residing at: 202, Poorv-Pashchim Apartment, Opposite Court, Navsari</p> <p>18. Chunilal Chhogaji Mali, Residing at: 17/193, Rameshwar Apartment, Sola Road, Naranpura, Ahmedabad</p> <p>19. Mafatbhai Motirambhai Purohit, Residing at:</p>	<p>claiming that the price was rising and more profit would be gained, and indicating that investing in new securities would yield more benefits. On 30/03/2002, they sold the aforementioned old securities and purchased five new securities worth Rs. 24,76,52,925/- on behalf of the complainant, sent only paper notes, did not provide physical possession of the securities to the complainant bank, and used them for their personal purposes. The accused mentioned in Column No. 1, despite resigning from</p>
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Services Ltd.		<p>Shantadevi Road, Bhagwati Society, Bungalow No. 9, Navsari</p> <p>20. Shri H.K. Mishra, Assistant General Manager, Reserve Bank of India, Mumbai</p> <p>21. Shri H.P. Mishra, Officer In-Charge, Reserve Bank of India, Near Gandhipul, Ahmedabad</p> <p>22. Shri Abraham A.M. Jacob, Assistant General Manager, Federal Bank Ltd., Mumbai House, Homi Modi Street, Fort, Mumbai</p> <p>23. Police Inspector Shri D.B. Deshpande, State CID, Nagpur, Camp: Mumbai Fort, Mumbai</p> <p>24. Police Inspector Shri V.B. Raval, Navsari Town Police Station</p> <p>25. Shri P.R. Patel, Executive Magistrate, Navsari City</p> <p>26. Shri R.S. Patel, Navsari Town Police Station</p>	<p>Home Trade Ltd. company in Mumbai on 15/05/2002.</p> <p>did not inform the bank, and later, on 01/10/01, opened an account at UTI Bank Limited, Sir PM Road, Fort, Mumbai, frequently visited the complainant bank, gained trust for financial transactions, invested money, sent bogus contract notes, and committed fraud, deception with the bank, used them as genuine, and committed crimes by betraying trust and cheating, etc.</p>
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			27. Investigating Officer Shri G.D. Thakor, Police Sub-Inspector, Navsari Town Police Station.	
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To,
The Police Inspector,
Navsari Town Police Station,
Navsari.

Complainant: Mr. Bhanuprasad Harishankar Suthar, Manager,
 The Navsari People's Co. O. Bank Ltd., Navsari.

Vs.

Accused : Mr. Sanjay Agrawal and others.

The documents attached herewith by the complainant are as follows.

Sl. No.		Particular
1	Yadi No. 1	Address of the firms mentioned in the complaint and the details of the accused.
2	Mark-A	Copies of the 9 (nine) Contract notes mentioned in the complaint.
3	Mark-B	Copy of the letter dated 16/04/2002 of the Complainant Bank written to Home Trade Ltd.
4	Mark-C	Copy of the complaint lodged by M/s. D. R. Investors Grievances Services Ltd on behalf of the complainant bank with Securities and Exchange Board of India Ltd.
5	Mark-D	Copy of the complaint lodged by M/s. D. R. Investors Grievances Services Ltd on behalf

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

		of the complainant bank with Securities and Exchange Board of India Ltd.
6	Mark-E	Copy of the resolution passed by the Board of Directors of the complainant bank asking Bhanuprasad Suthar to sign the present complaint and to lodge the complaint.
7	Mark-F	Copy of the cheque no. 984100 of Rs.5, 59,419.44 of HDFC Bank Ltd. Dated 19/03/2002.
8	Mark-G	Copy of the Cheque realization certificate issued by HDFC Bank Ltd.
9	Mark-H	Copy of the resolution made by the board of directors of the complainant bank regarding the appointment of the investment committee.
10	Mark-I	Copy of the directives given by the RBI for the investment in the Government Securities.

Date: 18/08/2002

Place: Navsari

Sd/- Illegible

Manager

(B. H. Suthar)

Authorized signatory

For The Navsari People's Co. O. Bank Ltd., Navsari

To,
The Police Inspector,
Navsari Town Police Station,
Navsari.

Complainant: Mr. Bhanuprasad Harishankar Suthar,
Aged about 53 years, Occupation: Job – Manager, The
Navsari People's Co. O. Bank Ltd., Navsari, Res. 304-
Dhruv Apartment, near Vijay Park Society, Opp.
Lunsikui, Navsari.

Vs.

Accused :

1. Mr. Sanjay Agrawal, Director, S/o Hariram Agrawal, Juhu Shalimar CHS Ltd, 7th Floor, Gulmahor Crossroad No. 10, Juhu, Mumbai-400049.
2. Mr. Sanjay Agrawal, Director, 9th Floor, Kusum Apartment, sector-17, Vasi, Navi Mumbai, Phone No. 7897172. Mr. Ketan Sheth, Director, 193, Lalit Kutir, CHS, 3rd Floor, Gulmahor Crossroad no. 9, JVPD, Mumbai-400049. Phone No.6194712-19, Mobile No. 9821142821, 9821142823.
3. Ketan Kantilal Sheth, Director, 193, Lalit Kutir, CHS, 3rd Floor, Gulmahor cross road no. 9, JVPD, Mumbai-400049. Phone No. 6194712-19, Mobile No. 9821142821, 9821142823.

4. Smt. Jagruti Sheth, wife of Ketan Sheth, 193, Lalit Kutir, CHS, 3rd Floor, Gulmahor Crossroad No. 9, JVPD Mumbai-400049. Phone No. 6194712-19, Mobile No. 98213 30822.
5. Mr. Nandkishor S. Trivedi, Director, s/o Shankarlal V. Trivedi, Dev Bhuvan, 2nd floor, Room No. 32, Gazadar Street, Chira Bazaar, Mumbai-400002, Mobile No. 98210 30149.
6. Mr. Nandkishor S. Trivedi, Director, Pushpam Apartment, 3A, 3rd floor, Khandubhai Desai Road, Vile Parley West, Mumbai-400056, Phone No. 6254041.
7. Mr. Hiten B. Shah, Director, s/o Bhupendra B. Shah, 102, Gandhi Nivas, Ashok Nagar Road, Vakola, Santacruz, Mumbai-400055.
8. Smt. Shilpa H. Shah, Director, w/o Hiten B. Shah, 102, Gandhi Nivas, Ashok Nagar Road, Vakola, Santacruz, Mumbai – 400055.
9. Kumari Kanan Mevawala, Manager, Home Trade Ltd., Jayant Mahal, 5th Floor, Opp. Vankhede Stadium, Marine Drive, Mumbai, Phone No. Office – 7909427, House Phone No. 2819290, Mobile No. 9820086818.

10. Bina Sanghavi, Officer – Ketan Sheth & Co., 103, Liberty Apartment, 80/A, Sarojini Road, behind Macdonald, Vile Parley-West, Mumbai-400 056. Phone No. 6194712, mobile no. 98211 42821, 98211 42823.
11. Mr. Ketan Mashkariya, officer, Home Trade Ltd.
12. Mr. Subodh Bhandari, Executive Managing Director, Home Trade Ltd., Flat No. 703 / B, Govind Complex, Sector – 14, Vasi Turbhi, Navi Mumbai – 400 705, Phone No. 7897433, Mobile No. 98210 30143.
13. Mr. Hiren Gada, Senior Vice President, Home Trade Ltd.
14. Mr. Atul Shah, Senior Officer, Giltej Management Services Ltd.
15. Kumar Vichita, Officer, Giltej Management Services Ltd.

Sd/- Illegible
(B. H. Suthar)

Complaint: Under IPC Section-406, 409, 420, 421, 422, 423, 120(b), and 34.

I, the complainant, state that the facts of my complaint are as follows.

1. We, the complainant is a Cooperative Bank and it has been established under the title “The Navsari People’s Co. O. Bank Ltd”, Navsari. Besides, its registered and administrative office is located at the address “Din Dayal Bhavan”, Din Dayal Chowk, near Gayanshala, Navsari, Gujarat. Besides, it has been registered under

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Gujarat State Cooperative Society Act, 1961. We have been authorised by Reserve Bank of India to do the business of banking activity in Navsari and its surrounding area in Gujarat State.

2. I have lodged the present complaint against M/s. Home Trade Ltd. (to be referred to as the broker hereinafter). Besides, the said company has been working as the Share and Stock Broker and as the member of National Stock Exchange of India. (To be referred to as NSE hereinafter). Its Director Mr. Sanjay Agrawal, Mr. Ketan Sheth, Mr. N. S. Trivedi, and Mr. Subodh Bhandari, and other accused hatched criminal conspiracy and have committed fraud of Rs. 24, 76, 52, 925/- (Rupees Twenty Four crore Seventy Six Lakh Fifty Two Thousand Nine Hundred Twenty Five) with us. As the member of NSE, we had purchased the Government Securities through them and we had made full payment for the same. However, the said broker failed in making the delivery of the government securities to us in physical form. With this, we are producing Schedule-I bearing the names and addresses of the different offices of the brokers and their directors, bankers and associates companies.

- 3.. The facts of the case are as follows.

1. We the complainant is a Cooperative bank established under Gujarat State Cooperative Societies Act, 1961. Besides, our bank is authorized to do the business of banking activity in Navsari and surrounding area in Gujarat State under the Reserve Bank of India.
2. Under the Provision of Banking Regulation Act, 1949, we are bound to invest about 25% amount in the Government Securities as the Net Time and Demand Liabilities. Therefore, we had

decided to make the investment within the limit under the permission of RBI, which is known as the Statutory Liquidity Ratio (S.L.R.).

3. Around 15th of December, 1997, Mr. Ketan Sheth had come to our bank and had said that he was the owner of M/s. Ketan Sheth & Co., and that he has been doing the business of the trading of the Government Securities for different customers including the Cooperative Banks.
4. Thereafter, we had discussed with him regarding the conditions in order to purchase the government securities by their firm, and at last, on 20/12/1997, we had placed our order to fulfil the requirement of our SLR. M/s. Ketan Sheth & Co. had purchased the securities of G. O. I. (GOVERNMENT OF INDIA) 1998 OF 10.50% at the consideration amount of Rs. 35, 30,625/-, and the said consideration amount was paid vide cheque no. 862081 of Maharashtra State Cooperative Bank Ltd., Mumbai, and the said broker had handed over the physical possession of the said securities to us, and thus, both parties completed their responsibilities.

During the period from the year 1997 to the year 1999, we had purchased different government securities through M/s. Ketan Sheth & Co., and in all the said cases, we had made the payment of all the purchases of the government securities and both parties had completed their responsibilities.

During the said period, Mr. Ketan Sheth had told us that he is a director in Giltedge Management as well. So, in order to fulfil the requirement of SLR, we purchased the government securities through "Giltedge Management Services Ltd." And both parties had

return, the other government securities will earn more income for us, and therefore, in the best interest of the depositors and the shareholders, we had decided to sell the government securities whenever there was such chance so that we can earn more amount without affecting the requirement of SLR.

B. Therefore, in order to fulfil the requirement of SLR, we started purchasing the government securities through Home Trade Ltd since February 2000 and by the end of March, 2001, we had sold certain government securities through them. The said broker purchased the certain government securities whose physical possession they had earlier handed over to us and we had received the payment of the said securities and they had accepted the government securities that we had sold to them.

C. During the financial year of 2001-2002, the RBI had issued a circular and had stated that the Nagarik Sahakari Banks will increase their investment in the government securities and will not make investment in the district and state government banks. In other words, instead of the term deposits in the district and state cooperative banks, the Nagarik Sahakari banks were given the permission to make the investment in the government securities.

We made the comparison of the return in the government securities and the term deposits of the district and state cooperative banks and in order to fulfil the requirements mentioned in the circular of the RBI, we made the investment in the government securities.

D. During the Financial Year of 2001-02, as there was

decrease in the rate of the interest constantly entire year, and the government had started issuing new securities at less rate and due to it, the price of the old government securities had increased in the market. Due to the increase in the interest rate, more return was received.

E. As we got the opportunity, and due to the increase in the income of the bank and in the interest of the shareholders and the depositors, and as the government securities that we had purchased earlier ere giving more price, we sold the said securities. As a result, the bank had earned more income as the profit. At the same time, in order to fulfil the requirement of the SLR, we purchased new government securities and due to which we again made the portfolio of the government securities and as a result, there was increase in the income of the bank and the requirement of SLR too was maintained.

F. Whenever we made the selling of the old government securities and purchased new government securities through the broker, we came to know of the amount payable to the broker and the amount receivable from the broker due to the said deals and transactions. We and the said broker had issued the cheques of the amount of difference from time to time and had completed our mutual responsibilities.

G. In March 2002, we had earlier paid the amount of the purchase order of the below mentioned securities that were in possession of the said broker.

Sr. No.	Scrip Name	Face Value
1	10.50% GOI 2014	5,00,00,000.00
2	9.39% GOI 2011	7,00,00,000.00
3	11.50% GOI 2011	3,00,00,000.00
4	11.50% GOI 2015	5,00,00,000.00
	Total Face Value	20,00,00,000.00

Therefore, we decided to sell the said government securities and the broker had implemented the said deal and we had sent the below mentioned contract notes.

Sr. No.	Scrip Name	Cont.	Face Value	Total Consideration
1	10.50% GOI 2014	7395	5,00,00,000.00	6,33,06,250.00
2	9.39% GOI 2011	7397	7,00,00,000.00	8,08,74,150.00
3	11.50% GOI 2011	7405	3,00,00,000.00	3,83,81,250.00
4	11.50% GOI 2015	7411	5,00,00,000.00	6,56,50,694.44
			Total receivable	24,82,12,344.44

H. In order to fulfil the requirement of SLR, we had given the instruction to the broker to purchase the following securities and the broker had executed the said deal and had sent the contract notes to us.

Sr. No.	Scrip Name	Cont. No.	Face Value	Total Consideration
1	08.07% GOI 2017	7453	3,50,00,000.00	3,56,48,976.17
2	08.07% GOI 2017	7413	5,00,00,000.00	5,09,28,541.67
3	08.07% GOI 2017	7455	10,00,000.00	10,18,57,083.33
4	08.07% GOI 2017	7401	10,00,00,000.00	10,18,57,083.33
5	09.81% GOI 2013A	7399	5,00,00,000.00	5,81,98,750.00
			Total payables	24,76,52,925.00

- I. Against the above mentioned deals, the broker was supposed to pay us the amount of difference of Rs. 5, 59,419.44 of the above mentioned securities to us and was supposed to give the physical possession of the said securities to us. In this regard, the broker had given us the cheque no. 984100 dated 19/03/2002 of HDFC Bank Ltd to us and we have received the said amount.

The Exhibit-A attached herewith is the contract note dated 19/03/2002 issued by the broker accepting the purchase of the government securities. The said broker has admitted the said deal and with it, had sent the copy of the cheque no. 984100 dated 19/03/2002 of Rs. 5, 59,419.44. The said broker failed in handing over the physical possession of the above mentioned securities that we had purchased, and thus, the broker has breached the contract notes.

- 4.. By making phone calls and in person, we had demanded the physical possession of the said securities that we had purchased and whose consideration amount we had paid but the broker gave false promises to us giving new dates for the delivery of the securities but till date the broker has not handed over the physical possession of the said securities to us till date.
5. In order to pressurise the broker to hand over the physical possession of the securities that we had purchased, we had sent a fax on their fax no. 022-7812548 on 16/04/2002 and had requested the broker to hand over the physical possession of the government securities to us but despite our written reminders, telephonic reminders and personal meetings, the said broker could not hand over the government securities to us. The copy of the letter dated 16/04/2002 Exhibit-B is presented herewith.
6. The directors and the officers of us the complainant bank had gone to the office of the said broker on 29/04/2002 and the directors of the broker company and the senior officers of the said firm could not be found or contacted there and we had come to know that they are absconding and we were greatly shocked and we realized that the said broker has committed fraud with us, and they avoided to meet

us in person and they failed in handing over the physical possession of the securities and therefore, they are absconding.

7. As per what we learnt from the reports given in the newspapers and the Durdarshan news and the information received from reliable sources, we have come to the conclusion that the said broker have failed in fulfilling the implementation of the agreement mentioned in their contract notes. Besides, actually, they have siphoned off the amount of the securities, the amount that we had paid to them in the dealing of the purchasing of the securities. So, all the directors of the said firm have hatched the criminal conspiracy and have committed the fraud.
8. As a part of the precaution, we have sent our complaint to the Investors Service Cell of National Stock Exchange of India Ltd and the SEBI on date 30/04/2002 and dated 01/05/2002 respectively on Fax through our advisor M/s. D. R. Investors Grievances Ltd. Besides, we have sent its original copy on 02/05/2002, and they are presented vide Exhibit "C" and Exhibit "D" respectively.

Taking into account the seriousness of the present case, and due to the huge amount, the directors and the officers of the said broker firm, and their assistants may run away to foreign to avoid their responsibility and the legal action. Therefore, we request to seize their passport by taking necessary action and request to take effective action to see that the criminals do not run away from the country.

Based on the information and the knowledge that we have, we are producing the schedule of the properties of the directors of the said broker firm and their assistants herewith and request to seize the properties of the accused who have forged criminal conspiracy with

the investors.

9. The accused of this matter have siphoned off the money of huge amount from one Nagarik Sahakari bank of Valsad district, two banks of Navsari District, four banks of Surat and the Nagarik Sahakari bank of Karamsad of Kheda District and have committed fraud and have put the financial interest of the lakhs of depositors and the shareholders at risk. Besides, due to the said act of the accused, the trust of the depositors on the said banks has got broken, which may result into the closure of these banks permanently. By doing so, the accused have caused damage of serious nature to the public interest. Besides, it has damaged the prestige of all these banks. Therefore, it is requested to take strict criminal action against them.
10. I the complainant is the manager of The Navsari People's Co. Op. Bank Ltd., Navsari. Its registered office is at the address: "Din Dayal Bhavan", Din Dayal Chowk, near Gayanshala, Navsari. I the complainant have been authorized to sign this complaint and to give the deposition vide Resolution No. 4 dated 03/07/2002 of the Board of Directors of the Bank.
11. All the accused of this matter have committed the offences of serious nature systematically and it is requested to take legal action against them all and to produce all of them in the Court having the jurisdiction.
12. Of the accused persons, accused no. 9 to 11 and no. 13 to 15 are the responsible officers of the said firm and they have taken active part in the deals and transactions of the securities made with us and are involved in the offence.
13. My witnesses are mentioned below and if required, we will request

for the necessary summons to examine further witnesses.

Witnesses:-

1. I the complainant
2. The directors of the bank
3. Mr. T. R. Swami, Deputy General Manager, UBD, Reserve Bank of India, Ahmedabad.
4. Mr. Vinayak Raval, Manager, Reserve Bank of India, Ahmedabad.
5. Mr. Vinodbhai G. Desai, Chartered Accountant and the internal auditor of the bank.

Thanking you,

Yours faithfully,

Sd/- Illegible

Manager

(B.H. Suthar)

For The Navsari People's Co. O. Bank Ltd., Navsari.

SCHEDULE - I

Showing addresses of broking firm, their associate concerns and the name and address of directors and officers, who were incharge for the operation of the company.

Sr. No.	Name and address	Tele No.
1	Home Trade Ltd. Share and Stock Broker Member of The National Stock Exchange of India Ltd. Tower No. 3, 5 th Floor, International Infotech Park, Vashi, Navi Mumbai - 400 703	78124444, 7812550
2	Home Trade Ltd. Mittal Court, A Wing, 143, 14 th Floor, Nariman Point, Mumbai - 400 021	2821211, 2846114, 2846115
3	Home Trade Ltd. 709, Raheja Centre, 214 Free Press Journal Marg, Mumbai - 400 021	
4	Ways India Ltd. Tower No. 3, 5 th Floor, International Infotech Park, Vashi, Navi Mumbai - 400 703	78124444, 7812550
5	Gilledge Management Services Ltd. 103 Liberty Apartment, 80-A, Sarojini Road, Behind McDonald, Vile Parle (West), Mumbai - 400 056	6194712
6	Gilledge Investment Banking Services Ltd. 103, Liberty Apartment, 80-A, Sarojini Road, Behind McDonald, Vile Parle (West), Mumbai - 400 056	6194712
7	Gilledge Forex Ltd. 103, Liberty Apartment, 80-A, Sarojini Road, Behind McDonald, Vile Parle (West), Mumbai - 400 056	6194712
8	Gilledge Equiderivatives Ltd. 103, Liberty Apartment, 80-A, Sarojini Road, Behind McDonald, Vile Parle (West), Mumbai - 400 056	6194712
9	Gilledge Credit Capital Ltd. 103, Liberty Apartment, 80-A, Sarojini Road, Behind McDonald, Vile Parle (West), Mumbai - 400 056	6194712
10	Ketan Sheth & Co. 103, Liberty Apartment, 80-A, Sarojini Road, Behind McDonald, Vile Parle (West), Mumbai - 400 056 And 124-A, Sohrab Hall, 21 Sassoon Road, Pune - 411 001 And	6194712 020-601607 / 603962 Fax: 020-6114285 033-4133899

	13B/2A, Saral Bose Road, Post Office Lansdowne, Kolkata - 700 029	Fax: 033-4748215
	And	
	S8, Utility Centre, 2 nd Floor, Saranpur Road, Opp. Rajiv Gandhi Bhawan, Nasik City, Pin - 422 002	0253-317078-79
	And	
	801, Siddhi Ratna Bldg, Opp. Panchvati Press, Ellisbridge, Ahmedabad - 380 006	0796-561054
11.	Euro Discover Technology Ventures Ltd 5, Duke of Edinburgh Avenue, P. O. Box 627, Port Louis, Mauritius	(230) 2125150 2128077-79 Fax: (230) 2127375
12.	Euro Discover Technology Ventures Ltd. Tower 3 5 th Floor, Railway Station Complex, Navi Mumbai - 400 705	7812441-44 Fax 7812548
13.	Euro Offshore Investments Ltd.	
14.	Dalhousie Securities Pvt. Ltd.	
15.	Euro Allied Ltd.	

Name and address of the Directors, Promoters and Officers:

Sr. No.	Name and address	Tele No.
1.	Mr. Sanjay Agarwal, Director S/o. Hariram Agarwal Juhu Shalimar CHS Ltd. 7 th Floor, Gulmohar Cross Road No. 10, Juhu, Mumbai - 400 049	
2.	Mr. Sanjay Agarwal, Director 9 th Floor, Kussam Apartment, Sector No. 17, Vashi, Navi Mumbai	7897172
3.	Mr. Ketan Sheth, Director S/o. Kantilal Sheth 193, Lalit Kutir CHS, 3 rd Floor, Gulmohar Cross Road No. 9, JVPD, Mumbai - 400 049	6194712-19 Mobile: 98211 42821 98211 42823
4.	Mrs. Jagruti Sheth W/o Ketan Sheth 193, Lalit Kutir CHS, 3 rd Floor, Gulmohar Cross Road No. 9, JVPD, Mumbai - 400 049	6194712-19 Mobile: 98213 30822
5.	Mr. Nandkishore S. Trivedi, Director S/o. Shankarlal V. Trivedi Dev Bhuvan, 2 nd Floor, R No 32, Gazadar Street, Chira Bazar, Mumbai - 400 002	Mobile: 98210 30149
6.	Mr. Nandkishore S. Trivedi, Director Pushpam Apartment, 3A, 3 rd Floor, Khandubai Desai Road, Vile Parle (West), Mumbai - 400 056	6254041
7.	Mr. Hiten B Shah, Director S/o. Bhopendra B. Shah 102 Gandhi Niwas, Ashok Nagar Road, Vakola, Santacruz, Mumbai - 400 055	
8.	Mrs. Shilpa H. Shah, Director W/o. Hiten B. Shah	

AL CHIEF JL

	102 Gandhi Niwas, Ashok Nagar Road, Vakola, Santacruz, Mumbai - 400 055	
9	Mrs Kanan Mewawala Manager Home Trade Ltd. Jayant Mahal, 5 th Floor, Opp. Wankhede Stadium, Marine Drive, Mumbai	(O): 7909427 (R) 2819290 Mobile: 98200 86818
10	Bina Sanghvi Officer, Ketan Sheth & Co. 103, Liberty Apartment, 80-A, Sarojini Road, Behind McDonald, Vile Parle (West), Mumbai - 400 056	6194712 Mobile: 98211 42821, 98211 42823
11	Mr Ketan Maskaria Officer, Home Trade Ltd.	
12	Mr Subodh Bhandari Executive Managing Director, Home Trade Ltd. Flat No. 703 - B, Govind Complex, Sector - 14, Vashi, Turbhe, Navi Mumbai - 400 705	7897433 Mobile: 98210 30143
13	Mr Hiren Gada Sr. Vice President, Home Trade Ltd.	
14	Mr Abu Shah Sr. Officer, Gillette Mng Services Ltd.	
15	Ms. Vicenta Officer Gillette Mng Services Ltd.	

SCHEDULE - II

Details of the bank account and other properties owned by the broker and its directors, promoters and associate companies.

Sr. No.	Name and address	Tele No.
1	HDFC Bank Ltd. Tulsiani Chambers, Nariman Point, Mumbai	
2	HDFC Bank Ltd. 169, Ramon House, Backbay Reclamation, Mumbai - 400 020	
3	ICICI Bank Ltd Nariman Point Mumbai	
4	UTI Bank Ltd Universal Assurance Bldg, Ground Floor S.P.M Road Fort, Mumbai	
5	Janata Sahakar Bank Ltd Botawala Bldg Alkesh Road, Madhy Marg, Fort, Mumbai	
5	Industrial Bank Ltd Hochschild Bldg Nariman Point Mumbai	
7	Bank of India Stock Exchange Branch Mumbai	
8	Capital Market Branch Fort, Mumbai	



ADJUSTMENT LETTER

MARK-A
28/3

Date: 19th March 2002

To,
The Navsari Peoples Co-Operative Bank Ltd.
Navsari

Kind Attn: Mr. Dhirubhai

Dear Sir,
This is to inform you about the various transactions done as on value date
30/03/2002

Home Trade to Sell

Sr. No.	Scrip Name	Contract No.	Face Value	Total Considerations
1	8.07% GOI 2017	7453	3,50,00,000.00	3,56,49,979.17
2	8.07% GOI 2017	7413	5,00,00,000.00	5,09,18,541.67
3	8.07% GOI 2017	7455	10,00,000.00	10,18,570.83
4	8.07% GOI 2017	7401	10,00,00,000.00	10,18,57,083.33
5	9.81% GOI 2017	7399	5,00,00,000.00	5,31,98,750.00
Total Receivable				24,76,52,925.00



Home Trade to Buy

Sr. No.	Scrip Name	Contract No.	Face Value	Total Considerations
1	10.50% GOI 2014	7395	5,00,00,000.00	6,33,06,250.00
2	9.39% GOI 2011	7397	7,00,00,000.00	8,08,74,150.00
3	11.50% GOI 2011	7405	3,00,00,000.00	3,83,81,250.00
4	11.50% GOI 2015	7411	5,00,00,000.00	6,56,50,694.44
Total Payable				24,82,12,344.44

(B) Net Payable : Rs. 24,82,12,344.44
 (A) Net Receivable : Rs. 24,76,52,925.00
 (B) - (A) Net Payable By Us : Rs. 5,59,419.44

Kindly confirm the above deal.

Thanking You,
Yours Truly,
For Home Trade Ltd.

[Signature]
(Authorized Signatory)



NAVSARI PEOPLE'S CO-OP. BANK LTD.
 "Din Dayal Bhavan, Din Dayal Chowk, Opp. Gayan Shala
 Near Tower, Navsari-396445

Phone:

Office Manager 57764

Bank: 57209, 57210, 53899, 3475.

Fax: (02637) 46131

Date:

No.:

True copy made on the basis of the original one of the Resolution No. 4 passed in the meeting of the Board of Directors of The Navsari People's Co. Op. Bank Ltd., Navsari held on 03.07.2001.

Resolution No. 4:-

Issue No. 4	Resolution No. 4
To pass the necessary resolution to carry out criminal proceedings regarding the fraud committed with the bank by Home Trade Ltd., Mumbai.	It is resolved to carry out criminal proceedings regarding the fraud committed with the bank by Home Trade Ltd, Mumbai. Besides, the bank manager Mr. Bhanuprasad H. Suthar is authorized in this regard, it is resolved unanimously. The manager is also authorized to produce the documents and the information and the statements / explanations in this regard.

True copy on the basis of the original one.

Sd/- Illegible
 Chairman

25
3447

MARK 'F' Mark 'F'

19/03/2002

Navsari Peoples Co-operative Bank Ltd. या बँकेचे OR BEARER

PEES Five Lakh Fifty Nine Thousand Four hundred Ninety and Forty four Paise only- Rs. 5,59,419.44

CA No. 0010400317011 CA

FC BANK LTD.
- 104, Tulsiani Chambers, F.P. Marg,
Manpada, Mumbai - 400 021.

For HOME TRADE LIMITED
Shantani
Authorized Signatories

9

① 9 8 4 1 0 0 ① 0 0 2 1 0 0 ③ ③ ① 0 0 3 1 7 ① ① ① ①



Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

(2)

3449

HDFC Bank Ltd.
Chaitanya Jyoti,
Opp. Raymond's Showroom,
Surat Dumas Road,
Athwa Limar, Surat - 395 002.
Tel: 3768847/52754
Fax: 3268857

Mark - G

MARK - G

03/07/2002

To:
The Manager
The Navsari People's Co-op Bank Ltd
Dindayal Bhawan, Dindayal Chawk
Opp. Gyan Shala, NAVSARI - 396 215

Dear Sir,

REF: Your letter dtd. 26/06/2002.
SUB: Certificate Regarding Clearance & Collection of Cheques.

With respect to the above, we hereby confirm that the given cheques pertaining to your current account # 067 0053208 002, have been cleared at HDFC Bank under the details stated below:

Date	Cheque #	Amount (In Rs.)	Cleared At	Effect	Counterparty
03/05/2001	111446	5,02,47.23	Mumbai	Credit	Home Trade Ltd.,
08/06/2001	923001	12,42,43.76	CMS Collection	Credit	Home Trade Ltd.,
23/10/2001	257022	19,80,55.56	Mumbai	Credit	Home Trade Ltd.,
13/11/2001	257072	48,15,87.76	Mumbai	Credit	Home Trade Ltd.,
06/12/2001	573236	15,00,00.00	Mumbai	Debit	Home Trade Ltd.,
23/03/2002	984100	5,50,319.44	Surat	Credit	Home Trade Ltd.,

Accounts of our bank continue to show a balance

Yours faithfully,
For: HDFC BANK LTD.

As per bank statement



NAVSARI PEOPLE'S CO-OP. BANK LTD.
 "Din Dayal Bhavan, Din Dayal Chowk, Opp. Gayan Shala
 Near Tower, Navsari-396445

Phone:
 Office Manager 57764
 Bank: 57209, 57210, 53899, 3475.
 Fax: (02637) 46131
 Date:
 No.:

True copy made on the basis of the original one of the Resolution No. 4 passed in the meeting of the Board of Directors of The Navsari People's Co. Op. Bank Ltd., Navsari held on 03.07.2001.

Resolution No. 27(5):-

Issue No. 27(5)	Resolution No. 27(5)
To appoint an investment committee for the year 2001-2002 and for the tenure till the other appointment is made.	<p>For the year 2001-2002 and the period till the other appointment is made, the below mentioned three member including the chairman are appointed in the investment committee from the members of the board of directors, it is resolved unanimously.</p> <ol style="list-style-type: none"> 1. Mr. Thakorbbhai M. Desai, (Chairman) 2. Mr. Hitendrabhai S. Desai, (Director) 3. Mr. Mohanbbhai U. Gandhi (Director) <p>As per the provision of Sub-Rule 37 (22), this committee will be considered as the Chief Executive Officer (Manager, Ex Officio member).</p>

True copy on the basis of the original one.

Sd/- Illegible
 Chairman

(28)

March 1996

- S 3 -

Mark-I 3453

MARK-I

UBD.NO.BR.CIR/42/16.26.00/2000
UBD.No.BR.Cir/42/16.26.00/2000-01, April 19, 2001. (20010419)

BANKING REGULATION ACT, 1949 (AS APPLICABLE TO CO-OPERATIVE SOCIETIES) - SECTION 24 - INVESTMENT IN GOVERNMENT AND OTHER APPROVED SECURITIES BY URBAN

#

Chief Executive Officers of
All Primary (Urban) Co-operative Banks

Dear Sir,

#

Please refer to our Circular UBD.BR.No.33/16.26.00/95-96 dated 3 January 1996 in terms of which all scheduled urban co-operative banks are required to maintain at least 15.0 percent of their Net Demand and Time Liabilities (NDTL) in government and other approved securities and non-scheduled urban co-operative banks with NDTL of Rs. 25 crore and above are required to maintain at least 10.0 percent of their NDTL in government and other approved securities. However, in respect of other non-scheduled urban co-operative banks, there is no stipulation regarding maintenance of SLR in the form of government and other approved securities.

2. It has now been decided to increase the proportion of SLR holdings in the form of government and other approved securities as percentage of NDTL in the following manner which should be achieved by the urban co-operative banks by end-March 2002.

#

Category of UCBs	Investment in government and other approved securities as percentage of Net Demand and Time Liabilities (NDTL)

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Page 1



an, March 1996

-54-

(29)

34.55

	Present	Revised
Scheduled UCBs	15%	120%
Non-Scheduled UCBs		
UCBs with NDTL of Rs. 25 crore & above	10%	15%
UCBs with NDTL of less than Rs. 25 crore	Nil	10%

#

3. Further, with effect from April 01, 2003, all scheduled urban co-operative banks shall maintain their entire SLR assets of 25.0 percent of NDTL only in government and other approved securities.

4. All the scheduled UCBs and non-scheduled UCBs with NDTL of Rs. 25 crore and above would, henceforth, be required to maintain investments in government securities only in SGL Accounts with Reserve Bank of India or in constituent SGL Accounts of public sector banks and Primary Dealers (PDs). Non-scheduled UCBs with NDTL of less than Rs. 25 crore may maintain government securities in physical or scrip form.

5. The other instructions contained in our above Circular will remain unchanged.

#

Yours faithfully,

Sd/.

(M. M. S. Rekhras)
Chief General Manager-in-Charge

#

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Page

FIRST INFORMATION REPORT

(U/s 154 of CrPC)

CR No. I-93/2002

Navsari Town Police Station

Sub-District: Navsari Town

District: Navsari

Date and time of occurrence of offence:

During the period from February 1999 to Date: 29/04/2002.

1. Date and time of reporting : Date: 18/08/2002 Time: 22:00
2. Place of offence and the distance and direction from PS: Navsari People's Co. Op. Bank, Din Dayal Bhavan, Opp. Gayan School, Navsari, In the South Direction, 2 km.
3. Date sent from PS: Date: 18/08/2002.
4. Name and address of the informer/complainant: Bhanuprasad Harishankar Suthar, Manager, The Navsari People's Co. Op. Bank Ltd., R/o, 304, Dhruv Apartment, near Vijay Park Society, Opp. Lunsikui, Navsari, Phone No. 40621. (O): 57209.
5. Names and addresses of the accused:-

1. Mr. Sanjay Agrawal, Director, S/o Hariram Agrawal, Juhu Shalimar CHS Ltd, 7th Floor, Gulmahor Crossroad No. 10, Juhu, Mumbai-400049.

2. Mr. Ketan Sheth, Director,
193, Lalit Kutir, CHS, 3rd Floor, Gulmahor Crossroad no. 9,
JVPD, Mumbai-400049. Phone No.6194712-19, Mobile No.
9821142821, 9821142823.
3. Smt. Jagruti Sheth, wife of Ketan Sheth, 193, Lalit Kutir, CHS,
3rd Floor, Gulmahor Crossroad No. 9, JVPD Mumbai-400049.
Phone No. 6194712-19, Mobile No. 98213 30822.
4. Mr. Nandkishor S. Trivedi, Director, s/o Shankarlal V. Trivedi,
Dev Bhuvan, 2nd floor, Room No. 32, Gazadar Street, Chira
Bazaar, Mumbai-400002, Mobile No. 98210 30149.
5. Mr. Hiten B. Shah, Director, s/o Bhupendra B. Shah, 102, Gandhi
Nivas, Ashok Nagar Road, Vakola, Santacruz, Mumbai-400055.
6. Smt. Shilpa H. Shah, Director, w/o Hiten B. Shah, 102, Gandhi
Nivas, Ashok Nagar Road, Vakola, Santacruz, Mumbai – 400055.
7. Kumari Kanan Mevawala, Manager, Home Trade Ltd.,
Jayant Mahal, 5th Floor, Opp. Vankhede Stadium, Marine Drive,
Mumbai, Phone No. Office – 7909427, House Phone No.
2819290, Mobile No. 9820086818.
8. Bina Sanghavi, Officer – Ketan Sheth & Co.,
103, Liberty Apartment, 80/A, Sarojini Road, behind Macdonald,
Vile Parley-West, Mumbai-400 056.
Phone No. 6194712, mobile no. 98211 42821, 98211 42823.
9. Mr. Ketan Mashkariya, officer, Home Trade Ltd.
10. Mr. Subodh Bhandari, Executive Managing Director, Home
Trade Ltd., Flat No. 703 / B, Govind Complex, Sector – 14, Vasi
Turbhi, Navi Mumbai – 400 705, Phone No. 7897433, Mobile
No. 98210 30143.
11. Mr. Hiren Gada, Senior Vice President, Home Trade Ltd.

12.Mr. Atul Shah, Senior Officer, Giltej Management Services Ltd.

13.Kumar Vichita, Officer, Giltej Management Services Ltd.

6. Brief fact of the offence and the sections and brief description of the property is stolen:

Under IPC Section-406, 409, 420, 421, 422, 423, 120(b), and 34. The fact of the offence is that the above mentioned accused, in connivance with one another, introduced self to the Navsari People's Bank Ltd of the complainant, a registered cooperative bank as the approved broker of National Stock Exchange working under Euro Asian Securities Ltd., and gained the trust and confidence of the bank and got the bank to purchase and sell the government securities through them and meanwhile, the said accused committed fraud with the bank and with the mala fide intention of siphoning off the money of the bank, changed the name of Euro Asian Securities Ltd with a new name titled Home Trade Ltd and during the said period and dates, mentioned four government securities of Rs. 24,82,12,344.24 by themselves as the broker instead of selling the said security, and said that the price is constantly increasing and the bank will get more profit, and said that the investment in new security will bring more benefit to the bank, and sold the old security on 20/03/2002 and purchased 05 new security at the price of Rs. 24,76,52,925/- on behalf of the complainant and sent the notice only on paper and actually, despite the fact that the accused received the consideration amount of the said securities, showed the purchase and selling only on paper and did not give the physical possession of the security to the complainant bank and the accused hatched criminal conspiracy and caused serious damage to the interest of the bank, the depositors and the shareholders and committed fraud and siphoned off the money of the bank and committed the offence etc.

7. Action taken regarding the investigation, and explanation in case of the delay in writing down the FIR:-

8. Disposal of the Muddamal: -

Sd/- Illegible

Rank: Police Inspector

Navsari Town Police Station

Note: - write the FIR below and obtain the signature of the informer and the officer writing it down will put his signature above it.

Today, as per the complaint application typed by Bhanuprasad Harishankar Suthar, Manager, The Navsari People's Co. Op. Bank Ltd., the following complaint has been received.

Complaint: Under IPC Section-406, 409, 420, 421, 422, 423, 120(b), and 34.

I, the complainant, state that the facts of my complaint are as follows.

1. I, the complainant is a Cooperative Bank and it has been established under the title "The Navsari People's Co. O. Bank Ltd", Navsari. Besides, its registered and administrative office is located at the address "Din Dayal Bhavan", Din Dayal Chowk, near Gayanshala, Navsari, Gujarat. Besides, it has been registered under Gujarat State Cooperative Society Act, 1961. We have been authorised by Reserve Bank of India to do the business of banking activity in Navsari and its surrounding area in Gujarat State.
2. I have lodged the present complaint against M/s. Home Trade Ltd. (to be referred to as the broker hereinafter). Besides, the said

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

company has been working as the Share and Stock Broker and as the member of National Stock Exchange of India. (To be referred to as NSE hereinafter). Its Director Mr. Sanjay Agrawal, Mr. Ketan Sheth, Mr. N. S. Trivedi, and Mr. Subodh Bhandari, and other accused hatched criminal conspiracy and have committed fraud of Rs. 24, 76, 52, 925/- (Rupees Twenty Four crore Seventy Six Lakh Fifty Two Thousand Nine Hundred Twenty Five) with us. As the member of NSE, we had purchased the Government Securities through them and we had made full payment for the same. However, the said broker failed in making the delivery of the government securities to us in physical form. With this, we are producing Schedule-I bearing the names and addresses of the different offices of the brokers and

their directors, bankers and associates companies.

3. The facts of the case are as follows.

1. We the complainant is a Cooperative bank established under Gujarat State Cooperative Societies Act, 1961. Besides, our bank is authorized to do the business of banking activity in Navsari and surrounding area in Gujarat State under the Reserve Bank of India.
2. Under the Provision of Banking Regulation Act, 1949, we are bound to invest about 25% amount in the Government Securities as the Net Time and Demand Liabilities. Therefore, we had decided to make the investment within the limit under the permission of RBI, which is known as the Statutory Liquidity Ratio (S.L.R.).
3. Around 15th of December, 1997, Mr. Ketan Sheth had come to our bank and had said that he was the owner of M/s. Ketan Sheth & Co., and that he has been doing the business of the trading of the Government Securities for different customers including the Cooperative Banks.
4. Thereafter, we had discussed with him regarding the conditions in order to purchase the government securities by their firm, and at last, on 20/12/1997, we had placed our order to fulfil the requirement of our SLR. M/s. Ketan Sheth & Co. had purchased the securities of G. O. I. (GOVERNMENT OF INDIA) 1998 OF 10.50% at the consideration amount of Rs. 35, 30,625/-, and the said consideration amount was paid vide cheque no. 862081 of

Maharashtra State Cooperative Bank Ltd., Mumbai, and the said broker had handed over the physical possession of the said securities to us, and thus, both parties completed their responsibilities.

During the period from the year 1997 to the year 1999, we had purchased different government securities through M/s. Ketan Sheth & Co., and in all the said cases, we had made the payment of all the purchases of the government securities and both parties had completed their responsibilities.

During the said period, Mr. Ketan Sheth had told us that he is a director in Giltedge Management as well. So, in order to fulfil the requirement of SLR, we purchased the government securities through "Giltedge Management Services Ltd." And both parties had completed their responsibilities by making the payment against the purchase and had received the physical possession of the purchased government securities.

5. In February, 1999, again Mr. Ketan Sheth had come to Navsari and had told us that "M/s. Euro Asian Securities" is a member of NSE and is authorized to trade the Government Securities. Besides, since we were associated with Ketan Sheth since December 1997, and had completed his all the deals with us in time till February 1999, we had decided to purchase the government securities through the said new firm for the purpose of the SLR.
6. Therefore, for the requirement of SLR, we had started purchasing government securities through "M/s. Euro Asian Securities" as per the requirement of SLR. In it also we both parties had fulfilled and completed our mutual

responsibilities. During the deal with "Euro Asian Securities Ltd.", we had sold some government securities through them and with the intention of fulfilling our responsibility, we had handed over the possession of the said government securities to "Euro Asian Securities", and we had received full consideration amount of the selling, and thus, we both parties had completed the process of selling.

7. During the period of January, 2000, Mr. Ketan Sheth, Mr. Sanjay Agrawal and Mr. N. S. Trivedi had told us that their old broker firm titled "Euro Asian Securities Ltd" will do the business now after under the new title "Home Trade Ltd.", and Mr. Sanjay Agrawal is the chairman and chief Executive Officer in it, and Mr. Ketan Sheth and Mr. Nandkishor Trivedi are the directors.

Then had further said that "Home Trade Ltd" is a member of NSE and its administration is done by a professional team. Besides, they had assured us for the quality-result-oriented business services and transact government securities through the new broker firm Home Trade Ltd.

They had also said that Home Trade Ltd has also created another group Company in the name of "Ways India Ltd", and they said that the said Company will be managed in the best professional manner in software technology. They further said that the activities of the business development will be handled by the best film actors Shahrukh Khan, Rutvik Roshan, Sachin Tendulkar and Priyanka Chopra. Later on we came to know that the accused have established Home Trade

Company systematically to attract the investment of huge amount of People's cooperative banks in government securities. Besides, as stated above, the accused have committed the fraud of huge amount with us and have embezzled and siphoned off the huge amount. Therefore, it is requested to take strict legal action against them.

- 8 For the investment of the fund of the government securities as per the requirement of the SLR, it was decided within the bank that the orders of the purchase of the government securities will be given to the brokers.

A. During our business activities, we had come to know from reliable sources that as a Cooperative Bank, we can dispose of the government securities in the open market and in order to fulfil the requirement of the SLR, we can purchase the government securities from the open market. We made the calculation of the profit and loss regarding how many government securities we can trade in the open market and in return, the other government securities will earn more income for us, and therefore, in the best interest of the depositors and the shareholders, we had decided to sell the government securities whenever there was such chance so that we can earn more amount without affecting the requirement of SLR.

B. Therefore, in order to fulfil the requirement of SLR, we started purchasing the government securities through Home Trade Ltd since February 2000 and by the end of March, 2001, we had sold certain government securities through them. The said broker purchased the certain government securities whose

physical possession they had earlier handed over to us and we had received the payment of the said securities and they had accepted the government securities that we had sold to them.

C. During the financial year of 2001-2002, the RBI had issued a circular and had stated that the Nagarik Sahakari Banks will increase their investment in the government securities and will not make investment in the district and state government banks. In other words, instead of the term deposits in the district and state cooperative banks, the Nagarik Sahakari banks were given the permission to make the investment in the government securities.

We made the comparison of the return in the government securities and the term deposits of the district and state cooperative banks and in order to fulfil the requirements mentioned in the circular of the RBI, we made the investment in the government securities.

D. During the Financial Year of 2001-02, as there was decrease in the rate of the interest constantly entire year, and the government had started issuing new securities at less rate and due to it, the price of the old government securities had increased in the market. Due to the increase in the interest rate, more return was received.

E. As we got the opportunity, and due to the increase in the income of the bank and in the interest of the shareholders and the depositors, and as the government securities that we had purchased earlier ere giving more price, we sold the said securities. As a result, the bank had earned more income as the profit. At the same time, in order to fulfil the requirement of the SLR, we purchased new government securities and due to which we again made the portfolio of the government securities and as a result, there was increase in the income of the bank and the requirement of SLR too was maintained.

F. Whenever we made the selling of the old government securities and purchased new government securities through the broker, we came to know of the amount payable to the broker and the amount receivable from the broker due to the said deals and transactions. We and the said broker had issued the cheques of the amount of difference from time to time and had completed our mutual responsibilities.

G. In March 2002, we had earlier paid the amount of the purchase order of the below mentioned securities that were in possession of the said broker.

Sr. No.	Scrip Name	Face Value
1	10.50% GOI 2014	5,00,00,000.00
2	9.39% GOI 2011	7,00,00,000.00
3	11.50% GOI 2011	3,00,00,000.00
4	11.50% GOI 2015	5,00,00,000.00
	Total Face Value	20,00,00,000.00

Therefore, we decided to sell the said government securities and the broker had implemented the said deal and we had sent the

below mentioned contract notes.

Sr. No.	Scrip Name	Cont.	Face Value	Total Consideration
1	10.50% GOI 2014	7395	5,00,00,000.00	6,33,06,250.00
2	9.39% GOI 2011	7397	7,00,00,000.00	8,08,74,150.00
3	11.50% GOI 2011	7405	3,00,00,000.00	3,83,81,250.00
4	11.50% GOI 2015	7411	5,00,00,000.00	6,56,50,694.44
			Total receivable	24,82,12,344.44

H. In order to fulfil the requirement of SLR, we had given the instruction to the broker to purchase the following securities and the broker had executed the said deal and had sent the contract notes to us.

Sr. No.	Scrip Name	Cont. No.	Face Value	Total Consideration
1	08.07% GOI 2017	7453	3,50,00,000.00	3,56,48,976.17
2	08.07% GOI 2017	7413	5,00,00,000.00	5,09,28,541.67
3	08.07% GOI 2017	7455	10,00,000.00	10,18,57,083.33
4	08.07% GOI 2017	7401	10,00,00,000.00	10,18,57,083.33
5	09.81% GOI 2013A	7399	5,00,00,000.00	5,81,98,750.00
			Total payables	24,76,52,925.00

I. Against the above mentioned deals, the broker was supposed to pay us the amount of difference of Rs. 5, 59,419.44 of the above

mentioned securities to us and was supposed to give the physical possession of the said securities to us. In this regard, the broker had given us the cheque no. 984100 dated 19/03/2002 of HDFC Bank Ltd to us and we have received the said amount.

The Exhibit-A attached herewith is the contract note dated 19/03/2002 issued by the broker accepting the purchase of the government securities. The said broker has admitted the said deal and with it, had sent the copy of the cheque no. 984100 dated 19/03/2002 of Rs. 5, 59,419.44. The said broker failed in handing over the physical possession of the above mentioned securities that we had purchased, and thus, the broker has breached the contract notes.

4. As mentioned above, M/s. Home Trade Ltd that had been paid the full consideration amount of the government securities of Rs. 24, 76, 52,925/- has failed in giving the physical possession of the said securities.
5. By making phone calls and in person, we had demanded the physical possession of the said securities that we had purchased and whose consideration amount we had paid but the broker gave false promises to us giving new dates for the delivery of the securities but till date the broker has not handed over the physical possession of the said securities to us till date.

In order to pressurise the broker to hand over the physical possession of the securities that we had purchased, we had sent a fax on their fax no. 022-7812548 on 16/04/2002 and had requested the broker to hand over the physical possession of the government

securities to us but despite our written reminders, telephonic reminders and personal meetings, the said broker could not hand over the government securities to us. The copy of the letter dated 16/04/2002 Exhibit-B is presented herewith.

6. The directors and the officers of us the complainant bank had gone to the office of the said broker on 29/04/2002 and the directors of the broker company and the senior officers of the said firm could not be found or contacted there and we had come to know that they are absconding and we were greatly shocked and we realized that the said broker has committed fraud with us, and they avoided to meet us in person and they failed in handing over the physical possession of the securities and therefore, they are absconding.
7. As per what we learnt from the reports given in the newspapers and the Durdarshan news and the information received from reliable sources, we have come to the conclusion that the said broker have failed in fulfilling the implementation of the agreement mentioned in their contract notes. Besides, actually, they have siphoned off the amount of the securities, the amount that we had paid to them in the dealing of the purchasing of the securities. So, all the directors of the said firm have hatched the criminal conspiracy and have committed the fraud.
8. As a part of the precaution, we have sent our complaint to the Investors Service Cell of National Stock Exchange of India Ltd and the SEBI on date 30/04/2002 and dated 01/05/2002 respectively on Fax through our advisor M/s. D. R. Investors Grievances Ltd. Besides, we have sent its original copy on 02/05/2002, and they are

presented vide Exhibit "C" and Exhibit "D" respectively.

Taking into account the seriousness of the present case, and due to the huge amount, the directors and the officers of the said broker firm, and their assistants may run away to foreign to avoid their responsibility and the legal action. Therefore, we request to seize their passport by taking necessary action and request to take effective action to see that the criminals do not run away from the country.

Based on the information and the knowledge that we have, we are producing the schedule of the properties of the directors of the said broker firm and their assistants herewith and request to seize the properties of the accused who have forged criminal conspiracy with the investors.

9. The accused of this matter have siphoned off the huge amount from one Nagarik Sahakari bank of Valsad district, two banks of Navsari District, four banks of Surat and the Nagarik Sahakari bank of Karamsad of Kheda District and have committed fraud and have put the financial interest of the lakhs of depositors and the shareholders at risk. Besides, due to the said act of the accused, the trust of the depositors on the said banks has got broken, which may result into the closure of these banks permanently. By doing so, the accused have caused damage of serious nature to the public interest. Besides, it has damaged the prestige of all these banks. Therefore, it is requested to take strict criminal action against them.

10. I the complainant is the manager of The Navsari People's Co. Op. Bank Ltd., Navsari. Its registered office is at the address: "Din Dayal Bhavan", Din Dayal Chowk, near Gayanshala, Navsari. I the complainant have been authorized to sign this complaint and to give the deposition vide Resolution No. 4 dated 03/07/2002 of the Board of Directors of the Bank.
11. All the accused of this matter have committed the offences of serious nature systematically and it is requested to take legal action against them all and to produce all of them in the Court having the jurisdiction.
12. Of the accused persons, accused no. 9 to 11 and no. 13 to 15 are the responsible officers of the said firm and they have taken active part in the deals and transactions of the securities made with us and are involved in the offence.
13. My witnesses are mentioned below and if required, we will request for the necessary summons to examine further witnesses.

Witnesses:-

1. I the complainant
2. The directors of the bank
3. Mr. T. R. Swami, Deputy General Manager, UBD, Reserve Bank of India, Ahmedabad.
4. Mr. Vinayak Raval, Manager, Reserve Bank of India, Ahmedabad.
5. Mr. Vinodbhai G. Desai, Chartered Accountant and the internal

auditor of the bank.

Thanking you,

Yours faithfully,

Sd/- Illegible

Manager

(B.H. Suthar)

For The Navsari People's Co. O. Bank Ltd., Navsari.

Sd/- Illegible

Police Inspector

Navsari Town Police Station

Dispatched with compliments:-

Hon'ble Chief Judicial Magistrate, Navsari: Date: 18/08/2002.

Date: 19/08/2002

My name is Bhanuprasad Harishakar Suthar, aged 53, occupation: job, Res. 304, Dhruv Apartment, near Vijay Park Society, Opp. Lunsikui, Navsari, (R) 47785, (O) 57764, 49162, 46131.

On being asked, I state that I have been discharging duty as the Manager in Navsari People's Co. Op. Bank since 03/12/2001 and my monthly salary is Rs. 12,500/-. As the manager in The Navsari People's Co. Op. Bank, my duty is to do the administrative work of the bank and to do the supervision of the financial transactions of the bank and to follow the instructions given by the board of directors and the chairman of the bank and to draw their attention to the facts related to the administration. After I joined the Navsari People's Co. Op. Bank on 03/12/2001, my work was that of the development and the training but on 12/08/2002, my previous manager (general) Dhirubhai Manilal Nayak, Res. Purnima Society, Ghod Dod Road, Surat and I was appointed in his place by the bank and since then I have been discharging my duty on the said post of the manager.

Yesterday on 18/08/2002, I, as the manager of Navsari People's Bank, have lodged my complaint with Navsari Town Police Station against the Home Trade Ltd, Mumbai regarding the embezzlement of money as per the resolution of the Board of Directors of the Bank for necessary legal action, as the directors of Home Trade Ltd., and its employees hatched the

criminal conspiracy and committed fraud with the deposits of the bank and therefore, I have lodged my complaint bearing my signature and seal of my post to register an offence. With the complaint, I produced the necessary document bearing the names and addresses of the accused and based on my application, an offence has been registered with Navsari Town Police Station vide I-CR No. 93/2002 under IPC Section-406,409, 420, 421, 422, 423, 120b, 34, and I have received a copy of the FIR. I had put my signature confirming that I have received a copy of the FIR. Along with my complaint application, I have produced the documents from Mark-A to Mark-I (photocopies), and you sir have shown me the said documents and each of the documents bears my signature and the round seal of the bank. On perusal of the said document, I state that the directors and administrators of Home Trade Ltd., Mumbai have hatched criminal conspiracy and have committed fraud of Rs. 24,76,52,925/- of the deposits of our bank and with the application, I had attached a sheet of the names and addresses of the accused. Besides, on perusal of the sheet of schedule no. 1, I state that it bears the names and addresses of the Home Trade Ltd and its sister concerned officers and their telephone numbers and the names and addresses of the directors, promoters and the officers. It runs into three pages. Each of the pages bears my signature and the round seal of the bank. Besides, the sheet Schedule-2 that I have produced bears the names and addresses of the banks of the brokers, directors, promoters, associates of company. There is no mention regarding the property. The said sheet runs into one page and it bears my signature.

The sheet that has been produced and has been marked as Mark-A is the letter showing the information of the purchased and sold securities and this runs into ten pages and each of the pages bears my signature and the round seal of the bank. Besides, the other sheet marked as Mark-B that

I have produced is the copy of the letter written by Navsari People's Co. Op. Bank Ltd., to Home Trade Ltd asking to make the physical delivery of the securities and it runs into one page. It bears my signature and the seal of the bank. Besides, the sheet marked as Mark-C that I have produced is the sheet of the fact informed to the National Stock Exchange of India Ltd through DR Investors Grievances Service Ltd. It runs into four pages. Each of the pages bears my signature and the round seal of the bank. Besides, Sheet marked as Mark-D produced by me is the letter written to Stock Exchange Division through DR Investors Grievances Service Ltd, and it contains the information regarding the Home Trade Ltd, share and stock broker. It runs into five pages. Each of the pages bears my signature and the round seal of the bank. Besides, the sheet marked as Mark-E that I have produced is the copy of the Resolution No. 4 passed in the meeting of the Board of the Directors of Navsari People's Co. Op. Bank Ltd held on 03/07/2002. It runs into one page. It bears my signature and the round seal of the bank. Besides, the sheet marked as Mark-F that I have produced is the copy of the cheque of HDFC Bank dated 19/03/2002 and it runs into one page. It bears my signature and the seal of the bank. Besides, sheet marked as Mark-G is the copy of the sheet of the information regarding the cheque debited-credited by HDFC bank, and it runs into single page. It bears my signature and the seal of the bank. Besides, the sheet marked as Mark-H is contains the details of the Resolution No. 27(5) passed in the meeting of the board of directors of Navsari People's Co-Op. Bank Ltd held on 09/07/2002 and it runs into single page. It bears my signature and the seal of the bank. The sheet marked as Mark-I bears the information of RBI April 19, 2001 (2001/04/19), and it runs into two pages. They bear my signature and the round seal of the bank. These are the documents that I have produced with my application, and since it is 19:00 o'clock, and as

the other employees of the bank are not present, I will produce the other necessary documents related to the evidences of the offence tomorrow.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 06/09/2002

My name is Bhanuprasad Harishankar Suthar, Res. 304, Dhruv Apartment, near Vijay Park Society, Opp. Lunsikui, Navsari.

On being asked, I further state that today you sir have read over to me my statements recorded earlier and the facts stated in the said statements by me are true and correct. I further state that the Assistant Manager of the bank Mr. Arvindbhai Soni has produced the copies of the documents regarding the transactions / deals of the trading of the government securities made by Navsari People's Co. Op. Bank Ltd with Home Trade Ltd., Mumbai, and all the documents bear the round seal of Navsari People's Co. Op. Bank and my signature and on perusal of the said documents, I state that the (financial) deals of the government securities made by Navsari People's Co. Op. Bank with Home Trade Ltd are as follows.

- (1). First, Navsari People's Co. Op. Bank had purchased the government securities of Rs. 26,49,145.83 paisa of the original price of Rs. 25 lakh through the Contract Note No. 6224 from Home Trade Ltd on 30/12/1999 and had paid its amount vide Cheque No. 383514 dated 06/01/2000 of Maharashtra State Co. O. Bank, and its physical delivery has been received, and it has been registered in the name of Navsari People's Co. O. Bank, and its security no is AD 0032 Ahmedabad.
- (2). On 16/02/2000, through the contract note no. 6237, the bond of Rs. 2,15,82,876.71 of Maharashtra Krishna Valley Development Corporation

(MKVDC) of the original price of Rs. 2 crore that were sold to Home Trade and in return, Navsari People's Co. O. bank purchased the government securities of the price of Rs. 2,02,3,2777.78 of the original price of Rs. 2 crore through contract note no. 6230 from Home Trade Ltd and the amount of difference of Rs. 1350099.93 got deposited in the bank account of Navsari People's Bank of State Bank of India, Navsari on 19/12/2000 vide DD No. SB/1/3992-94 dated 17/02/2000 of Bank of Hyderabad of the amount of Rs. 10 lakh, and the DD No. SB/1/65245.4 dated 17/12/2000 of Rs. 350098.93.

(3). On 22/02/2002, As per the contract note no. 6243 and 6241, the government securities of Rs. 4,31,25,833.33 whose face value is Rs. 4 crore were sold to Home Trade Ltd. Both the securities were in the name of Navsari People's Co. O. Bank. Against the said selling, Navsari People's Bank had purchased the government security of Rs. 4053388.59 of the face value of Rs. 4 crore vide contract note no. 6245 from Home Trade Ltd. The total amount of difference of Rs. 2591944.44 paisa was received from Home Trade vide the DD No. 399297 dated 24/02/2000 of State Bank of Hyderabad, Fort Branch, Mumbai, and the bank had received the said amount. Besides, a letter was written to the Reserve Bank regarding the transfer of the said purchased security and a receipt has been received from the Reserve Bank in this regard. It was given to Reserve Bank of India, Ahmedabad vide receipt no. 1305 dated 16/08/2000 for the transfer in the name of the bank.

(4). On 14/03/2000, through the contract note no. 6287, the government securities of Rs. 21,21,7777.68 paisa of the face value of Rs. 2 crore were sold to Home Trade Ltd by the bank. Against the said consideration amount, the bank purchased the government securities of Rs. 20318000/- of the face value of Rs. 2 crore vide the contract note no. 6289 from Home

Trade Ltd. The total amount of Rs. 889777.78 of the difference was received by the bank from Home Trade vide the DD No. 652639 dated 15/03/2000 of State Bank of Hyderabad, Fort Branch, Mumbai. The securities sold in this deal had got transferred in the name of Navsari People's Co. O. Bank, and in order to transfer the purchased securities in the name of Navsari People's Bank, Navsari, the receipt no. 7345 dated 17/08/2000 of the Public Dept office of Reserve Bank of India, Ahmedabad branch has been received.

(5). Thereafter, on 20/09/2000, vide contract note no. 10391, the securities (GOI) of the face value of Rs. 2 crore and vide contract note no. 10689, the securities of total Rs. 81,72,31,166.67 of the face value of Rs. 6 crore were sold to Home Trade Ltd by the bank. Against the consideration amount of said selling by the bank, as per the contract no. no. 10403, 10410 and 10393, the securities (GOI) of Rs. 83276333.33 of the face value of Rs. 8 crore were purchased by the bank from Home Trade Ltd, and the bank had sent the cheque no. 84401 of Rs. 1553166.66 of the amount of difference of HDFC Bank to Home Trade Ltd and the said purchased GOI securities had got transferred in the name of Navsari People's Co. O. Bank.

(6). On 01/12/2000, vide contract note no. 11153 and 11159, the bond of Sardar Sarovar Narmada Ltd of the face value of Rs. 5 crore and the bond of Maharashtra Krishna Valley Development Corporation of Rs. 25 lakh, and the bond of Rs. 55178328.77 were sold to Home Trade Ltd. Besides, as per the contract note no. 11151, the GOI Security of Rs.33463543.75 of the original price (Face Value) of Rs. 3, 25, 00,000/- were purchased by the bank from Home Trade Ltd, and the total amount of the difference of Rs. 21714785.02 was directly deposited in the current account of Navsari People's Co. Op. Bank in HDFC Bank through cheque on 07/12/2000.

(7). On 20/02/2001, vide contract note no. 12091, the GOI securities of the

face value of Rs. 1 crore was sold by the bank to Home Trade Ltd at the price of Rs. 1,06,21,875/- and the amount of the difference of Rs. 10621875/- was directly deposited in the HDFC Bank Surat of the account of the bank by the bank through the cheque no. 901918 dated 22/02/2001 of Mumbai Fort Branch, and the said amount got deposited in the account of the Bank.

(8). Thereafter, on 12/04/2001, through contract note no. 12753, the GOI securities of Rs. 1,33,15312.50 of the face value of Rs. 1 crore 25 lakh was purchased by the bank from Home Trade Ltd and had paid its amount vide cheque no. 009295 dated 16/04/2001 of UTI Bank, Valsad Branch, and the bank has not received its physical delivery, but Home Trade Ltd has sent only the transfer form and the photocopies of the security to the bank.

(9). Then, on 02/05/2001, vide contract note no. 12883 and 12881, Home Trade Ltd sold the security of Rs. 8243284.33 paisa of the face value of Rs. 75 lakh to Navsari People's Bank Ltd and against it, vide contract note no. 12745, the bank purchased the securities of Rs. 7681237.50 of the original price of Rs. 75 lakh from Home Trade Ltd and the amount of the difference of Rs. 562047.23 paisa was deposited in the account of the bank vide cheque no. 111446 in HDFC Bank. Its physical delivery has not been received.

(10). On 25/05/2001, vide contract note no. 13113 and 13115 and 13117 and 13119, the GOI security of Rs. 11,75,00,000/- was sold by the bank to Home Trade at the selling price of Rs. 12,98,38,077.09 and against it, as per contract note no. 13121, 13123, and 13125, the security of the original price of Rs. 12 crore 50 lakh was purchased by the bank from Home Trade Ltd at the price of Rs. 128592333.33 and the amount of the difference of Rs. 1245703.76 was deposited in the bank account of Navsari People's Co. Op. Bank at HDFC Bank, Surat through the cheque dated 25/05/2001 vide

cheque no. 923001 of Janata Sahakari Bank, Pune, and in it, the purchased securities have not got transferred in the name of Navsari People's Bank, and the photocopies of the papers of the names of others were received from Home Trade Ltd.

(11). On 14/08/2001, through contract note no. 6669, 6667, 6665, and 6671, the GOI security whose original price was Rs. 2.5 crore was sold to Home Trade Ltd by the bank at the price of Rs. 2,79,71,844.40. Against it, the bank had purchased the security of Rs. 6, 10, 57,675/- of the face value of Rs. 6 crore from Home Trade Ltd as per the contract note no. 6675, 6673. The amount of difference was paid by the bank to Home Trade Ltd and the amount of Rs. 25 lakh was paid to Home Trade Ltd through the draft no. 383102, 382108 and 303104 written at Punjab National Bank, Mumbai and through the cheque no. 047853 written at UTI Bank, Mumbai, the amount of Rs. 30985830.57 was paid through the bank account of Navsari People's Co. Op. Bank in Valsad UTI. In it, the bank had received physical delivery of Rs. 50 lakh as per the contract note no. 6667 and 6665, and had received and the photocopies of the papers of the names of others of the other security.

(12). On 19/09/2001, through the contract note no. 6765, 6767, 6763, and 6761, the bank had sold the government security of the face value of Rs. 13 crore 25 lakh to Home Trade Ltd at the selling price of Rs. 14,28,33,236.11 paisa, and the bank had purchased the security of the face value of Rs. 15 crore at the selling price of Rs. 15,14,52,236.12 paisa from Home Trade Ltd through the contract no. 6773, 6775, 6769, and the amount of its difference of Rs. 86,19,000.01 paisa was paid by the bank to Home Trade Ltd vide cheque no. 041939 dated 20/09/2001 of HDFC Bank. Of the said purchased securities, the security of Rs. 75 lakh had got transferred in the name of Navsari People's Bank, and Home Trade Ltd had sent the

photocopies of the names of others of the remaining security to the bank.

(13) Thereafter, on 17/10/2001, through the contract note no. 6809, the security of Rs. 5 crore, whose selling price was Rs. 5, 22, 07,416.69 paisa was sold to Home Trade Ltd by the bank. Besides, through the contract note no 2015, the GOI security of the face value of Rs. 5 crore was purchased by the bank from Home Trade Ltd at the price of Rs. 5, 02, 27,361.11 paisa, and the amount of difference of Rs. 19, 80,055.56 paisa was deposited by Home Trade Ltd in the bank account in HDFC Bank-Surat of Navsari People's Bank vide cheque no. 257022 dated 20/10/2001. The bank has not received the physical delivery of the said purchased security.

(14). On 05/11/2001, through the contract note no. 6879, and 6881, and 6877, and 6875 and 6883 of Home Trade Ltd, the government security of the original price of Rs. 21 crore was sold by the bank to Home Trade Ltd at the selling price of Rs. 22,63,83,405.55, and against it, through the contract note no. 6885, 6889, 6887, 6893, and 6891, the government security of the original price of Rs. 19,60,00,000/- was purchased by the bank from Home Trade Ltd at the purchase price of Rs. 22,15,68,317.79 paisa and the amount of its difference of Rs. 48,15,087.76 was deposited by the Home Trade Ltd in the HDFC bank account of Navsari People's Bank at Surat vide the cheque no. 217072 dated 13/11/01 in the HDFC bank. The physical delivery of the securities purchased in this deal has not been received.

(15). On 28/11/2001, through the contract note no. 6899, the government security of the original price of Rs. 5 crore was sold by Navsari People's Bank to Home Trade Ltd at the selling price of Rs. 5,65,15,277.78 and through the contract note no. 6901 of Home Trade Ltd, the GOI security of the original price of Rs. 5, 40, 00, 000/- was purchased by the bank from

Home Trade Ltd at the purchase price of Rs. 6,12,56,835/- and the amount of its difference of Rs. 37,41,557.22 paisa was paid to Home Trade Ltd by Navsari People's Bank, i.e. the amount of Rs. 15 lakh vide cheque no. 573236 dated 05/12/2001 of HDFC Bank, and Rs. 9 lakh and Rs. 9 lakh and Rs. 4,41,557.00 was paid on 15/12/2001 in Punjab National Bank vide draft no. 652749, and 652750, and 652751 respectively. The bank has not received the physical possession of the said purchased security.

(16). On 19/03/2002, through contract note no. 7395, 9397, 7405, 7411 of Home Trade Ltd., the GOI security of the original price of Rs. 20 crore was sold to Home Trade Ltd by the bank at the selling price of Rs. 24,82,12,344.44, and against it, through the contract note no. 7453, 7413, 7455, 7401, 7399 of Home Trade Ltd, the bank had purchased the government security of the original price of Rs. 23,60,00,000/- from Home Trade Ltd at the purchase price of Rs. 24,76,52,925/-, and the amount of its difference of Rs. 5,59,419.44 has been received by the bank vide cheque no. 984100 dated 19/03/2002 of HDFC Bank.

During the said deals, we i.e. Navsari People's Co. Op. Bank Ltd had made the trading of the government security with Home Trade Ltd and in the said deals, the physical possession of the government security was received in some deals and in some deals the physical possession was not received. But the contract notes were received regularly. The assistant manager Mr. Arvindbhai Soni has identified the signatures of the persons of Home Trade Ltd on the said contract notes, and has sent the sheet in this regard to the police station bearing my signature. Besides, regarding the financial transactions made with Home Trade, the sheet with the details of the name and addresses of the banks bearing my signature has been sent to the police station. Besides, Navsari People's Co. Op. Bank Ltd had sold the security and the sheet in this regard bearing my signature has also been

sent to the police station. In August 2001, the account of Navsari People's Bank had opened the SLG account but at that time the bank did not have any physical security and therefore, the bank has not made the trading of the security through it. In the deals of the government security of Home Trade Ltd., there was system of condition but in the deals of the trading of the security, the condition (Illegible) was included. Reserve Bank of India has lodged the complaint in Hon'ble Navsari Court against the directors and chairman of Navsari People's Co. Op. Bank Ltd., which is regarding the breach of the Banking Regulation Act.

The Registrar of the Cooperative Banks, Gandhinagar, and the officers of Reserve Bank conducted the inquiry of Navsari People's Co. Op. Bank Ltd., and have written the comments regarding the fact that the trading of the security has not been made through the SGL account.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town PS

Date: 03/11/2003

I am Bhanuprasad Harishankar Suthar, aged 54, occupation: Job, Res. 304, Dhruv Apartment, near Vijay Park Society, Lunsikui, Navsari, phone no. (R). 247785, (O) 257764, 249162.

On being asked, I state that you sir have read over my statements given earlier and they are true and correct as stated by me. Further, on being asked, I state that you have read over to me my complaint and the fact stated in the complaint is true and correct.

In our bank, 25% amount of the deposits can be kept on hand as reserved fund or can be invested in government security up to 15%, and the remaining amount in District Co. Op. Bank or in Gujarat Co. O. Bank or in Reserve Bank and in State Bank and Nationalized Banks as deposits. From the 15% investment made in the government securities, when the price of the security goes up, the bank can sell it and can purchase the security of less price and can increase its profit capacity. In this regard, the bank asked Mumbai based Company Home Trade Ltd which was a member Company of NSE and the registered company of SEBI for the selling as per the contract entered into with the NSE and against the said selling, made contract with it to purchase other security of less price. A copy of it has been produced in the past. The bank had given the delivery of the security to the said company for selling purpose, and on the other hand, the company did not make the delivery of the security that the bank had purchased from the company as per the contract. Earlier, the name of the company was Euro Asian Securities Ltd., with which the bank had

made the deals and transactions during the period from the year 1997 to the year 2000, and then, in the year 2001, the said company assumed new name as Home Trade Ltd., and for the trading of the security, Ketan Kantilal Sheth used to come to our bank from the beginning, and all the deals were made with him. After getting the information of the price of the security in the market, the security whose price has increased is sold and the security whose price has gone down is purchased. In this regard, the telephonic talk was regularly taking place with Ketan Kantilal Sheth of Home Trade Ltd., and the deals were being made as per the market price.

During the period from the year 1997 and 2000, the deals / transactions were made by the company with the bank through Ketan Kantilal Sheth and the bank had received the physical possession of the security during the said period. But out of the various securities purchased on 01/12/2000 vide contract no. 11151 from Home Trade Ltd., the physical delivery of the securities of Rs. 50 lakh had not been received. Similarly, the physical delivery of the original price of 25 crore, of 1% purchased through contract no. 12753 was not received. Against it, the bank had paid Rs. 1 crore 33 lakh 1 thousand 312. Thus, whenever the deals of purchase and selling were made, the physical delivery of the securities have not been received, and the said securities were stated as the selling by the director Ketan Kantilal Sheth of Home Trade Ltd., thus, the transactions regarding the purchase and selling of the securities of the bank were maintained by the system of the portfolio management and as per the rules of the bank, it was contrary to the policy and law. But since the amount of the security of the bank was with the company, the bank had to continue this type of deals / transactions.

Generally, the security that is sold or purchased by the bank, in the case of the selling of the security, the delivery was given immediately, and

when the delivery is to be received, it is also to be received immediately. In this case, Home Trade Ltd played its role as the (Illegible) counter and made the physical delivery of the securities purchased by the bank after the period of 30 days, but actually, the broker has to make the delivery of the security (illegible) against the receipt of the amount from the purchaser. But (half page is illegible, therefore, translation of 5-6 lines could not be done).

In March 2002, we had earlier paid the amount of the purchase order of the below mentioned securities that were in possession of the said broker.

Sr. No.	Scrip Name	Face Value
1	10.50% GOI 2014	5,00,00,000.00
2	9.39% GOI 2011	7,00,00,000.00
3	11.50% GOI 2011	3,00,00,000.00
4	11.50% GOI 2015	5,00,00,000.00
	Total Face Value	20,00,00,000.00

Therefore, we decided to sell the said government securities and the broker had implemented the said deal and we had sent the below mentioned contract notes.

Sr. No.	Scrip Name	Cont.	Face Value	Total Consideration
1	10.50% GOI 2014	7395	5,00,00,000.00	6,33,06,250.00
2	9.39% GOI 2011	7397	7,00,00,000.00	8,08,74,150.00
3	11.50% GOI 2011	7405	3,00,00,000.00	3,83,81,250.00
4	11.50% GOI 2015	7411	5,00,00,000.00	6,56,50,694.44
			Total receivable	24,82,12,344.44

In order to fulfil the requirement of SLR, we had given the instruction to the broker to purchase the following securities and the broker had executed

the said deal and had sent the contract notes to us.

Sr. No.	Scrip Name	Cont. No.	Face Value	Total Consideration
1	08.07% GOI 2017	7453	3,50,00,000.00	3,56,48,976.17
2	08.07% GOI 2017	7413	5,00,00,000.00	5,09,28,541.67
3	08.07% GOI 2017	7455	10,00,000.00	10,18,57,083.33
4	08.07% GOI 2017	7401	10,00,00,000.00	10,18,57,083.33
5	09.81% GOI 2013A	7399	5,00,00,000.00	5,81,98,750.00
			Total payables	24,76,52,925.00

Against the above mentioned deals, the broker was supposed to pay us the amount of difference of Rs. 5, 59,419.44 of the above mentioned securities to us and was supposed to give the physical possession of the said securities to us. In this regard, the broker had given us the cheque no. 984100 dated 19/03/2002 of HDFC Bank Ltd to us and we have received the said amount. While the company failed in making the physical delivery of the said purchased security and thus, the company has breached the contract made with the bank, and has siphoned off the security of the amount of Rs. 25,76,52,925/-. The company had sold the securities of the said amount to our bank on 19/03/2002 through contract but it did not make the physical delivery and in order to get the physical possession of the securities, we lodged complaint with SEBI and NSE and also informed Mumbai Crime Economic Zone as well. Besides, as the company did not give the physical possession of the said securities to us at that time, so our bank contacted the company on phone now and again but Ketan Kantilal Sheth could not be contacted and Smt. Kanan Mevawala was present in Home Trade

Company and she also tried to contact Ketan Sheth in this regard. But he did not meet us. So, we came to know of their mala fide intention, and we found that they have committed fraud and cheating with the bank, therefore, I lodged our complaint in this regard and the police arrested Ketan Kantilal Sheth and my statement was also taken and the police filed chargesheet against him.

At present, the chief executive officer Sanjay Hariram Agrawal of Home Trade Ltd Company was arrested and he has been on police custody remand till 07/11/03. He, being the chief executive officer of the company, it is his main duty to seen with whom the company has made the deals and at which stage etc. but he also did not pay attention and did not take care of it and he is responsible for the fraud and cheating that his company has committed with us.

In this incident, Nandkishor Trivedi, being the director of the company, and Subodh Bhandari, being the Executive Managing Director, they too are responsible. Kumari Kanan Mevawala as the manager, has made the transactions with our bank.

Besides, the other accused have not come in direct contact with our bank but since they are the office bearers of the company, I had given their names as well.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Date: 21/08/2002

I am Arvindbhai Rambhai Soni, aged 45, occupation: Job, Res. Navsari, Rajmahel Apartment-1, 2nd Floor, Block No. 9, Opp. Vasant Talkies, Ta. & Dist. Navsari, phone no. (R) 48814, (O) 57209.

On being asked, I state that I have been doing job in Navsari People's Co. Op. Bank Ltd since the year 1988. I worked on contract basis for 3.5 years and since date 1-1-1992, I have been discharging my duty as the Assistant Manager. At present, my basic salary is Rs. 15100/-, and the gross salary is Rs. 21,000/-. At present, my duty in the bank is to open the accounts related to NRI and to open the accounts of government executive and to do the work of written communication related to it. During my said duty, I alone do the work related to account. Yesterday on 20/08/2002, I had given the photocopies of the documents that the manager of Navsari People's Co. Op. Bank Ltd Mr. Bhanuprasad Harishankar Suthar had attached with his complaint lodged with Navsari Town Police Station against Ketan Sheth and other 12 persons of Home Trade Ltd, Mumbai who all in connivance with one another committed the fraud and cheating of Rs. 24, 76, 52,925/- with our bank and siphoned off the money of the bank. You sir have shown me the said complaint application and the documents bearing the signature of the manager and the round seal of the bank and I state that they are the same documents. Thereafter, the manager has asked me to prepare the photocopies of the documents and the information related to the complaint but I have been engaged in this work since yesterday and the work is not completed yet and therefore, once it is

completed, I will inform you.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Date: 24/08/2002

I am Arvindbhai Rambhai Soni, aged 45, occupation: Job, Res. Navsari, Rajmahel Apartment-1, 2nd Floor, Block No. 9, Opp. Vasant Talkies.

On being asked, I state that I have been discharging my duty as the assistant manager in Navsari People's Co. Op. Bank and since 01/01/2002, and my duty includes the work of making the entries related to the government securities, the work of maintaining the register, and to make the written communication in this regard and to open the NRI accounts and the written communication in this regard, and in this work related to the government security, there is no other employee of the work who works with me or under me but I alone do the work in this regard as per the instruction of the manager of the bank.

As decided in the investment committee on 18/03/2002, it consisted of the chairman Mr. Thakorbhai Desai, and the director Hitendrabhai Desai, Mahendrabhai Gandhi, and the general manager Mr. Dhirubhai Nayak as the member in the committee. Besides, I and the manager Mr. Bhanuprasad Suthar were also present in the committee. As decided in it, through contract note no. 7395, 9397, 7405, 7411 of Home Trade Ltd., the GOI security of the original price of Rs. 20 crore was sold to Home Trade Ltd by the bank at the selling price of Rs. 24,82,12,344.44, and against it, through the contract note no. 7453, 7413, 7455, 7401, 7399 of Home Trade Ltd, the bank had purchased the government security of the original price of Rs. 23,60,00,000/- from Home Trade Ltd at the purchase price of Rs. 24,76,52,925/-, and the amount of its difference of Rs. 5,59,419.44 has been

received by the bank vide cheque no. 984100 dated 19/03/2002 of HDFC Bank. But the government security contract notes no. 7453, 7413, 7455, 7401, 7399, purchased from Home Trade Ltd., with a consideration value of ₹24,76,52,925/-, have not been physically received by the bank. Upon investigation, it was found that the bank had been cheated in this matter. So, the manager of Navsari People's Co-operative Bank Ltd., Mr. Bhanuprasad Harishankar Suthar, filed a complaint at Navsari Town Police Station on 18/08/2002 at 22:00 hours against the directors, officers, and related institution officials of Home Trade Ltd., totaling thirteen accused. You sir had shown me the said complaint and the copies of attached documents on 19/08/2002 but since the manager of the bank Mr. Bhanuprasad has given me the work of making the photocopies of the documents regarding the evidences against the accused, I was engaged in the work of making the photocopies of the said documents since the date 19/08/2002 till date and as the said work is over, I state that,

The report that I have produced is the report of the inspection conducted by the manager of Reserve Bank of India Mr. Vinayakbhai Raval and the Assistant Manager Champakbhai Mali in Navsari People's Co. Op. Bank in May 2002. In it, they have made their remarks commenting on the investment committee of the bank regarding the acceptance of the physical delivery of the securities that was sold (on date 20/03/2002) in the deal made with Home Trade Ltd. The remarks are in English. It is marked as Mark XI, and it has been written on page no. 4.

I have produced the audit report in Gujarati provided by Mr. Kikubhai Patel, the officer of the Cooperation Department, Audit Division conducted in May-June 2002 in Navsari People's Co. Op. Bank. There are comments that regarding the deals made with Home Trade Ltd, the same has not been done through SGL. This is written on page no. 6.

I have produced the copies of the resolutions regarding approval of the Resolution related to the investment passed in the meeting of the board of directors of Navsari People's Co. Op. Bank Ltd. In it, the proceedings of the investment committee of dated 18/03/2002 was read and the resolution is regarding the salary which is to be made. This is the true copy of the original one of the Resolution No. 23 (10) dated 29/04/2002 and it has been marked as Mark X-2 and it is on page no. 13.

I have produced the photocopies of the minute book of the investment committee. The meeting of the investment committee was held in the chamber of the chairman of the bank at 04:00 pm on 18/03/2002 Monday. The copy of the noting of the minute book regarding the said meeting is also attached. It is on page no. 19. It is marked as Mark X-4.

I have produced the photocopy of the investment register in which the physical possession of the security purchased from Home Trade Ltd on 20/03/2002 has not been received. This is the copy of the correspondence register regarding the said security. It has been marked as Mark X-5 and it is on page no. 5.

I have produced the contract note that was received on fax from Home Trade Ltd., and the quotation which is in English and it has been marked as mark X-6 and it is on page no. 10.

I have produced the contract note and the price sheet received from Home Trade Ltd, and the price sheet of Giltedge Ltd and the photocopies of the letters written by Niraj Surati and Associates, chartered accountant to Navsari People's Co. O. Bank which are in English. It has been marked as Mark X-7. It is on page no. 25.

I have produced the photocopy given to us by Kamal Agrawal regarding the website of DR Investors Grievances Services Ltd., showing that Home Trade Ltd is a member of SEBI and is a member of NSE, and it

is marked as Mark X-8, and it is on page no. 7 and it is in English.

I have produced the sheet of the government security purchased from Home Trade Ltd on 19/03/2002 and the sheet regarding the government security sold to Home Trade Ltd during the period from date 02/05/2001 and dated 19/03/2002, and with it, the government security which was actually transferred in the name of the bank in the possession of the bank and their photocopies marked as Mark X-9 which is in English and it is up to page no. 20.

I have presented a Xerox copy of the statement showing the details of the investment in government securities by Navsari People's Co. Op. Bank Ltd. During the period from 18/03/1997 to 30/03/2002. It is in English and marked as Exhibit X-10. It is written across six pages.

I have submitted copies of documents, including certificates from HDFC Bank, UTI Bank, and Punjab National Bank regarding cheque clearances. The Xerox copy of these, marked as X-11, is on page eight and is in English.

I have submitted a document with Home Trade Ltd. regarding transactions of government securities conducted in the year 2001 and 2002. It is marked as X-12. It is written in English. It is on page three.

I have submitted Xerox copies of the adjustment letter for the transaction related to government securities with Home Trade Limited, during the period from 2001 to 2002. These are in English, marked as X-13, and runs into eight pages.

I have presented the photocopies of the cheques received from Home Trade Ltd and the photocopies of the cheques written to Home Trade Ltd and marked as Mark X-14 and they are running into seven pages.

I have presented the sheet showing the transactions of the interest regarding the transactions made with Home Trade Ltd. It also includes the

photocopies of the cheques received from Home Trade Ltd. It has been marked as Mark X-15. It runs into five pages.

I have presented the photocopies of the fax letters sent to get the physical delivery of the government securities of the period prior to date 18/03/2002 demanding the physical delivery of the government security from Home Trade Ltd. They have been marked as Mark X-16, and they are in English and is runs into four pages.

I have presented photocopies of the fax messages sent to Home Trade Ltd asking to send the difference of the security as the Navsari People's Co. Op. Bank was in need of money, and it also includes the photocopies of the information, and the said copies have been marked as Mark X-17 and it is written in English and it runs into seven pages.

I have presented photocopies of the written communication made with Home Trade Ltd regarding the sending of the money of the difference of the selling of the securities as Navsari People's Co. O. Bank was in requirement of the money as it was not as decided with Navsari People's Co. O. Bank Ltd., so the fax message was sent in this regard. This is the photocopy of it and the photocopies of the letters of Home Trade Ltd, which are written in English, and it has been marked as Mark X-16 and it runs into four pages.

I have presented the photocopies of a letter regarding the purchase and sale of securities by Navsari People's Co. Op. Bank Ltd. with Home Trade Ltd. In response, Home Trade Ltd. sent a letter along with a quotation that was approved by Navsari People's Co. Op. Bank, as well as the photocopies of the quotation marked as X-19, written in English, consisting of four pages.

I have presented the copy of the cheque of HDFC bank regarding the amount of difference of the interest given by Navsari People's Co. Op.

Bank Ltd to Home Trade Ltd., and the sheet showing the fact regarding the difference of the interest and it is written in English, and it has been marked as Mark x-20, and it runs into four pages.

I have presented the photocopies of the communication dated 12/10/2001 of Navsari People's Co. Op. Bank Ltd made with Home Trade Ltd which are in English, and marked as Mark X-21 and it runs into 03 pages.

I have presented the photocopies of the written communication made by Navsari People's Co. O. Bank Ltd with Home Trade Ltd regarding the securities, including the photocopies of the documents and the cheques which are written in English, and marked as Mark X-11 and it runs into 15 pages.

I have presented the photocopies of the written communication made by Navsari People's Co. Op. Bank Ltd regarding the registration with Reserve Bank, including the information related to it and the letter in English and it has been marked as Mark X-23 and it runs into 16 pages.

I have presented the photocopies of the information regarding the Euro Asian Securities Ltd that was established out of Home Trade Ltd and it is in English and marked as Mark X-24, and it runs into four pages.

I have presented the sheet showing the information of the financial transactions made by Navsari People's Co. Op. Bank Ltd with Home Trade Ltd including the photocopies of the contract notes of the government security written in English, and marked as Mark x-25 and it runs into 90 pages.

I have presented the photocopies of the sheets showing the information regarding the transactions (Financial) regarding the government securities of Navsari People's Co. Op. Bank Ltd with Giltedge Management, Ketan Sheth, and Euro Asian Securities, including the

photocopies of the contract notes and the photocopies of the government securities which are written in English, and marked as Mark X-26 and they runs into 48 pages.

I have presented photocopies of the written communication made with Niraj, Surati and Associates, Chartered Accountant, who was earlier the advisor of the bank and during the period during which he was the advisor, the said written communication had taken place, and the photocopies of the documents of the selling and purchasing of the securities which are written in English, and marked as Mark x-27 and they run into 48 pages.

All above mentioned photocopies of the documents bear the signature of the general manager of the bank Bhanuprasad Harishankar and the round seal of the bank. I will give my further statement tomorrow.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 02/09/2002

My name is Arvindhbai Rambhai Soni, aged 45, occupation: Job, Res. Navsari, Rajmahel Apartment No. 1, 2nd Floor, Room No. 9, Opp. Vasant Talkies, Ta. & Dist. Navsari.

On being asked further, I state that today you sir have read over to me my statements given earlier and the fact stated by me in the said statements are true and correct and on being asked further, I state that the manager of Navsari People's Co. Op. Bank Ltd had asked me to prepare the photocopies of the documents deal wise regarding the seals of the purchase and selling made by Navsari People's Co. Op. Bank Ltd with Home Trade Ltd., and as the photocopies have become ready today, I state in this regard that,

- (1). First, Navsari People's Co. Op. Bank had purchased the government securities of Rs. 26,49,145.83 paisa of the original price of Rs. 25 lakh through the Contract Note No. 6224 from Home Trade Ltd on 30/12/1999 and had paid its amount vide Cheque No. 383514 dated 06/01/2000 of Maharashtra State Co. O. Bank, and its physical delivery has been received, and it has been registered in the name of Navsari People's Co. O. Bank, and its security no is AD 0032 Ahmedabad.
- (2). On 16/02/2000, through the contract note no. 6237, the bond of Rs. 2,15,82,876.71 of Maharashtra Krishna Valley Development Corporation (MKVDC) of the original price of Rs. 2 crore that were sold to Home Trade and in return, Navsari People's Co. O. bank purchased the government securities of the price of Rs. 2,02,3,2777.78 of the original price of Rs. 2 crore through contract note no. 6230 from Home Trade Ltd and the amount

of difference of Rs. 1350099.93 got deposited in the bank account of Navsari People's Bank of State Bank of India, Navsari on 19/12/2000 vide DD No. SB/1/3992-94 dated 17/02/2000 of Bank of Hyderabad of the amount of Rs. 10 lakh, and the DD No. SB/1/65245.4 dated 17/12/2000 of Rs. 350098.93.

(3). On 22/02/2002, As per the contract note no. 6243 and 6241, the government securities of Rs. 4,31,25,833.33 whose face value is Rs. 4 crore were sold to Home Trade Ltd. Both the securities were in the name of Navsari People's Co. O. Bank. Against the said selling, Navsari People's Bank had purchased the government security of Rs. 4053388.59 of the face value of Rs. 4 crore vide contract note no. 6245 from Home Trade Ltd. The total amount of difference of Rs. 2591944.44 paisa was received from Home Trade vide the DD No. 399297 dated 24/02/2000 of State Bank of Hyderabad, Fort Branch, Mumbai, and the bank had received the said amount. Besides, a letter was written to the Reserve Bank regarding the transfer of the said purchased security and a receipt has been received from the Reserve Bank in this regard. It was given to Reserve Bank of India, Ahmedabad vide receipt no. 1305 dated 16/08/2000 for the transfer in the name of the bank.

(4). On 14/03/2000, through the contract note no. 6287, the government securities of Rs. 21,21,7777.68 paisa of the face value of Rs. 2 crore were sold to Home Trade Ltd by the bank. Against the said consideration amount, the bank purchased the government securities of Rs. 20318000/- of the face value of Rs. 2 crore vide the contract note no. 6289 from Home Trade Ltd. The total amount of Rs. 889777.78 of the difference was received by the bank from Home Trade vide the DD No. 652639 dated 15/03/2000 of State Bank of Hyderabad, Fort Branch, Mumbai. The securities sold in this deal had got transferred in the name of Navsari

People's Co. O. Bank, and in order to transfer the purchased securities in the name of Navsari People's Bank, Navsari. the receipt no. 7345 dated 17/08/2000 of the Public Dept office of Reserve Bank of India, Ahmedabad branch has been received.

(5). Thereafter, on 20/09/2000, vide contract note no. 10391, the securities (GOI) of the face value of Rs. 2 crore and vide contract note no. 10689, the securities of total Rs. 81,72,31,166.67 of the face value of Rs. 6 crore were sold to Home Trade Ltd by the bank. Against the consideration amount of said selling by the bank, as per the contract no. no. 10403, 10410 and 10393, the securities (GOI) of Rs. 83276333.33 of the face value of Rs. 8 crore were purchased by the bank from Home Trade Ltd, and the bank had sent the cheque no. 84401 of Rs. 1553166.66 of the amount of difference of HDFC Bank to Home Trade Ltd and the said purchased GOI securities had got transferred in the name of Navsari People's Co. O. Bank.

(6). On 01/12/2000, vide contract note no. 11153 and 11159, the bond of Sardar Sarovar Narmada Ltd of the face value of Rs. 5 crore and the bond of Maharashtra Krishna Valley Development Corporation of Rs. 25 lakh, and the bond of Rs. 55178328.77 were sold to Home Trade Ltd. Besides, as per the contract note no. 11151, the GOI Security of Rs.33463543.75 of the original price (Face Value) of Rs. 3, 25, 00,000/- were purchased by the bank from Home Trade Ltd, and the total amount of the difference of Rs. 21714785.02 was directly deposited in the current account of Navsari People's Co. Op. Bank in HDFC Bank through cheque on 07/12/2000.

(7). On 20/02/2001, vide contract note no. 12091, the GOI securities of the face value of Rs. 1 crore was sold by the bank to Home Trade Ltd at the price of Rs. 1,06,21,875/- and the amount of the difference of Rs. 10621875/- was directly deposited in the HDFC Bank Surat of the account of the bank by the bank through the cheque no. 901918 dated 22/02/2001

of Mumbai Fort Branch, and the said amount got deposited in the account of the Bank.

(8). Thereafter, on 12/04/2001, through contract note no. 12753, the GOI securities of Rs. 1,33,15312.50 of the face value of Rs. 1 crore 25 lakh was purchased by the bank from Home Trade Ltd and had paid its amount vide cheque no. 009295 dated 16/04/2001 of UTI Bank, Valsad Branch, and the bank has not received its physical delivery, but Home Trade Ltd has sent only the transfer form and the photocopies of the security to the bank.

(9). Then, on 02/05/2001, vide contract note no. 12883 and 12881, Home Trade Ltd sold the security of Rs. 8243284.33 paisa of the face value of Rs. 75 lakh to Navsari People's Bank Ltd and against it, vide contract note no. 12745, the bank purchased the securities of Rs. 7681237.50 of the original price of Rs. 75 lakh from Home Trade Ltd and the amount of the difference of Rs. 562047.23 paisa was deposited in the account of the bank vide cheque no. 111446 in HDFC Bank. Its physical delivery has not been received.

(10). On 25/05/2001, vide contract note no. 13113 and 13115 and 13117 and 13119, the GOI security of Rs. 11,75,00,000/- was sold by the bank to Home Trade at the selling price of Rs. 12,98,38,077.09 and against it, as per contract note no. 13121, 13123, and 13125, the security of the original price of Rs. 12 crore 50 lakh was purchased by the bank from Home Trade Ltd at the price of Rs. 128592333.33 and the amount of the difference of Rs. 1245703.76 was deposited in the bank account of Navsari People's Co. Op. Bank at HDFC Bank, Surat through the cheque dated 25/05/2001 vide cheque no. 923001 of Janata Sahakari Bank, Pune, and in it, the purchased securities have not got transferred in the name of Navsari People's Bank, and the photocopies of the papers of the names of others were received from Home Trade Ltd.

(11). On 14/08/2001, through contract note no. 6669, 6667, 6665, and 6671, the GOI security whose original price was Rs. 2.5 crore was sold to Home Trade Ltd by the bank at the price of Rs. 2,79,71,844.40. Against it, the bank had purchased the security of Rs. 6, 10, 57,675/- of the face value of Rs. 6 crore from Home Trade Ltd as per the contract note no. 6675, 6673. The amount of difference was paid by the bank to Home Trade Ltd and the amount of Rs. 25 lakh was paid to Home Trade Ltd through the draft no. 383102, 382108 and 303104 written at Punjab National Bank, Mumbai and through the cheque no. 047853 written at UTI Bank, Mumbai, the amount of Rs. 30985830.57 was paid through the bank account of Navsari People's Co. Op. Bank in Valsad UTI. In it, the bank had received physical delivery of Rs. 50 lakh as per the contract note no. 6667 and 6665, and had received and the photocopies of the papers of the names of others of the other security.

(12). On 19/09/2001, through the contract note no. 6765, 6767, 6763, and 6761, the bank had sold the government security of the face value of Rs. 13 crore 25 lakh to Home Trade Ltd at the selling price of Rs. 14,28,33,236.11 paisa, and the bank had purchased the security of the face value of Rs. 15 crore at the selling price of Rs. 15,14,52,236.12 paisa from Home Trade Ltd through the contract no. 6773, 6775, 6769, and the amount of its difference of Rs. 86,19,000.01 paisa was paid by the bank to Home Trade Ltd vide cheque no. 041939 dated 20/09/2001 of HDFC Bank. Of the said purchased securities, the security of Rs. 75 lakh had got transferred in the name of Navsari People's Bank, and Home Trade Ltd had sent the photocopies of the names of others of the remaining security to the bank.

(13) Thereafter, on 17/10/2001, through the contract note no. 6809, the security of Rs. 5 crore, whose selling price was Rs. 5, 22, 07,416.69 paisa was sold to Home Trade Ltd by the bank. Besides, through the contract

note no 2015, the GOI security of the face value of Rs. 5 crore was purchased by the bank from Home Trade Ltd at the price of Rs. 5, 02, 27,361.11 paisa, and the amount of difference of Rs. 19, 80,055.56 paisa was deposited by Home Trade Ltd in the bank account in HDFC Bank-Surat of Navsari People's Bank vide cheque no. 257022 dated 20/10/2001. The bank has not received the physical delivery of the said purchased security.

(14). On 05/11/2001, through the contract note no. 6879, and 6881, and 6877, and 6875 and 6883 of Home Trade Ltd, the government security of the original price of Rs. 21 crore was sold by the bank to Home Trade Ltd at the selling price of Rs. 22,63,83,405.55, and against it, through the contract note no. 6885, 6889, 6887, 6893, and 6891, the government security of the original price of Rs. 19,60,00,000/- was purchased by the bank from Home Trade Ltd at the purchase price of Rs. 22,15,68,317.79 paisa and the amount of its difference of Rs. 48,15,087.76 was deposited by the Home Trade Ltd in the HDFC bank account of Navsari People's Bank at Surat vide the cheque no. 217072 dated 13/11/01 in the HDFC bank. The physical delivery of the securities purchased in this deal has not been received.

(15). On 28/11/2001, through the contract note no. 6899, the government security of the original price of Rs. 5 crore was sold by Navsari People's Bank to Home Trade Ltd at the selling price of Rs. 5,65,15,277.78 and through the contract note no. 6901 of Home Trade Ltd, the GOI security of the original price of Rs. 5, 40, 00, 000/- was purchased by the bank from Home Trade Ltd at the purchase price of Rs. 6,12,56,835/- and the amount of its difference of Rs. 37,41,557.22 paisa was paid to Home Trade Ltd by Navsari People's Bank, i.e. the amount of Rs. 15 lakh vide cheque no. 573236 dated 05/12/2001 of HDFC Bank, and Rs. 9 lakh and Rs. 9 lakh

and Rs. 4,41,557.00 was paid on 15/12/2001 in Punjab National Bank vide draft no. 652749, and 652750. and 652751 respectively. The bank has not received the physical possession of the said purchased security.

(16). On 19/03/2002, through contract note no. 7395, 9397, 7405, 7411 of Home Trade Ltd., the GOI security of the original price of Rs. 20 crore was sold to Home Trade Ltd by the bank at the selling price of Rs. 24,82,12,344.44, and against it, through the contract note no. 7453, 7413, 7455, 7401, 7399 of Home Trade Ltd, the bank had purchased the government security of the original price of Rs. 23,60,00,000/- from Home Trade Ltd at the purchase price of Rs. 24,76,52,925/-, and the amount of its difference of Rs. 5,59,419.44 has been received by the bank vide cheque no. 984100 dated 19/03/2002 of HDFC Bank.

The above sixteen deals of the purchase and selling of the government securities were made by Navsari People's Co. Op. Bank Ltd with Home Trade Ltd Company. The photocopies of the contract notes of the said deals / transactions and the photocopies of the government securities received from Home Trade Ltd company and the photocopies transaction wise which were available marked from Mark (Illegible-unreadable) to Mark (Illegible – unreadable – as the top first line of source language is not readable /not printed), have been produced before you. As per the rules of the Reserve Bank of India regarding the Government securities, and as per the resolution passed by the Board of Directors of Navsari People's Co. Op. Bank Ltd and as decided by the Investment committee appointed by the board of directors of the bank, I am doing the work of keeping and maintaining the record of the registers of the procedure regarding the investment in government securities, and the record of the written communication and I alone do this work as per the instruction of the general manager of the bank. As per my knowledge, the

SGL account in Navsari People's Co. Op. Bank Ltd as per the Rules of the Reserve Bank of India, the SGL account no. AD SL 0092 is in HDFC Bank, Ahmedabad, and as per Mumbai Account No. BY SL 0727, it was opened vide the letter dated 18/08/2001. But Navsari People's Co. Op. Bank Ltd has not made the trading (purchasing and selling) of the government securities through the said account number because its process takes long time. Therefore, the process has not been done through SGL account, I believe. After the inspection conducted by the officers of Reserve Bank in Navsari People's Co. Op. Bank Ltd, the officers of RBI have lodged complaint against Navsari People's Co. Op. Bank Ltd in Navsari Court registered vide C. C. No. 3088/2002 under the Banking Regulation act, 1949 and IPC Section 34. A photocopy of it marked as Mark X-31 of 12 pages is being produced by me. Besides, since the bank had trust on Home Trade Ltd, Mumbai, it did not make serious and repeated attempts to get the physical delivery of the government securities because the amount of the difference of the purchase and selling was regularly received from Home Trade Ltd.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Date: 06/09/2002

My name is Arvindbhai Rambhai Soni, Res. Navsari, Rajmahel Apartment-1, 2nd Floor, Room No. 9, Opp. Vasant Talkies, Ta. & Dist. Navsari.

Today, you sir have read over to me my statements recorded earlier and they are true and correct as stated by me and as Home Trade Ltd, Mumbai has committed fraud of huge amount with Navsari People's Co. Op. Bank Ltd, and on being asked in this regard, I state that as per the rule of the reserve bank regarding the trading of the government security, the system of the bank is that first a resolution is passed in the investment committee and then the transactions / deals are made. At the time of the said deals of the purchase and selling of the government securities, I was doing the work of the accounts of the purchase and selling of the securities, written communication, and the maintenance of the registers as per the instruction of the then manager. At the time of the said deals of the trading (purchasing / selling) of the securities, first there was Govindbhai E. Doshi as the manager of Navsari People's Co. Op. Bank Ltd., and then there was Yashwantbhai Gulabbhai Desai and then there was Dhirubhai Nayak as the manager on duty and I was doing the said work as per their instruction. The investment committee was taking the decision regarding the purchase and selling of the government security. Besides, till the government security is not registered in the name of Navsari People's Co. Op. Bank Ltd., it cannot be sold. That is, till the physical possession of the security is not received,

it cannot be sold as per the rule about which I am not aware.

As per the rules of the Reserve Bank, the Navsari People's Co. Op. Bank Ltd has not made the purchasing and selling of the government securities through SGL (Subsidiary General Ledger) account because it is a lengthy process and as per the said rule, Navsari People's Co. Op. Bank Ltd opened the SGL account in August 2001, and as this rule is not compulsory, therefore, the purchasing and selling of the security has not been made through SGL account. When Navsari People's Co. Op. Bank Ltd opened the SGL account, the bank had not received any physical delivery.

As Home Trade Ltd was a broker, it is natural that there will be the transactions of the commission but in the transactions of Navsari People's Co. Op. Bank Ltd with Home Trade Ltd, I have not found or seen anything like commission.

Reserve Bank of India has lodged a complaint with Hon'ble Navsari Court against the directors and the chairman of Navsari People's Co. Op. Bank Ltd. I have no idea whether there is breach of Banking Regulation Act in it but it is a fact that the complaint has been lodged by the Reserve Bank of India.

I have no idea regarding the fact that the Registrar of the Cooperative Banks, Gandhinagar, and the officers of Reserve Bank conducted the inquiry of Navsari People's Co. Op. Bank Ltd., and have written the comments regarding the fact that the trading of the security.

I the deal made by Navsari People's Co. Op. Bank Ltd. With Home Trade Ltd regarding the securities, the bank has not received the physical possession of the securities of Rs. 24, 76, 52925/-. In this regard, I have no responsibility because I had attempted to get the physical possession of the securities as per the instruction of the manager of the bank. Besides, due to

the trust on the said Home Trade Ltd., the Home Trade Ltd has committed fraud and cheating with the bank.

The above further fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town PS

Date: 06/09/2002

My name is Hitendrabhai Shankarbhai Desai, by caste Hindu, aged 37, occupation: business, Res. 48, Patel Nagar Society, chhapra road, phone No. 58641, and Office phone No. 39152, 58912.

On being asked, I state that I reside at the above mentioned address and I do the business of cold storage at Dhola Pipala crossroads under the title Purna Frozen Foods Pvt. Ltd that I had started in August 1999. I am the chairman of the said cold storage from the beginning. There are two directors in it. The name of one director is Mr. Mafatbhai Motirambhai Purohit and he is also the chairman of Navsari People's Co. Op. Bank Ltd. The name of the other director is Rameshbhai Savjibhai Bamroliya. I have 35 to 40 bigha agriculture land. The said land is jointly in the name of my other Gangaben Shankarbhai Desai and my uncle Mr. Parshottambhai Nathubhai Desai, and he is no more now. At present, my uncle and I live in joint family. I was studying in 12th standard in the year 1982 and I left the study half way at Sanskar Bharati, Navsari and I did my schooling from 1st standard to 10th standard from Sanskar Bharati, Navsari School. Navsari People's Co. Op. Bank Ltd is located at the address: Din Dayal Bhavan, Din Dayal Chowk, near Gayan School, which is its head office. I have 10 share of it, each of Rs.100/-. I have been appointed as the director in Navsari People's Co. Op. Bank Ltd since the year 1996-97, and since date 05/10/1999, I have been working in the investment committee, and till date I have been a member of the investment committee of the bank. On 05/10/1999, the investment committee consisted of me, Chairman

Thakorbhai Desai and manager Govindbhai M. Desai. At present, the investment committee consists of me, Chairman Thakorbhai Desai and Mohanbhai Gandhi, and manager (general) Bhanuprasad Suthar, and the assistant manager Arvindbhai Soni.

Regarding the investment in the government security, the system in our bank is that first the officer was informing us regarding which security is worth purchasing or selling. Based on it, I, on behalf of the investment committee, was talking to the concerned security broker at Mumbai on telephone or mobile phone as per the decision taken in the investment committee considering the aspect of the benefit of the bank.

On 25/05/2001, Ketanbhai Sheth had come to Navsari People's Co. Op. Bank Ltd., and had met the members of the investment committee in the chamber of the chairman Mr. Thakorbhai Desai and the internal auditor Mr. Vinodbhai Desai too was present. Metanbhai Sheth, R/o. Mumbai, had said that he was the director of Home Trade Ltd and asked to make the deals of the bank with his Home Trade Ltd regarding the government securities and the financial transactions. Since then I know him. That day I had met him. Thereafter, I had talked to him on phone. Home Trade Ltd and Navsari People's Co. Op. Bank Ltd had made total 16 deals of purchase and selling of government securities with Navsari People's Co. Op. Bank Ltd and in it, first deal was made on 30/12/1999, then on date 16/02/2000, and then on date 22/02/2000, date 14/03/2000 and date 20/09/2000 and dated 01/12/2000 and dated 20/02/2001 and dated 12/04/2001 and date 02/05/2001 and dated 25/05/2001 and date 14/08/2001 and date 19/09/2001 and date 17/10/2001 and date 05/10/2001 and date 19/03/2002. In the last deal of 19/03/2001, Home Trade Ltd sent only the contract note and did not give the physical possession of the government securities of Rs. 24,76,52,925/- that we had sold against the purchase of the securities

that we had made from Home Trade Ltd. But it sent the amount of difference of Rs. 5, 59,419.44 vide cheque no. 984100 dated 19/03/2002 of HDFC Bank and the said amount has got deposited in the bank.

My mobile no is 98251 49152. It is registered in the name of my company. I have been using this mobile number for last two years. As per the system of the purchase and selling of the government securities with Home Trade Ltd., first the manager of Navsari People's Co. Op. Bank Ltd was talking to Ketan Sheth and then the manager was talking to the chairman sir and me informing in which security the bank will benefit and it was decided in the investment committee as per the guidelines given by Ketan Sheth for the benefit of the bank and accordingly, the instruction was given to the manager of the bank. Besides, I as well as the chairman and the manager Dhirubhai were deciding the purchase or the selling of the securities on telephone / mobile phone and we were also talking to Bina Sanghvi of Home Trade Ltd and Kanan Mevawala of Home Trade Ltd also regarding the security and once the deal was finalized, the contract note was received.

In the deal made with Home Trade Ltd, after the deal of 19/03/2001, Navsari People's Co. Op. Bank had sold the government securities to Home Trade Ltd and against it, the bank had not received the physical possession of the securities of Rs. 24,76,52,925/- that the bank had purchased, and the bank had received only the contract note. Therefore, in order to get the physical possession of the securities, Navsari People's Co. Op. Bank Ltd had written a letter to Home Trade Ltd. Despite this, the physical possession of the said securities was not received. So, Navsari People's Co. Op. Bank Ltd had lodged a complaint against the directors and the administrators of Home Trade Ltd Company with Navsari Town Police Station. The Home Trade Ltd had earlier sent the cheques of the

amount of difference in the earlier deals regularly. Therefore, we had placed trust in Home Trade Ltd and due to it, the Home Trade Ltd Company has committed fraud and cheating with us. In our inquiry, we came to know that even in the deals made prior to the deal of 19/03/2002 also we had not received the physical possession of the government securities in some deals but the amount of difference was regularly being received by the bank. The physical possession regarding the possession of the government securities was not received and despite this, we i.e. our bank had made the selling of the government securities. I do not know the rule that the securities whose physical possession has not been received cannot be sold.

As per the rule of Reserve Bank, we i.e. Navsari People's Co. Op. Bank had opened SGL account in August 2001 but at that time, our bank did not have the physical possession of the government security and therefore, the selling and purchasing of the government security has not been made through the SGL account.

There was no system of the commission regarding the trading (purchasing / selling) of the government securities that Navsari People's Co. Op. Bank had with Home Trade Ltd but it was included in the consideration value in the deal of the purchase or selling and therefore, there does not arise any question of the commission.

Reserve Bank has lodged a complaint in Hon'ble Navsari Court against the directors and the chairman of Navsari People's Co. Op. Bank for breach of the banking Regulation Act. The complaint has been lodged because of the administrative errors and I am not at any fault in it.

The Registrar of the Cooperative Banks, Gandhinagar, and the officers of Reserve Bank conducted the inquiry of Navsari People's Co. Op. Bank Ltd., and have written the comments regarding the fact that the

trading of the security has not been made through the SGL account. But these are the administrative errors and there is no fault on my part in it.

As the appointment of the internal auditor was not made during the year 2001-2002, the internal audit has not been made. The directors and administrators of Home Trade Limited Company committed the fraud of Rs. 24, 76, 52,925/- with Navsari People's Co. Op. Bank and in this regard, I am not at fault but the persons of Home Trade Ltd gained the trust of Navsari People's Co. Op. Bank, hatched the conspiracy and committed the fraud with the bank and I am not at fault in it.

The above fact stated by me is true and correct.

Before,
SD/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 23/08/2002

My name is Dhirubhai Manibhai Nayak, aged 54, occupation: Retired, Res. Surat, 14/B, Purnima Society, near Khetivadi Farm, Ghod Dod Road, Surat-7, Phone No. 3220 220 ®.

On being asked, I state that I reside at the above mentioned address with my family and at present I am living a retired life. Earlier, I had got recruited as the clerk in the year 1970 in Central Bank, Navsari and I had discharged my duty in Central Bank of India, Navsari for eight years and then, I was given the promotion and officer and I was transferred to Ahmedabad in the year 1978 in Central Bank of India, Ahmedabad and in February, 1982, I discharged my duty in Central Bank, Paldi. Thereafter, I was transferred to Surat Regional Office where I discharged my duty for one year. Thereafter, I was transferred to Navsari Central Bank and I discharged my duty in Navsari Central Bank for one year and in the year 1984, I was transferred to Dindoli (Undhna) where I discharged my duty as the branch manager for 2.5 years. In the year 1987, I was transferred to the regional office of our bank located at Nanpura, Surat. I discharged my duty there till the year 1991. Thereafter, in October 1991, I received the promotion and I was transferred to our branch located at S. M. Road, Ahmedabad, where I discharged my duty as the branch manager till the year 1995 and thereafter, in the year 1995, I was transferred to Ghod Dod Road Branch, Surat in Central Bank where I discharged my duty as class-2 officer till the year 1999. In the month of May of 1999, I was transferred

to Central Bank, Navsari, near tower, in the main branch where I discharged my duty till June-2001. On 30/06/2001, I retired from the Central Bank of India, Navsari main branch. On 02/07/2001, I had joined the duty as the manager in Navsari People's Co. Op. Bank Ltd and at that time, my salary was Rs. 12,500/-. Thereafter, on 11/08/2001, I was appointed as the General Manager in Navsari People's Co. Op. Bank Ltd. I had taken the charge of the general manager from my previous general manager Mr. Yashvantraai Gulabbhai Desai. As the general manager, my duty was to do the work related to the financial transactions in the bank, regulation, and supervision and the administration work as per the order of the directors of the board and the chairman of Navsari People's Co. Op. Bank Ltd.

Today, today, you sir have informed me about the complaint filed by Mr. Bhanuprasad Harishankar Suthar, Res. 304, Dhruv Apartment, near Vijay Park Society, Opp. Lunsikui, Navsari, the manager of Navsari People's Co. Op. Bank Ltd with Navsari Town Police Station against Ketan Sheth and other 12 accused under IPC section 406, 409, 420, 425, 422, 423, 120B, 34. As per the complaint, the directors and the administrators of Home Trade Ltd committed fraud and cheating of Rs. 24,76, 52,925/- and you have given me the copies of the said complaint and the documents produced with it and I read the said documents and I became aware and familiar with the fact of the case and I state that during the period from 11/08/2001 to date 10/02/2002 when I was the general manager, prior to me and during the period from the year 1997 to the year 1999, Ketan Sheth and Company had purchased different government securities and regarding the purchase of the government securities, Ketan Sheth and company and we i.e. Navsari People's Co. Op. Bank Ltd had completed our mutual responsibilities. On perusal of the complaint, I state

that serial no. 1, the scrip name in which 10.50% GOI 2014, whose face value is Rs. 5,00,00,000/-, and the bank purchased it on 13/11/2001. Besides, serial no. 2 scrip name in which 9.39% GOI 2015 whose face value is Rs. 7,00,00,000/-. They were purchased in two lots. In the first lot, Rs. 1,60,00,000/-, and in the second lot, Rs. 1,40,00,000/- which were purchased on dated 13/11/2001 and dated 03/12/2001 respectively. Serial no. 3 scrip name in which 11.50% GOI 2011 has been written and its face value is Rs. 3,00,00,000/-, and it was purchased on 13/11/2001, and at serial no. 4 scrip name 11.50%, GOI, 2015, whose face value is Rs. 5,00,00,000/-, and it was purchased on 13/11/2001. We had purchased the said securities owned by Home Trade Ltd. It was transferred in the name of Home Trade Ltd. Thereafter, on the date – which I cannot recall exactly at present, but the investment committee in which I was a member and the chairman MR. Thakorbbhai Desai and the director Mr. Hitendrabhai S. Desai and the directors Mr. Mohanlal U. Gandhi were also the members of the investment committee. As decided by the investment committee, as per the instruction given to me by the chairman Mr. T. M. Desai sir, Serial No. 1, 10.50%, GOI 2014 whose contract no. 7395 and its face value is Rs. 5,00,00,000/-, whose consideration value is Rs. 6,33,06,250/- and serial no. 2 Scrip Name 9395 GOI 2011 whose contract no. 7397 whose face value is Rs. 7,00,00,000/-, and whose consideration amount is Rs. 8,08,74,150/-, and Serial No. 3 scrip name – 11.50% GOI 2011 whose contract no. 7405, and whose face value is Rs. 300,00,000/- and the consideration amount Rs. 3,83,81,250/-, and Serial No. 4 scrip name 11.50% GOI 2015 contract no. 7411 whose face value is Rs. 5,00,00,000/- and its consideration is Rs. 6,56,50,694.44, whose total is Rs. 24,82,12,344.44/- and it was decided to sell it to Home Trade Ltd and against it, it was decided in the investment committee to purchase the securities mentioned at – Serial no. 1 scrip Name

– 08.07% GOI 2017 contract no. 7453, and its face value is Rs. 3,50,00,000/-, and its total consideration is Rs. 3,56,48,976.17 and at Serial No. 2, the scrip name is 08.07% GOI 2017, the contract no 7413, face value Rs. 5,00,00,000/- and the consideration is Rs. 5,09,28,541.67, and at Serial No. 3, scrip name is 08.07% GOI 2017, contract no. 7455, face value is 10,00,000/-, and the consideration is 10,18,570.33, and at serial no. 4, the scrip name is 08.07% GOI 2017, contract no is 7401, the face value is 10,00,00,000.00/-, and the consideration is 10,18,57,083.33, at serial no. 5, the scrip name is 09.81% GOI 2013A whose contract no is 7399, and its face value is 5,00,00,000.00 and the consideration is 5,81,98,750.00, and total consideration is Rs. 24,76,52,925.00/-, which was decided in the investment committee on Monday, date: 18/03/2002 at 16:00 pm in the afternoon. The amount of the difference of Rs. 5,59,419.00/- of the purchased security and the sold security to be received from Home Trade Ltd was received by Navsari People's Co. Op. Bank Ltd vide the cheque no. 984100 dated 19/03/2002 of HDFC Bank Ltd . the contract notes were attached to the complaint and on perusal of it, I state that contract note no. 7395 that had been sold to Home Trade Ltd and in it, the trade date 19/03/2002 and the settlement date 20/03/2002 are written. Similarly, contract note no. 7397 and 7405, and 7411 also bears the trade date 19/03/2002 and the settlement date 20/03/2002. Besides, the government security purchased by Navsari People's Co. Op. Bank whose contract no 7453, 7413, 7455, 7401 and 7399 that bears the trade date 19/03/2022 and the settlement date 20/03/2002. In the investment committee, it was decided on 18/03/2002, to make the trading (selling/purchasing) of the government securities as per the circular of the Reserve Bank of India and prior to it, the phone no. 7909427 of M/s. Home Trade Ltd and the mobile no. 98200-86818, mobile no. 98210 30149, and mobile no. 98211-42821,

phone no. 7812444, 7812550, and of the said phone numbers, phone no. 7909427, 7812444, and 7812550 are the phone numbers of Home Trade Ltd., which were used by Mr. Subhodh Bhandari, the executive managing director, and Nandkishor Trivedi, Smt. Kanan Mevawala were talking. Besides, the personal mobile number 98210 30149 of Nandkishor Trivedi, and the mobile no 98210 30143 of Subodh Bhandari, and mobile no 98200 86818 of Kanan Mevawala, and mobile no 98211 42821 of Ketan Sheth, they were talked to from the STD No. 46131 of the bank from Navsari People's Co. Op. Bank Ltd, Navsari and from the mobile no. 98251 39152 of the director Hitendrabhai Desai also the conversation was made with the said persons of Home Trade Ltd regarding the selling price and the purchase price of the securities. The administrators of Home Trade Ltd are the member of NSE and are the members of SEBI and I had not verified in this regard because the deals of Navsari People's Co. Op. Bank with Home Trade Ltd was ongoing even prior to my joining the bank. In March or February 2002, Home Trade Limited's director Nandkishor S. Trivedi and Kumari Kanan Mevawala had come to Navsari People's Co. Op. Bank Ltd and they had also came into my office and I had met them. I cannot recall the exact date but they had come for the courtesy call regarding the deals of the selling and purchasing of the securities between Navsari People's Bank and Home Trade Ltd., and to talk in this regard. At present, I cannot recall what they had talked to me but they were going to open a new company, and they had talked to me in this regard.

As per the contract note no. 7395, 7397, 7405, 6411, we had sold the government securities to Home Trade Ltd., and as per the contract no. 7453, 7413, 7455, 7401, 7399, we had purchased the government securities from Home Trade Ltd. The difference amount was received by us, i.e., the bank. However, the physical possession of the purchased government

security was not received by the bank during my tenure. Therefore, on 16/04/2002, the Assistant Manager wrote and faxed a letter to Shri Arvindbhai Soni of Home Trade Ltd. Additionally, I spoke over the telephone with Subodh Bhandari, Nandkishor Trivedi, and Kanan Mewawala regarding taking physical possession of the security. However, during my tenure, Home Trade Ltd. did not hand over the physical possession of the security to Navsari People's Co-operative Bank. As a result, it was discovered that we had been defrauded. Today, Mr. Bhanuprasad Harishankar Suthar, Manager of Navsari People's Co-operative Bank, has gone to the Reserve Bank of India in Ahmedabad and has not been present at the bank since morning. Additionally, when I inquired with Mr. Arvindbhai Soni, Assistant Manager, who handles the register, correspondence, and other tasks related to the purchase and sale of securities at Navsari People's Co-operative Bank Ltd., he was busy preparing copies of documents and records related to evidence against the accused. He stated that once the records and the copies of the documents related to the evidence against the thirteen accused mentioned in the complaint are prepared and ready, he will state. That is my fact.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town PS

Date: 26/08/2002

My name is Dhirubhai Manibhai Nayak, aged 54, occupation: Retired, Res. Surat 14/B, Purnima Society, near Khetivadi Farm, Dhod Dod Road, Surat-3, phone no. 3220220.

On being asked, I state that today you sir have read over to me my statement dated 23/08/2002 and the fact stated in it is true and correct. I further state that the list of the telephone numbers regarding the conversation of the purchase and selling of the government security from the phone no. 46131 of Navsari People's Co. Op. Bank Ltd with the persons of Home Trade Ltd namely Kanan Mevawala, Ketan Sheth, Subodh Bhandari, Nandkishor Trivedi, and Bina Sanghvi, and the list of the telephone made from STD in three pages marked as Mark X-1 and on all the three pages and mark x-2 which are 13 pages, which I am presenting. It has been written in the complaint that in March 2002, some securities are as follows.

Sr. No.	Scrip Name	Face Value
1	10.50% GOI 2014	5,00,00,000.00
2	9.39% GOI 2011	7,00,00,000.00
3	11.50% GOI 2011	3,00,00,000.00
4	11.50% GOI 2015	5,00,00,000.00
	Total Face Value	20,00,00,000.00

The above-mentioned Government of India securities were purchased by Navsari People's Co-operative Bank as follows: Securities

with serial numbers 1, 3, and 4 were bought from Home Trade Ltd. on 13/11/2001. Additionally, a security with serial number 2, worth ₹1, 60, 00,000/-, was purchased on 13/11/2001, and another worth ₹5, 40, 00,000/- was purchased on 03/12/2001. These securities were not received physically by us, though contract notes were provided. Against these securities, we sold the following securities.

Sr. No.	Scrip Name	Face Value
1	10.25/GOI 2020	3,40,00,000/-
2	10.03% GOI 2019	3,00,00,000/-
3	9.40% GOI 2012	5,00,00,000/-
4	10.18% GOI 2026	5,00,00,000/-
5	9.85% GOI 2015	5,00,00,000/-
	Total Face Value	21,00,00,000/-

The contract note for the old sale was received by the bank from Home Trade Ltd., but physical possession was not received. Currently, Assistant Manager Arvindbhai Soni is unwell and has not been coming to the bank. He handles the work of document records. I will later check the records to find out when the physical possession of the security was previously obtained, what the consideration value was, which bank the difference amount came from, or which bank it was paid to, and I will have it written down.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Date: 07/09/2002

My name is Dhirubhai Manibhai Nayak, aged 54, occupation: Retired, Res. Surat 14/B, Purnima Society, near Khetivadi Farm, Dhod Dod Road, Surat-3.

On being asked, I state that today you sir have read over to me my previous statements and the fact stated in it is true and correct. I further state that that Mr. Arvindbhai Soni, Assistant Manager of the Bank, on behalf of Navsari People's Co. Op. Bank Ltd., has submitted copies of documents related to the purchase and sale transactions of securities with Home Trade Ltd., Mumbai, and on perusal of it, I state that,

- (1). First, Navsari People's Co. Op. Bank had purchased the government securities of Rs. 26,49,145.83 paisa of the original price of Rs. 25 lakh through the Contract Note No. 6224 from Home Trade Ltd on 30/12/1999 and had paid its amount vide Cheque No. 383514 dated 06/01/2000 of Maharashtra State Co. O. Bank, and its physical delivery has been received, and it has been registered in the name of Navsari People's Co. O. Bank, and its security no is AD 0032 Ahmedabad.
- (2). On 16/02/2000, through the contract note no. 6237, the bond of Rs. 2,15,82,876.71 of Maharashtra Krishna Valley Development Corporation (MKVDC) of the original price of Rs. 2 crore that were sold to Home Trade and in return, Navsari People's Co. O. bank purchased the government securities of the price of Rs. 2,02,3,2777.78 of the original price of Rs. 2 crore through contract note no. 6230 from Home Trade Ltd and the amount of difference of Rs. 1350099.93 got deposited in the bank account of Navsari People's Bank of State Bank of India, Navsari on 19/12/2000 vide DD No. SB/1/3992-94 dated 17/02/2000 of Bank of Hyderabad of the

amount of Rs. 10 lakh, and the DD No. SB/1/65245.4 dated 17/12/2000 of Rs. 350098.93.

(3). On 22/02/2002, As per the contract note no. 6243 and 6241, the government securities of Rs. 4,31,25,833.33 whose face value is Rs. 4 crore were sold to Home Trade Ltd. Both the securities were in the name of Navsari People's Co. O. Bank. Against the said selling, Navsari People's Bank had purchased the government security of Rs. 4053388.59 of the face value of Rs. 4 crore vide contract note no. 6245 from Home Trade Ltd. The total amount of difference of Rs. 2591944.44 paisa was received from Home Trade vide the DD No. 399297 dated 24/02/2000 of State Bank of Hyderabad, Fort Branch, Mumbai, and the bank had received the said amount. Besides, a letter was written to the Reserve Bank regarding the transfer of the said purchased security and a receipt has been received from the Reserve Bank in this regard. It was given to Reserve Bank of India, Ahmedabad vide receipt no. 1345 dated 17/08/2000 for the transfer in the name of the bank.

(4). On 14/03/2000, through the contract note no. 6287, the government securities of Rs. 21,21,7777.68 paisa of the face value of Rs. 2 crore were sold to Home Trade Ltd by the bank. Against the said consideration amount, the bank purchased the government securities of Rs. 20318000/- of the face value of Rs. 2 crore vide the contract note no. 6289 from Home Trade Ltd. The total amount of Rs. 889777.78 of the difference was received by the bank from Home Trade vide the DD No. 652639 dated 15/03/2000 of State Bank of Hyderabad, Fort Branch, Mumbai. The securities sold in this deal had got transferred in the name of Navsari People's Co. O. Bank, and in order to transfer the purchased securities in the name of Navsari People's Bank, Navsari, the receipt no. 7345 dated 17/08/2000 of the Public Dept office of Reserve Bank of India, Ahmedabad

branch has been received.

- (5). Thereafter, on 20/09/2000, vide contract note no. 10391, the securities (GOI) of the face value of Rs. 2 crore and vide contract note no. 10689, the securities of total Rs. 81,72,31,166.67 of the face value of Rs. 6 crore were sold to Home Trade Ltd by the bank. Against the consideration amount of said selling by the bank, as per the contract no. no. 10403, 10410 and 10393, the securities (GOI) of Rs. 83276333.33 of the face value of Rs. 8 crore were purchased by the bank from Home Trade Ltd, and the bank had sent the cheque no. 84401 of Rs. 1553166.66 of the amount of difference of HDFC Bank to Home Trade Ltd and the said purchased GOI securities had got transferred in the name of Navsari People's Co. O. Bank.
- (6). On 01/12/2000, vide contract note no. 11153 and 11159, the bond of Sardar Sarovar Narmada Ltd of the face value of Rs. 5 crore and the bond of Maharashtra Krishna Valley Development Corporation of Rs. 25 lakh, and the bond of Rs. 55178328.77 were sold to Home Trade Ltd. Besides, as per the contract note no. 11151, the GOI Security of Rs.33463543.75 of the original price (Face Value) of Rs. 3, 25, 00,000/- were purchased by the bank from Home Trade Ltd, and the total amount of the difference of Rs. 21714785.02 was directly deposited in the current account of Navsari People's Co. Op. Bank in HDFC Bank through cheque on 07/12/2000.
- (7). On 20/02/2001, vide contract note no. 12091, the GOI securities of the face value of Rs. 1 crore was sold by the bank to Home Trade Ltd at the price of Rs. 1,06,21,875/- and the amount of the difference of Rs. 10621875/- was directly deposited in the HDFC Bank Surat of the account of the bank by the bank through the cheque no. 901918 dated 22/02/2001 of Mumbai Fort Branch, and the said amount got deposited in the account of the Bank.
- (8). Thereafter, on 12/04/2001, through contract note no. 12753, the GOI

securities of Rs. 1,33,15312.50 of the face value of Rs. 1 crore 25 lakh was purchased by the bank from Home Trade Ltd and had paid its amount vide cheque no. 009295 dated 16/04/2001 of UTI Bank, Valsad Branch, and the bank has not received its physical delivery, but Home Trade Ltd has sent only the transfer form and the photocopies of the security to the bank.

(9). Then, on 02/05/2001, vide contract note no. 12883 and 12881, Home Trade Ltd sold the security of Rs. 8243284.33 paisa of the face value of Rs. 75 lakh to Navsari People's Bank Ltd and against it, vide contract note no. 12945, the bank purchased the securities of Rs. 7681237.50 of the original price of Rs. 75 lakh from Home Trade Ltd and the amount of the difference of Rs. 562047.23 paisa was deposited in the account of the bank vide cheque no. 111446 in HDFC Bank. Its physical delivery has not been received.

(10). On 25/05/2001, vide contract note no. 13113 and 13115 and 13117 and 13119, the GOI security of Rs. 11,75,00,000/- was sold by the bank to Home Trade at the selling price of Rs. 12,98,38,077.09 and against it, as per contract note no. 13121, 13123, and 13125, the security of the original price of Rs. 12 crore 50 lakh was purchased by the bank from Home Trade Ltd at the price of Rs. 128592333.33 and the amount of the difference of Rs. 1245703.76 was deposited in the bank account of Navsari People's Co. Op. Bank at HDFC Bank, Surat through the cheque dated 25/05/2001 vide cheque no. 923001 of Janata Sahakari Bank, Pune, and in it, the purchased securities have not got transferred in the name of Navsari People's Bank, and the photocopies of the papers of the names of others were received from Home Trade Ltd.

(11). On 14/08/2001, through contract note no. 6669, 6667, 6665, and 6671, the GOI security whose original price was Rs. 2.5 crore was sold to Home Trade Ltd by the bank at the price of Rs. 2,79,71,844.40. Against it,

the bank had purchased the security of Rs. 6, 10, 57,675/- of the face value of Rs. 6 crore from Home Trade Ltd as per the contract note no. 6675, 6673. The amount of difference was paid by the bank to Home Trade Ltd and the amount of Rs. 25 lakh was paid to Home Trade Ltd through the draft no. 383102, 382108 and 303104 written at Punjab National Bank, Mumbai and through the cheque no. 047853 written at UTI Bank, Mumbai, the amount of Rs. 30985830.57 was paid through the bank account of Navsari People's Co. Op. Bank in Valsad UTI. In it, the bank had received physical delivery of Rs. 50 lakh as per the contract note no. 6667 and 6665, and had received and the photocopies of the papers of the names of others of the other security.

(12). On 19/09/2001, through the contract note no. 6765,6767, 6763, and 6761, the bank had sold the government security of the face value of Rs. 13 crore 25 lakh to Home Trade Ltd at the selling price of Rs. 14,28,33,236.11 paisa, and the bank had purchased the security of the face value of Rs. 15 crore at the selling price of Rs. 15,14,52,236.12 paisa from Home Trade Ltd through the contract no. 6773, 6775, 6769, and the amount of its difference of Rs. 86,19,000.01 paisa was paid by the bank to Home Trade Ltd vide cheque no. 041939 dated 20/09/2001 of HDFC Bank. Of the said purchased securities, the security of Rs. 75 lakh had got transferred in the name of Navsari People's Bank, and Home Trade Ltd had sent the photocopies of the names of others of the remaining security to the bank.

(13) Thereafter, on 17/10/2001, through the contract note no. 6809, the security of Rs. 5 crore, whose selling price was Rs. 5, 22, 07,416.69 paisa was sold to Home Trade Ltd by the bank. Besides, through the contract note no 2015, the GOI security of the face value of Rs. 5 crore was purchased by the bank from Home Trade Ltd at the price of Rs. 5, 02, 27,361.11 paisa, and the amount of difference of Rs. 19, 80,055.56 paisa

was deposited by Home Trade Ltd in the bank account in HDFC Bank-Surat of Navsari People's Bank vide cheque no. 257022 dated 20/10/2001. The bank has not received the physical delivery of the said purchased security.

(14). On 05/11/2001, through the contract note no. 6879, and 6881, and 6877, and 6875 and 6883 of Home Trade Ltd, the government security of the original price of Rs. 21 crore was sold by the bank to Home Trade Ltd at the selling price of Rs. 22,63,83,405.55, and against it, through the contract note no. 6885, 6889, 6887, 6893, and 6891, the government security of the original price of Rs. 19,60,00,000/- was purchased by the bank from Home Trade Ltd at the purchase price of Rs. 22,15,68,317.79 paisa and the amount of its difference of Rs. 48,15,087.76 was deposited by the Home Trade Ltd in the HDFC bank account of Navsari People's Bank at Surat vide the cheque no. 217072 dated 13/11/01 in the HDFC bank. The physical delivery of the securities purchased in this deal has not been received.

(15). On 28/11/2001, through the contract note no. 6899, the government security of the original price of Rs. 5 crore was sold by Navsari People's Bank to Home Trade Ltd at the selling price of Rs. 5,65,15,277.78 and through the contract note no. 6901 of Home Trade Ltd, the GOI security of the original price of Rs. 5, 40, 00, 000/- was purchased by the bank from Home Trade Ltd at the purchase price of Rs. 6,12,56,835/- and the amount of its difference of Rs. 37,41,557.22 paisa was paid to Home Trade Ltd by Navsari People's Bank, i.e. the amount of Rs. 15 lakh vide cheque no. 573236 dated 05/12/2001 of HDFC Bank, and Rs. 9 lakh and Rs. 9 lakh and Rs. 4,41,557.00 was paid on 15/12/2001 in Punjab National Bank vide draft no. 652749, and 652750, and 652751 respectively. The bank has not received the physical possession of the said purchased security.

(16). On 19/03/2002, through contract note no. 7395, 9397, 7405, 7411 of Home Trade Ltd., the GOI security of the original price of Rs. 20 crore was sold to Home Trade Ltd by the bank at the selling price of Rs. 24,82,12,344.44, and against it, through the contract note no. 7453, 7413, 7455, 7401, 7399 of Home Trade Ltd, the bank had purchased the government security of the original price of Rs. 23,60,00,000/- from Home Trade Ltd at the purchase price of Rs. 24,76,52,925/-, and the amount of its difference of Rs. 5,59,419.44 has been received by the bank vide cheque no. 984100 dated 19/03/2002 of HDFC Bank.

During the said deals, we i.e. Navsari People's Co. Op. Bank Ltd had made the trading of the government security with Home Trade Ltd and in the said deals, the physical possession of the government security was received in some deals and in some deals the physical possession was not received. But the contract notes were received regularly. The purchase and sale of government securities, as well as the authority to determine the price at which they should be bought and sold, lies with the investment committee. Based on its decisions, government securities are traded accordingly. On 25/05/2001, Navsari People's Co-operative Bank Ltd. sold government securities to Home Trade Ltd. However, the physical possession of the securities was not received in exchange. Furthermore, in the transactions following this deal, up to 19/02/2002, the physical possession of the securities remained unfulfilled.

Government securities cannot be sold until physical possession is obtained and they are registered under the name of Navsari People's Co-operative Bank. I am unaware of this regulation.

According to the Reserve Bank of India's regulations, government securities should be bought and sold through an SGL account. However, this was not done because, at the time of opening the SGL account in

August 2001, Navsari People's Bank did not have any physical securities in its possession.

There was no system of the commission regarding the trading (purchasing / selling) of the government securities that Navsari People's Co. Op. Bank had with Home Trade Ltd but it was included in the consideration.

After the inquiry was conducted by Reserve Bank of India against Navsari People's Co. Op. Bank, it has lodged a complaint of the breach of the Banking Regulation Act against the directors and the chairman of Navsari People's Co. O. Bank Ltd with Hon'ble Navsari Court. In it, my name has also been given as an accused because I was the manager of the bank but I am not at fault in it but it has happened because of the administrative error.

The Registrar of the Cooperative Banks, Gandhinagar, and the officers of Reserve Bank conducted the inquiry of Navsari People's Co. Op. Bank Ltd., and have written adverse remarks but I am not at fault in it. It has happened due to the administrative error.

As the appointment of the internal auditor was not made during the year 2001-2002, the internal audit has not been made during the said period.

Regarding the purchase and sale of government securities between Navsari People's Co-operative Bank Ltd. and Home Trade Ltd., Mumbai, in the last transaction dated 19/03/2002, the directors and managers of Home Trade Ltd. deceived Navsari People's Co-operative Bank by misusing the depositors' funds, amounting to ₹24,76,52,925/-. While the bank's directors and managers hold moral responsibility for this matter, they do not bear criminal negligence liability. The above fact stated by me is true and correct.

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Before,
Sd/- Illegible
Police Sub Inspector,
Navsari Town Police Station.

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Date: 20/08/2002

My name is Vinodchandra Ghelabhai Desai, aged 43, occupation: business, Res. Navsari, 301, Kasturi Apartment, Chikuvadi, Ashabaug, Navsari, Phone No. (R). 51826, 51371 (O). 59026, mobile no. 98251 41726.

On being asked, I state that I am working as the chartered accountant. In the year 1986, I received the degree of chartered accountant. I graduated in Commerce Faculty from South Gujarat University in the year 1980 and my office is located at the address: Satyam Apartment, 3rd Floor, near Central Bank, Opp. White-way Tailors, Navsari. Vinodbhai Surati, resident of Rajpor and Rajubhai Nayak, who has been working in my office for last six years is the resident of Mandir village, Ta. Jalalpor, dist. Navsari, and Mohanbhai Nayak who has been working for last seven years is the resident of Vasant Faliyu, Jalalpor. Besides, other students work in my office as a part of their training of CA namely (1) Anand Bipinchandra Desai, (2) Hetalben Gohel also come to learn. I, as the chartered accountant, have been appointed as an advisor in Gandevi People's Bank and I have also been appointed as an advisor in Mahila Nagarik Bank, Athwagate, Surat, and as the advisor in Tapi Co. Op. Ltd Bank, Shivshakti Market, Surat. Besides, I have also been appointed as an advisor in Adajan Nagarik Co. Op. Bank, Adajan Circle, Surat. As the advisor, my duty is to give advice to the directors and the officers of the bank regarding the administrative account and the advice related to the finance and the income tax. In this regard, each of the banks give me fix amount as remuneration.

Since the year 1987, I have been discharging my duty as the consultant auditor cum advisor in Navsari People's Co. O. Bank Ltd. My duty is to the work related to the accounts of the bank, the work of audit, and to give the report in this regard for the period from April to March with the remarks. Besides, my duty is to give the advice regarding the financial transactions and the income tax. For the said duty, the bank pays the remuneration to me in fix rate.

Today, you sir gave me the copy of the complaint lodged by Bhanuprasad Harishankar Suthar, the manager of Navsari People's Co. O. Bank Ltd against Home Trade Ltd of the fraud of Rs. 24,76,52,925/- and I have read it and the said complaint has been registered with Navsari Town Police Station vide I-CR No. 93/2002 under IPC Section-406, 409, 420, 421, 422, 423, 120b, 34 against the directors and officers of Home Trade Ltd and the officers of Giltedge Management Services Ltd. The said accused have committed the fraud and cheating and siphoning of Rs. 24,76,52,925/- of Navsari People's Co. Op. Bank Ltd.

Director of Home Trade Ltd Mr. Ketan Sheth used to come to Navsari People's Co. Op. Bank now and again and therefore I know him. He is working as a share broker. Besides, he is also working as the security broker. I had worked as the internal auditor of Navsari People's Co. Op. Bank Ltd till March-2001. Thereafter, I got relieved. During the period as the internal auditor, the transactions and deals of the investment of money in the government securities had been made with Home Trade Ltd. But in the said transactions, both parties had completed their responsibilities. Therefore, in my audit report of the period up to March 2001, I had checked the balance sheet and the accounts and as it was proper, I have not written any remarks or noting.

After March 2001, on 19/03/2002, the government securities of the contact no. 7395; 7397, 7405, 7411 of different values, scrip no. 2014, 2011, 2011, 2015 whose face value is 20 crore and its selling price (Consideration) is Rs. 24,82,12,344.44. At the said selling price, Navsari People's Co. Op. Bank had sold to Home Trade Ltd. Against it, Navsari People's Co. Op. Bank Ltd had purchased the government of India Scrip No. 2017, 2017, 2017, 2017, 2013 vide contract no. 7453, 7413, 7455, 7401, 7399 from Home Trade Ltd, whose face value is Rs. 23, 60, 00,000/-, and the purchase price of Rs. 24, 76, 52,925.00. the amount of the difference of Rs. 5,59,419/- was paid to Navsari People's Co. Op. Bank Ltd by Home Trade Ltd vide the cheque in HDFC Bank, and Navsari People's Co. Op. Bank Ltd had received the said amount. But the purchased security of Rs. 24, 76, 52,925/- has not been received from Home Trade Ltd. So, Home Trade Ltd has committed fraud and cheating of the said amount. Due to my old relationship with the bank, Mr. Thakorbbhai Desai, the chairman of Navsari People's Co. Op. Bank Ltd had told me that the persons of Home Trade Ltd have committed the fraud of huge amount with Navsari People's Co. Op. Bank Ltd. So, I had discussed with him in this regard, and at his behest, I and the assistant manager of the bank Mr. Arvindbhai Soni and the director of Gandevi People's Bank Mr. Manharbbhai Shah had gone to Mumbai Crafted Market Police Office and we had gone there on Saturday, date: 26/04/2007. But we could not meet anyone. Thereafter, on 29/04/2002, we had again gone to Mumbai and went to the office of Home Trade Ltd but nobody could be contacted there. So, we contacted SEBI and NSE and regarding the said incident, we discussed the matter with the advisor Mr. Kamalbbhai Agrawat, who is the director of DR Investors Grievances Services Ltd. As per his advice, we had lodged an application with Mumbai Economic Cell of the Police Department seeking investigation. Thereafter, on 06/05/2002, I and the assistant manager Mr. Arvindbhai Soni had gone to Ahmedabad Reserve

Bank and had provided the copies of the application lodged with SEBI, NSE and Mumbai Police- Economic Cell. and had also given a request letter regarding the incident that had occurred.

But the complaint that has been registered on the basis of the application bears the name of 13 accused persons. But in the said application, no details of the information regarding the role of the accused or who did what was not given in the complaint. Thereafter, I had gone to the office of the Registrar, Gandhinagar, and had submitted a letter regarding the incident that had happened to the Registrar in his office located in Jivraj Mehta Bhavan.

For last two years, I have the copy of the audit report that I had prepared. But since I have not made the audit of the present year 2002, therefore, I am producing the copies of the year 1999 and the year 2000. The said copies bear my signature.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police sub Inspector
Navsari Town Police Station

VINOD DESAI & ASSOCIATES
CHARTERED ACCOUNTANTS
"Satyam", Opp. White Way Tailors,
Near Central Bank, Navsari-396445
Phone No. (02637) (O) 596445 (R) 51371

Date:

Internal Audit Report

The attached balance sheet of The Navsari People's Co-operative Bank Ltd., Navsari, as of 31-03-1999, along with the profit and loss account for the year ending on that date, which includes the accounts of the branches, has been examined. I report that –

1. Based on the information provided to me and the explanations given, as well as the accounting records, in our opinion, the aforementioned balance sheet has been accurately and appropriately prepared. It also presents a fair and true report of the bank's financial position.
2. Wherever disclosures and information were requested, such information and disclosures have been provided to me, and they have been found satisfactory.
3. The transactions of the bank that came to my attention appear to be within the limits of authority.
4. The bank has five branches.
5. The profit and loss account accurately reflects the profit for the

accounting period.

6. In my opinion, the accounting books have been maintained as per legal requirements.
7. In my opinion, the balance sheet and profit and loss account have been prepared in accordance with the law.
8. As per the circulars of the Reserve Bank of India, calculations for income recognition, classification of non-performing assets, and provisions for bad and doubtful debts have been made, and adequate reserves have been set aside for bad and doubtful debts.

Date: 30/06/1999

Place: Navsari.

Sd/- Illegible

Vinodchandra G. Desai

Chartered Accountant

VINOD DESAI & ASSOCIATES
CHARTERED ACCOUNTANTS
 "Satyam", Opp. White Way Tailors,
 Near Central Bank, Navsari-396445
 Phone No. (02637) (O) 596445 (R) 51371

Date: 30/06/199

To,
 The Chairman,
 The Navsari People's Co. Op. Bank Ltd.,
 Navsari.

Subject: Internal Audit Report 1998-99

With reference to the above subject, we respectfully inform you that we have completed the internal audit for the year 1998-99 of the bank. This includes the accounts of the main office, Maroli Bazar, Station, Kabilpor, Care Shops Road, and Vijalpor branches. The notable points of the internal audit are as follows:

1

Deposit Growth rate	31-03-1998	31-03-199
Ten Years Bond	0.29	0.28
Fixed Deposits person	2675.37	3825.91
Societies	143.15	323.66
Silver Jubilee Bond	307.47	353.30
Member Gift Bond	20.98	20.98

Enhanced bond	191.97	221.97
Daily savings	200.38	278.07
Recurring	42.11	97.10
Savings deposits	835.49	1018.28
Current deposits	261.23	297.02
	4678.43	6436.57
Total Deposit Amount	Rupees	Percentage
Term Deposit	4746.10	73.74%
Daily Savings	278.07	4.32%
Recurring	97.10	1.51%
Savings account	1018.28	15.82%
Current Deposit	297.02	4.61%
	6436.57	100.00%

Based on the above details, the total deposits have increased by 37.58%, rising from ₹46.78 crores to ₹64.30 crores.

If we look at the different types of deposits, term deposits account for 73.74%, while recurring deposits make up only 1.51%. Savings accounts constitute 15.82%, current deposits 4.61%, and daily deposits 4.32%. Thus, term deposits hold a significant proportion of high-interest deposits.

The total interest expenditure is ₹5.85 crores, whereas the total deposits and loans amount to ₹64.36 crores. At the beginning of the year, this stood at ₹46.78 crores + ₹0.42 crores = ₹47.20 crores. Thus, the average deposits + loans = ₹55.57 crores, with interest expenses amounting to ₹5.85 crores, or 10.53%. This percentage has been rising year after year, directly impacting profitability.

The bank needs to make special efforts to attract low-interest

deposits, such as current accounts, daily deposits, and savings accounts. To this end, practical measures like reducing demand draft commissions for outstation transactions and introducing a minimum balance scheme for current accounts have been initiated. Similarly, the number of savings accounts is lower than the total membership, indicating that many members do not engage in banking transactions with the bank. A plan should be devised to ensure all members open savings accounts with the bank.

2.. Lending:

During the year, the loan amount, which was ₹31.09 crores at the beginning, increased to ₹35.83 crores—reflecting a 15% rise. Meanwhile, accrued interest on term deposits rose from ₹151.21 lakhs to ₹194.03 lakhs, marking an increase of ₹42.82 lakhs. Additionally, a provision of ₹13.60 lakhs had to be made for doubtful recoveries. Consequently, the combined impact of provisions for doubtful recoveries and accrued interest amounted to ₹13.60 lakhs + ₹42.82 lakhs = ₹56.42 lakhs, negatively affecting overall profitability.

The proportion of non-performing loans (NPLs) due to overdue payments is increasing year by year, and urgent measures are needed to control this. To address this, a dedicated recovery department should be established on a permanent basis. Specifically, at the Station Branch, where the proportion of overdue interest and non-performing loans is rising significantly, special attention must be given to loan recovery, and stricter control over lending is required. Additionally, loan applications should be thoroughly verified, and regular account inspections should be conducted after loan disbursement to ensure compliance.

Branch Operations:

- (1). The growth rate of deposits in branches is significant, and the proportion of lending has been gradually increasing. The Care Shops Road branch has incurred a loss, while all other branches have recorded profits. The loss at the Care Shops Road branch is due to its low lending proportion. As a result, surplus savings are deposited with the head office, which pays interest at a rate lower than the interest rate on bonds accepted by the branch, contributing to the loss.
- (2). In new branches, there is currently only one officer per branch, with the remaining staff at the clerk level. At the head office, two officers' signatures are mandatory for essential documents like cheques and demand drafts, whereas new branches operate with a single officer's signature, which is inappropriate. To address this, permanent clerk-level employees could be granted signing authority. Alternatively, an additional officer, apart from the branch agent, should be urgently appointed in each branch. Furthermore, sudden leave by a branch agent creates administrative challenges. Suggestions to resolve this have been made since the new branches were established, but no action has been taken.

Statistics Department: Currently, the head office and five branches are operational. The reconciliation of branch accounts and accounts with other banks is pending. There is a discrepancy of approximately ₹29.80 lakh between the branches and the head office. To address this, a statistics department should be established immediately. Another critical function of the statistics department is to provide information to the Reserve Bank

through various forms within stipulated deadlines. The Reserve Bank has now adopted a stricter stance, and in cases of delays beyond the set deadlines, penalties are imposed on employees and the Board of Directors.

Loan Applications from Branches: Loan applications sent by branches to the head office are not dispatched on time. These applications should reach the head office five to six days before the branch committee or Board of Directors' meeting. However, branches are not consistent in adhering to this timeline, resulting in the head office being unable to verify these applications, leading to their postponement. It is necessary to instruct branches to comply with this schedule. Similarly, applications received from branches and the head office, particularly those for loans exceeding the specified limit, should be centrally verified.

Introduction of Concurrent Audit: As per the Reserve Bank of India's guidelines, a concurrent (continuous) audit system must be implemented when deposits exceed ₹50.00 crore. During the year 1998-99, the bank's deposits surpassed ₹50.00 crore. Therefore, it is essential to promptly implement this system.

Share Capital Growth:

The bank's authorized share capital is ₹5.00 crore, of which the collected share capital is ₹96.71 lakh, compared to ₹75.92 lakh at the beginning of the year. This year, one shareholder is being offered nine additional shares at the original price. Increasing the share capital is crucial for enhancing the bank's capacity to secure loans and deposits from external sources.

According to Reserve Bank regulations, loans must be linked to fully

paid-up share capital. For secured loans, 5% of the loan amount, and for unsecured loans, 2.5% of the loan amount, must be held in shares. During audits, it was observed that share capital is refunded once a loan is fully repaid. Often, when the same member seeks another loan, they must purchase new shares again. In such cases, share capital should not be refunded even after full loan repayment to ensure growth in share capital, which is a vital factor for the bank's development.

Sd/- Illegible

(Vinodchandra G. Desai)

Chartered Accountant

VINOD DESAI & ASSOCIATES
CHARTERED ACCOUNTANTS
 "Satyam", Opp. White Way Tailors,
 Near Central Bank, Navsari-396445
 Phone No. (02637) (O) 596445 (R) 51371

Date: 30/06/2000

To,
 The Chairman,
 The Navsari People's Co. Op. Bank Ltd.,
 Navsari.

Subject: Internal Audit Report 1999-2000.

With reference to the above subject, we respectfully inform you that we have completed the internal audit for the year 1999-2000 of the bank. This includes the accounts of the main office, Maroli Bazar, Station, Kabilpor, Care Shops Road, and Vijalpor branches. The notable points of the internal audit are as follows:

1

Deposit Growth rate	31-03-1999	31-03-2000
Ten Years Bond	0.28	0.28
Fixed Deposits person	3825.91	4961.21
Societies	323.66	518.43

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Silver Jubilee Bond	353.30	405.95
Member Gift Bond	20.98	20.98
Enhanced bond	221.97	256.65
Daily savings	278.07	336.52
Recurring	97.10	150.80
Savings deposits	1018.28	1353.74
Current deposits	297.02	347.57
	6436.57	8352.13

2

Total Deposit Amount	Rupees	Percentage
Term Deposit	4746.10	73.74%
Daily Savings	278.07	4.32%
Recurring	97.10	1.51%
Savings account	1018.28	15.82%
Current Deposit	297.02	4.61%
	6436.57	100.00%

Based on the above details, the total deposits have increased by 29.75%, rising from ₹64.37 crores to ₹83.52 crores.

If we look at the different types of deposits, term deposits account for 73.79%, while recurring deposits make up only 1.81%. Savings accounts constitute 16.21%, current deposits 4.16%, and daily deposits 4.03%. Thus, term deposits hold a significant proportion of high-interest deposits.

The total interest expenditure is ₹7.63 crores, whereas the total deposits and loans amount to ₹83.52 crores. At the beginning of the year, this stood at ₹64.37 crores. Thus, the interest expense against the average

deposit is 10.32% more, and it has directly impacted profitability.

The bank needs to make special efforts to attract low-interest deposits, such as current accounts, daily deposits, and savings accounts. To this end, practical measures like reducing demand draft commissions for outstation transactions and introducing a minimum balance scheme for current accounts have been initiated. Similarly, the number of savings accounts is lower than the total membership, indicating that many members do not engage in banking transactions with the bank. A plan should be devised to ensure all members open savings accounts with the bank. The bank has received the sanction to collect the deposits in non-residential accounts for last two years. In it, the deposits of only Rs. 13.02 lakh has been received till 31-03-2000, which is much less. It is necessary to make wide publicity of the sanction obtained by the bank to accept this deposit.

2.. Lending:

During the year, the loan portfolio, which was ₹35.83 crore at the beginning, increased to ₹42.82 crore, reflecting a 19.51% rise. However, the overdue interest, which was ₹194.03 lakh, rose to ₹241.69 lakh, resulting in an increase of ₹47.86 lakh. Similarly, the combined effect of provisions for doubtful debts, overdue interest, and other factors led to an adverse impact of ₹47.86 lakh + ₹29.70 lakh + ₹9.60 lakh, totaling ₹87.46 lakh, on the profit.

The proportion of non-performing loans (NPLs) continues to rise year-on-year due to overdue payments, necessitating urgent control measures. To address this, there is a need for a permanent, dedicated recovery department. Specifically, the increasing overdue interest and non-performing loans at the Station Branch highlight the need for focused attention on loan recovery in this branch, along with stricter control over

lending. Additionally, the loan application verification process, followed by regular account audits after loan disbursement, should be conducted diligently.

Branch Operations:

(1) The growth rate of deposits in branches is noteworthy. The proportion of disbursements is also gradually increasing. Due to the low disbursement rate, surplus savings are deposited with the head office, on which the head office pays interest at a specified rate.

(2) Currently, new branches have only one officer each, who is a contractual employee. For signing essential documents such as cheques, demand drafts, etc., the head office mandates the signatures of two officers. However, in new branches, operations are managed with the signature of a single officer, which is not appropriate. To address this, permanent clerical staff could be granted signing authority. Alternatively, an additional officer, besides the branch agent, should be urgently appointed in each branch. Furthermore, when a branch agent takes sudden leave, it creates administrative difficulties. We have been suggesting this issue consistently for the past three years since the new branches were established, but no action has been taken.

Accounts and Inspection Department

During the financial year, the head office and five branches are operational. The reconciliation of branch accounts and accounts with other banks remains pending. There is a discrepancy of approximately ₹8.39 lakh between the branches and the head office, and reconciliation with other banks is also outstanding. To address this, an accounts department should

be established immediately. The accounts department's other critical responsibility is to provide information to the Reserve Bank through various forms within stipulated timelines. As the scope of branches expands and the workload of various departments increases, an inspection department is also necessary.

Loan Applications from Branches: Loan applications sent by branches to the head office are not dispatched on time. These applications should reach the head office five to six days before the branch committee or Board of Directors' meeting. However, branches are not consistent in adhering to this timeline, resulting in the head office being unable to verify these applications, leading to their postponement. It is necessary to instruct branches to comply with this schedule. Similarly, applications received from branches and the head office, particularly those for loans exceeding the specified limit, should be centrally verified.

Introduction of Concurrent Audit: As per the Reserve Bank of India's guidelines, a concurrent (continuous) audit system must be implemented when deposits exceed ₹50.00 crore. During the year 1998-99, the bank's deposits surpassed ₹50.00 crore. Therefore, it is essential to promptly implement this system.

Share Capital Growth:

The bank's authorized share capital is ₹50.00 crore, of which the collected share capital is ₹149.94 lakh, up from ₹96.71 lakh at the beginning of the year. Currently, for every shareholder, nine additional shares are issued at the original price. Given the rapid growth in the bank's deposits, increasing

the bank's capacity to secure external loans/deposits is crucial to meet this demand.

As per Reserve Bank of India (RBI) guidelines, loans must be backed by fully paid-up share capital. During audits, it was observed that share capital is refunded once a loan is fully repaid. However, when the same member seeks a new loan, they are required to purchase new shares again. In such cases, share capital should not be refunded even after full loan repayment to ensure growth in share capital, which is vital for the bank's development. This suggestion was made last year but has not been implemented, and it is recommended to take action on this.

Income Tax Assessment

The income of cooperative banks is exempt from tax under Section 80P of the Income Tax Act. However, citing the Supreme Court's ruling in the case of Madhya Pradesh State Cooperative Bank Ltd., the Income Tax Department has misinterpreted the law and arbitrarily assessed taxes. The department is assessing the accounts of cooperative banks for the past 10 years. For our bank, assessments for the years 1987-88 and 1997-98 were conducted this year, resulting in an erroneous tax demand of ₹72,60,70/- due to misinterpretation. The bank has filed an appeal against this with the Commissioner.

Investment Policy

For cooperative banks with deposits exceeding ₹25 crore, 10% of the total deposits must be invested in government securities as part of the Statutory Liquidity Ratio (SLR) requirement. The bank has fully complied with this provision.

As per RBI guidelines, cooperative banks can invest up to 10% of their total deposits in public sector bonds, subject to compliance with cooperative laws. The bank has fully adhered to this provision.

The bank has implemented an investment policy as per RBI instructions and has constituted an investment committee for this purpose.

Building Fund

During the current year, ₹20.00 lakh was allocated to the Building Fund from gross profit, bringing the total Building Fund to ₹111.50 lakh as of 31-03-2000. With an additional ₹7.00 lakh from the net profit allocation, the fund will reach ₹118.50 lakh. Considering the bank's investment in building properties, there is still a significant shortfall in the Building Fund. Therefore, it is recommended that no new investments be made in building properties until this shortfall is addressed.

Budgeting Practice

As the bank's operations continue to expand, it is expected to achieve Scheduled Bank status in the coming years, with an increase in the number of branches and operational scope. To accommodate this growth, the bank should introduce a budgeting practice that includes annual and long-term planning. This should cover aspects such as share capital, deposits, loans, fixed assets, administrative expenses, advertising costs, computerization, and technology upgrades.

Sd/- Illegible

(Vinodchandra G. Desai)

Chartered Accountant

Vinod Desai & Associates**Chartered Accountant**

Satyam, Opp. Whiteway Talkies, Near Central Bank, Navsari.

To,

The Chairman,

Navsari People's Co-operative Bank Ltd.,

Navsari.

Subject: Internal Audit Report

We have completed the audit of the accounts of Navsari People's Co-operative Bank Ltd., Navsari, Dist. Navsari, for the period from 01-04-2000 to 31-03-2001. The audit includes the accounts of the Head Office, Maroli Branch, Station Branch, Kershaps road Branch, Vijalpor Branch, and the three branches opened during the year: Samapor Branch, Jamalpor Branch, and Khadsupa Boarding Branch. The significant points of the internal audit are as follows:

Registration and Area of Operation:

The bank is registered under Registration No. SE-11676 dated 06-10-1971. The bank's area of operation is limited to the revenue boundaries of Navsari and Valsad districts. An amendment to the bye-laws has been made to include Surat and Dang districts in the area of operation, and the process for this is ongoing with the Registrar of Cooperative Societies, Gujarat State.

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Membership:

As of 31-03-2000, at the end of the previous audit period, the membership stood at 23,764. During the audit period, 1,304 new members were enrolled, and 341 members resigned. Thus, as of 31-03-2001, the total membership of the institution is 24,727.

Share Capital:

At the end of the previous audit period on 31-03-2000, the paid-up share capital was ₹1, 49, 93,700/-. This increased to ₹1, 94, and 03,600/- by 31-03-2001. The bank's authorized share capital is ₹5 crore.

Objectives:

The primary objective is to foster thrift among members, in line with the limitations specified in the bye-laws and the directives issued by the Reserve Bank of India from time to time. This includes providing loans to members for their businesses, employment, cottage industries, small-scale industries, and on securities. The bank undertakes all types of banking and exchange operations, collects deposits for its operations, provides safe deposit vault services, disburses loans and advances, and conducts guarantee and indemnity businesses on behalf of clients. Additionally, the bank aims to acquire, construct, maintain, or modify buildings as necessary or convenient for its purposes.

Activities:

To achieve its approved objectives, the bank has undertaken most types of banking activities. These include accepting deposits from members and non-members, providing loans, overdrafts, and cash credit facilities to

members, and performing bank clearing operations for both members and non-members. To expand its operations, the bank has established a head office and five branches within its area of operation. The lending and deposit activities of these branches are as detailed below.

Sr. No.	Branches	Deposits	In Rupees (Crores)	Loans	In rupees (Crores)
1	Head Office	54.20	45.28	38.53	22.69
2	Maroli Bazaar Branch	9.13	7.76	4.30	3.39
3	Station Branch, Navsari	12.09	10.12	8.21	6.96
4	Kabilpor Branch	7.75	5.63	5.94	4.20
5	Kershaps road Branch	8.20	7.06	3.54	3.13
6	Vijalpor Branch	8.46	7.67	3.34	2.45
7	Samapor Branch	0.54	---	0.07	---
8	Jamalpor Branch	1.45	--	0.68	---
9	Bhulafaliya Branch	0.09	--	---	---
	Total	101.91	83.52	64.61	42.82

Over the last three years, the bank has extended loans against various types of securities. The details are as follows:

Sr. No	Security Details	31-03-1999	31-03-2000	31-03-2001
1	Pledge of goods with one or more guarantors	16.23	20.67	35.96
2	Equitable mortgage of immovable property with one or more guarantors	8.06	8.68	12.16
3	Hypothecation loans	7.02	7.69	8.23

4	Pledge of gold ornaments	1.14	1.08	0.94
5	Pledge of government securities and shares of joint stock companies	0.72	0.75	0.71
6	Pledge of bank's fixed deposits	2.32	2.69	2.76
7	Guarantee of one or more guarantors	0.34	0.32	0.37
8	Property pledge under the Housing Scheme	--	0.41	1.31
9	Bajpai Self-Employment Scheme	--	0.53	1.81
10	Bills Purchase	--	--	1.36
	Total Loans	35.83	42.82	64.61
	Percentage of secured loans	99.05%	99.25%	99.43%
	Number of borrowers	3732	4136	4067

Comparative Progress Data of the Bank for the Last Three Years:

Sr. No.	Particulars	31/03/1999	31/03/2000	31/03/2001
1	Number of members	22716	23764	24727
2	Paid-up share capital	96,70,600	1,49,93,700	1,94,03,600
3	Reserve fund and other funds	2,81,32,500	3,61,80,700	4,80,69,200
4	Total loans	35,83,00,000	42,81,86,000	64,60,77,500
5	Total deposits	64,36,57,000	83,52,13,600	1,01,90,82,300

6	Net profit	39,63,000	47,86,700	79,20,100
7	Overdue loans	3,82,20,900	4,45,00,800	6,18,00,000

Loan:

At the end of the previous audit, the bank had total outstanding loans amounting to Rs. 42, 81, 86,000/-. By the end of the current audit period, this amount increased to Rs. 64, 61, 00,000/-. Of this, 99.43% are secured loans, involving a total of 4,067 borrowers. The overdue loans at the end of the audit period amount to Rs. 6.18 crore, which constitutes 9.56% of the total loans. The total overdue amount of Rs. 6,17,55,510.40 includes short-term loans of Rs. 1,70,70,313.19 and medium-term loans of Rs. 4,46,85,197.21. Compared to the previous audit's loan growth of 19.50%, the loan growth at the end of the current audit period is 50.89%.

As per the bank's bylaws and the circulars of the Reserve Bank of India, the maximum loan limit per borrower has been set at Rs. 1.10 crore, and for a group, it is Rs. 2.20 crore. Loans are disbursed accordingly. However, due to the widespread economic slowdown, there is a lack of demand for loans in sectors other than commodities. With the increasing growth in deposits, loan growth must also occur proportionately. The management is specially requested to remain vigilant and make continuous efforts to ensure balanced and proportional loan growth.

Deposits:

During the audit period, the deposit growth is detailed as follows:

Sr. No.	Deposit Details	31-03-2000	31-03-2001	Percentage
1	Decade Bond	0.28	0.26	

2	Fixed Deposit (Individual)	4961.21	6067.88	73.59%
3	Fixed Deposit (societies)	518.43	643.30	
4	Silver Jubilee Bond	405.95	452.80	
5	Member Gift Bond	20.98	38.27	
6	Unnati Bond	256.65	296.48	
7	Daily Savings	336.52	387.41	3.80%
8	Recurring	150.80	247.76	2.43%
9	Savings Deposits	1353.74	1633.31	16.03%
10	Current Deposits	347.57	423.35	4.15%
		8352.13	10190.82	100%

During the year, the bank has regularly paid insurance premiums on a half-yearly basis under the Deposit Insurance Scheme.

The interest rates on the aforementioned deposits are subject to increase or decrease as per the rules and instructions issued by the Reserve Bank of India from time to time.

As of 31-03-2001, there is a discrepancy between the total deposits recorded in the bank's books and the individual ledger accounts, details of which have been provided in the section on deficiencies and suggestions.

During the audit period, the deposit growth is detailed as follows:

Sr. No.	Detail	31-03-2001	31-03-2000	Increase	Percentage
1	Fixed Deposits	81.34	66.51	14.83	22.30%
2	Savings Deposits	16.33	13.54	2.79	20.61%

3	Currents Deposits	4.23	3.47	0.76	21.90%
	Total Deposits	101.90	83.52	18.38	22.01%

Financial Position:

For the audit period from 01-04-2000 to 31-03-2001, a review of the profit and loss account reveals the following: Interest income amounted to Rs. 12,48,48,446.37, commission income was Rs. 22,05,831.69, and other income was Rs. 29,25,715.48, totaling an income of Rs. 12,99,79,993.54. Against this, expenses included interest on deposits and borrowings of Rs. 8,79,95,358.27, salaries and other allowances of Rs. 1,48,12,733.00, other expenses of Rs. 88,72,786.18, provisions for bad and doubtful debts of Rs. 49,14,000.00, building fund provision of Rs. 20,00,000.00, NPA provision for standard assets of Rs. 19,65,000.00, and a net profit of Rs. 79,20,116.09. This net profit is Rs. 31,33,435.85 higher than the previous year.

During the audit period, overdue interest increased from Rs. 241.69 lakh to Rs. 310.35 lakh, resulting in an increase of Rs. 47.69 lakh. Additionally, a provision of Rs. 49.14 lakh was made for bad and doubtful debts. The combined effect of provisions for doubtful debts (Rs. 49.14 lakh) and the increase in overdue interest (Rs. 68.66 lakh) resulted in a total provision of Rs. 117.80 lakh, adversely impacting the profit. The proportion of non-performing loans is increasing year by year due to overdue loans, and urgent measures are needed to control this.

Branch Operations:

The growth rate of deposits in the branches is noteworthy. The proportion of loans is also gradually increasing. All branches of the bank

are currently profitable. The main office and eight branches are operational. However, the reconciliation of branch accounts with the head office is not being done regularly. Discrepancies from several previous years persist and remain unresolved. Action needs to be taken to address this reconciliation.

Additionally, the bank conducts transactions with other banks, and discrepancies are also observed in these accounts. The bank has initiated reconciliation processes, and the management is specially requested to complete these promptly. It is urgently directed that reconciliation between the branches and the head office be undertaken immediately. In the future, if any irregularities are found, the entire responsibility will lie with the Board of Directors, the Manager, the agents of the respective branches, and the officers involved in this work. Special notice is to be taken of this instruction.

Office Operations:

The bank has consistently maintained the required Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) as mandated under the Banking Regulation Act. Reports required to be submitted to the Reserve Bank of India (RBI) are sent on time. The inspection conducted by the RBI has been addressed, and the necessary rectifications have been submitted to the RBI.

Suggestions:

- (1) The head office and branches should maintain stationery stock registers. The stock of each type of stationery should be physically verified before placing new orders.

- (2) Regular reconciliation of accounts at the head office and branches, including general ledgers, individual accounts, and accounts with other banks, is essential.
- (3) Given the increasing proportion of deposits and loans, as well as the expanding scope of operations, the bank urgently needs to establish a separate department for branch inspections, statistical operations, recovery, internal audits, and related activities.
- (4) The bank should ensure that all necessary documents for loan applications are complete before disbursing loans. Post-disbursement inspections should be conducted, and regular checks of stock registers, property verification, and other relevant aspects should be included in the inspection process.

Sd/- Illegible

Vinodchandra G. Desai

Chartered Accountants

Date: 15/09/2002

My name is Mohanbhai Uttambhai Gandhi, aged 50 years, occupation: Income Tax and Sales Tax Practitioner. I reside at Tamurabhad, Tarota Bazaar, above Bank of Baroda, Taluka/District Navsari, Phone Nos.: (Residence) 53261, (Office) 50879.

On being asked, I state that I reside at the above-mentioned address with my family. I am an Income Tax and Sales Tax Practitioner, and my office is located above the Bank of Baroda at Tarota Bazaar, Navsari. In my office, I prepare account books for traders, handle matters related to Sales Tax and Income Tax, and perform work related to their legal provisions. I have three children: two sons and one daughter. My elder son, Bhavesh, is studying to become a Chartered Accountant (C.A.) in Navsari. My younger son is pursuing a B.Com degree in Baroda. My daughter, Medhaben, is studying for a B.C.A. at Naranlala University in Navsari. I have no siblings. I completed my education from Standard 1 to 7 in my village, Bagdana. Subsequently, I studied from Standard 8 to 11 at Navsari High School. Thereafter, I completed my B.Com degree as an external student at Bhopal University. I have been residing in Navsari for the last 25 years. I came into contact with Shri Thakorbbhai Desai, Chairman of Navsari People's Bank, and have had occasional meetings with him. Since my profession involves Income Tax and Sales Tax, at the suggestion of Shri Thakorbbhai Desai, I joined Navsari People's Co-operative Bank Ltd. as a Director on 01/08/1999 to provide my services to the bank. Since 01/07/2005, by the decision of the Board of Directors, I have been a

member of the Income Tax Committee in the Investment Committee of Navsari People's Co-operative Bank Ltd.

The Investment Committee consists of three Directors, one General Manager, and one Vice Manager. All investment-related decisions are made by the Investment Committee, and these decisions are approved by the Board of Directors. As per the guidelines of the Reserve Bank of India, the bank must maintain its Statutory Liquidity Ratio (SLR) by buying and selling government securities. For this purpose, Navsari People's Bank Ltd. had been conducting transactions for the purchase and sale of government securities with Home Trade Ltd., Mumbai. Initially, the transactions for the purchase and sale of government securities with Home Trade Ltd. were completed, and physical possession of the securities was received by Navsari People's Co-operative Bank Ltd. However, later, the securities purchased were not delivered. As a result, Navsari People's Co-operative Bank Ltd. was defrauded of Rs. 20, 76, 52,925/- by Home Trade Ltd.

As a member of the Investment Committee, I was only consulted for information related to Income Tax. The purchase and sale of government securities were handled by Hiteshbhai Desai, a member of the Investment Committee, in coordination with Home Trade Ltd. I had informed Hiteshbhai that in the purchase and sale of government securities, the sale should only be made after receiving physical possession of the securities, and the amount from the sale should be promptly accounted for. This is because large-scale frauds often arise in the securities business later. However, at that time, Hiteshbhai told me that our transactions with Home Trade Ltd. were based on long-standing relations, and no such issues had arisen so far. Hence, I did not pay further attention to the matter. I do not know Ketanbhai Seth personally. However, when he was arrested and

brought to Valsad Police Station, I saw him in court in Valsad along with Thakorbhai. I did not have any conversation with him. Since government securities are not my area of expertise, I have no knowledge about this matter. I learned about the fraud involving Home Trade Ltd. through newspapers, which mentioned that Sanjay Agarwal, Subodh Bhandari, N.S. Trivedi, and Ketan Seth, among others, were directors and operators of Home Trade Ltd. It was reported that Navsari People's Co-operative Bank Ltd. had conducted transactions for the purchase and sale of securities and shares with Home Trade Ltd., but due to non-delivery of physical securities, the bank was defrauded of Rs. 24,76,52,925/-. I learned about this when the scam involving Home Trade Ltd. and Nagpur Bank was reported in the newspapers. Upon inquiry with Hiteshbhai Desai, he informed me about the matter. The Reserve Bank of India filed a complaint in the Hon'ble court against the Directors, Chairman, and operators of Navsari People's Co-operative Bank Ltd. for violating the Banking Regulation Act.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 24/09/2002

My name is Shivjibhai Muljibhai Patel, aged 49 years, occupation: Diamond business, originally from Aagaran, Taluka Jodia, District Jamnagar, currently residing at Navsari, Shantadevi Road, Ramkrishna Nagar Society, Taluka/District Navsari, Phone No.: (Residence) 57669.

On being asked, I state that I reside at the above-mentioned address. We are engaged in the diamond business at Shantadevi Road, Navsari. My family consists of six brothers and one sister. The eldest brother, Raghavjibhai, is retired. The next brother, Bhagwanjibhai, is also retired and resides in Navsari. The next younger brother, Tribhuvanbhai, is retired and lives in Aagaran. The next brother, Jerambhai, works in agriculture in our native village. The next brother, Shantibhai, runs a business in Navsari, and I am the youngest. My sister resides in Bhundada village, Morali. I have three children: two daughters and one son. The elder daughter, Sunitaben, is married and resides in Mumbai. The younger daughter, Baby Rita, is married in Morbi. My son, Nilesh, works at Nirma Company in Vadodara. My education is up to F.Y. Science, which I completed in Morbi. I have been residing in Navsari since 1972 and have been a Director at Navsari People's Co-operative Bank Ltd. since 1992. Initially, I was part of the Valuation Committee, where we inspected properties of loan applicants. For the last year, I have been in the Branch Committee.

As a Director of Navsari People's Bank, my duty is to provide opinions on the bank's financial transactions during Board of Directors meetings. As per the Reserve Bank of India's regulations, the bank must maintain its Statutory Liquidity Ratio (SLR) by buying and selling

government securities. The decisions regarding the purchase and sale of government securities are made by the Investment Committee. Navsari People's Co-operative Bank Ltd. has been conducting transactions for the purchase and sale of government securities, primarily with Home Trade Ltd., Mumbai, for a long time. During Board of Directors meetings, the bank's manager would present details of these transactions, and the decisions made by the Investment Committee were approved by the Board. Since Navsari People's Co-operative Bank Ltd. had been conducting financial transactions for the purchase and sale of government securities with Home Trade Ltd. for a long time, there was no reason for distrust. Most of these transactions were handled by Hiteshbhai Desai, a member of the bank's Investment Committee, who coordinated with others for these dealings.

In April 2002, it came to light through newspaper reports that Home Trade Ltd., Mumbai, had committed financial fraud in transactions involving government securities with Nagpur Citizens District Co-operative Bank Ltd. Upon inquiring with Hiteshbhai Desai, a Director and member of the Investment Committee of our bank, he informed us that our bank had not received physical delivery of government securities worth Rs. 24,76,52,925/-. Efforts were made by the bank to obtain physical delivery of these securities, but they were unsuccessful, and it was confirmed that our bank had also been defrauded. I do not personally know the directors or operators of Home Trade Ltd. However, from reading newspapers, I learned that Sanjay Agarwal, Subodh Bhandari, N.S. Trivedi, and Ketan Seth, among others, are directors of Home Trade Ltd. It was reported that Home Trade Ltd. had defrauded our bank as well as several other banks. Our bank's manager, Shri Bhanuprasad Harishankar Suthar, filed a

complaint regarding this matter, and it was learned that the police had arrested Ketan Seth, a director of Home Trade Ltd.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 24/09/2002

My name is Shankarbhai Ramchandrabhai Rathi, aged 46 years, occupation: Business, residing at 404 Puja Apartment, Vijalpor Road, Taluka Jalalpor, District Navsari, Phone Nos.: (Residence) 40853, (Office) 47023, 52318.

Upon inquiry in person, I state that I reside at the above-mentioned address with my family. My shop, named Kailitro Enterprise, is located on rent at Udyog Nagar, C-28, where I conduct business in hardware and machine tools to earn my livelihood. My family consists of four brothers. The eldest brother, Dhvarkadas, works in agriculture in our native place, Hanuman Gadh Town, Rajasthan. The next younger brother, Shashikant, also works in agriculture in Hanuman Gadh Town, Rajasthan. The next younger brother, Tulshikant, runs a business dealing in gunny bags in Hanuman Gadh. The next younger brother, Hansrajbhai, is engaged in the plastic goods business in Guwahati. I am the youngest. I have one daughter, named Kajal, who is four months old. I completed my education up to M.A. in my native place, Hanuman Gadh. I have been residing in Navsari since 1986. Since June 2000, I have been serving as a Director at Navsari People's Co-operative Bank Ltd.

As a Director of the bank, my duty is to provide opinions on policy-related decisions concerning financial transactions during the Board of Directors' meetings. As per the Reserve Bank of India's regulations, the bank must maintain its Statutory Liquidity Ratio (SLR) by buying and selling government securities. The decisions regarding the purchase and sale of government securities are made by the Investment Committee. During Board meetings, the bank's manager would report on the

transactions involving the purchase and sale of government securities, including the amount involved. However, details about the parties with whom these transactions were made were not disclosed. Most of these government securities transactions were handled by Hiteshbhai Desai, a member of our bank's Investment Committee.

In April 2002, I learned through newspaper reports about a fraud committed by Home Trade Ltd., Mumbai, in financial transactions involving government securities with Nagpur Citizens District Co-operative Bank Ltd. Upon inquiring with Hiteshbhai Desai, a member of the bank's Investment Committee, he informed me that our Navsari People's Bank Ltd. had also been conducting government securities transactions with Home Trade Ltd., Mumbai. He further stated that physical possession of government securities worth Rs. 20, 76, 52,925/- was yet to be received by our bank from Home Trade Ltd. I learned of this matter through Hiteshbhai Desai's statement. Since I am not a member of any committee, I have no further information on this issue. Efforts were made on behalf of Navsari People's Co-operative Bank Ltd. to obtain physical possession of the government securities from Home Trade Ltd., but they were unsuccessful.

I do not personally know the directors or operators of Home Trade Ltd. However, I learned from newspaper reports that their names include Sanjay Agarwal, Subodh Bhandari, N.S. Trivedi, and Ketan Seth, among others. I have not met any of them. The manager of Navsari People's Bank, Shri Bhanuprasad Harishankar Suthar, filed a police complaint against the directors and operators of Home Trade Ltd. The police have arrested Ketan Seth in connection with this case. Additionally, the Reserve Bank of India has filed a complaint in the Hon'ble Navsari court against us Directors for violating the Banking Regulation Act.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 24/09/2002

My name is Nanabhai Madhubhai Malaviya, aged 37 years, occupation: Accountant, residing at Panchvati, Kamalpark Society, Jalalpor, Taluka Jalalpor, District Navsari, Phone Nos.: (Residence) 40718, (Office) 43144.

Upon inquiry in person, I state that I reside at the above-mentioned address and run my accounting business from my own office located at Limda Chowk. My family consists of five brothers. The eldest brother, Dhirubhai, is engaged in the cloth trade in Jalalpor. The next younger brother, Vitthalbhai, runs a diamond factory on Jalalpor Road. The next younger brother, Devchandbhai, works in agriculture in our village. I am the next in line, and the youngest brother, Govindbhai, works in diamond polishing in Jalalpor. My native village is Vankiya (Bhad), Taluka Khambha, District Amreli. I came to Navsari Jalalpor in 1978 for education. I studied up to Standard 7 in my village. Thereafter, I studied Standards 8 and 9 at Janata High School, Jalalpor, and Standards 10, 11, and 12 at Sanskar Bharti, Navsari. I completed my B.Com degree at Navsari College and later started working as an accountant.

In 1996, I joined Navsari People's Co-operative Bank Ltd. as a Director. My duty at the bank is to provide opinions on policy-related decisions concerning financial transactions during Board of Directors' meetings. As per the Reserve Bank of India's regulations, the bank must maintain its Statutory Liquidity Ratio (SLR) by buying and selling government securities. The decisions regarding the purchase and sale of government securities are made by the Investment Committee, which

changes every year. During Board meetings, the bank's manager would inform us about the decisions taken by the Investment Committee regarding the purchase and sale of government securities and provide details about the amount involved. However, the details of the parties with whom these transactions were made were not disclosed during the Board meetings. All these tasks were handled by Hiteshbhai Desai, a member of our bank's Investment Committee. The purchase and sale of government securities took place, and a fraud of Rs. 20, 76, 52,925/- was committed by the directors and operators of Home Trade Ltd., Mumbai, against our bank. The bank's manager has filed a complaint against them in this regard.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 24/09/2002

My name is Gangarambhai Haribhai Patel, aged 46 years, occupation: Business, residing at Shivanagar Society, Umiya Niwas, Gauri Shankar Mahallo, Taluka Jalalpor, District Navsari, Phone Nos.: (Residence) 17557, (Office) 39230.

Upon inquiry in person, I state that I reside at the above-mentioned address with my family. My native village is Sakhpar, located in Morbi Taluka, Rajkot District. I have been living in Jalalpor for the last 25 years. My family consists of four brothers. I am the eldest. My younger brother, Mansukhbhai, works in agriculture in our village. The next younger brother, Gopalbhai, works as a broker in Mumbai. The youngest brother, Chamanbhai, is engaged in diamond polishing in Surat. I have three children: one daughter named Divya, who studies at Navsari College, and two sons. The elder son, Vipul, is studying in Standard 12 at Madrasa School, Navsari. The younger son, Manojkumar, is also studying in Standard 12 at Madrasa School. I completed my education up to Standard 5 in my village.

I joined Navsari People's Co-operative Bank Ltd. as a Director on 29/02/2000. As a Director, my duty is to provide opinions on policy-related decisions concerning the bank's financial transactions during Board of Directors' meetings. As per the Reserve Bank of India's regulations, the bank must maintain its Statutory Liquidity Ratio (SLR) by buying and selling government securities. The decisions regarding the purchase and

sale of government securities are made by the Investment Committee. During Board meetings, the bank's manager would inform us about these transactions, including the amount involved in the purchase and sale of government securities. However, details about the parties with whom these transactions were made were not disclosed. Most of these government securities transactions were handled by Hiteshbhai Desai, a member of our bank's Investment Committee.

In April 2002, I learned through newspaper reports about a fraud committed by Home Trade Ltd., Mumbai, in financial transactions involving government securities with Nagpur Citizens Co-operative Bank Ltd. Upon inquiring with Hiteshbhai Desai, a member of our bank's Investment Committee, he informed me that our Navsari People's Bank Ltd. had also been conducting government securities transactions with Home Trade Ltd., Mumbai. He further stated that physical possession of government securities worth Rs. 24, 76, 52,925/- was yet to be received by our bank from Home Trade Ltd. I learned of this matter through Hiteshbhai Desai's statement. Since I am not a member of any committee, I have no further information on this issue. Efforts were made on behalf of Navsari People's Co-operative Bank Ltd. to obtain physical possession of the government securities from Home Trade Ltd., but they were unsuccessful.

I do not personally know the directors or operators of Home Trade Ltd. However, I learned from newspaper reports that their names include Sanjay Agarwal, Subodh Bhandari, N.S. Trivedi, and Ketan Seth, among others. I have not met any of them. The manager of Navsari People's Bank, Shri Bhanuprasad Harishankar Suthar, filed a complaint against the directors and operators of Home Trade Ltd. The police have arrested Ketan Seth in connection with this case. Additionally, the Reserve Bank of India

has filed a complaint in the Hon'ble Navsari court against us Directors for violating the Banking Regulation Act.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 24/09/2002

My name is Kiranbhai Bhagwanji Bhagat, aged 50 years, occupation: Service, residing at Tulsivan, Chhapra Road, G.L.B. 2, Taluka/District Navsari, Phone No.: (Office) 50244.

Upon inquiry in person, I state that I reside at the above-mentioned address with my family. I have been working as a Senior Clerk at Mafatlal Mill in Navsari for the last 22 years. I have two children: a son named Divyang, who is studying in college, and a daughter named Krishna, who is studying in Standard 10 at Navsari High School. My wife, Kalpanaben, is a homemaker. I have one sister, Chhayaben, who is married and resides in Valsad. My father, Bhagwanjibhai, is currently living a retired life. I studied from Standard 1 to 7 at Navsari Kumar Shala No. 1, from Standard 8 to 11 at Navsari Madrasa School, and completed my B.Com at P.K. Patel Commerce College, Navsari. Thereafter, I pursued an LL.B. at Dinsha Daboo Law College. After that, I joined Mafatlal Mill in a service role.

Since 1997, I have been serving as a Director at Navsari People's Co-operative Bank Ltd. As a Director, my duty is to provide opinions during Board of Directors' meetings on policy-related decisions concerning the bank's financial transactions, including approving decisions made by the Investment Committee. As per the Reserve Bank of India's circulars, the bank must maintain its Statutory Liquidity Ratio (SLR) by buying and selling government securities. The decisions regarding the purchase and sale of government securities are made by the Investment Committee. During Board of Directors' meetings, the bank's manager would inform us about the decisions taken by the Investment

Committee and provide details about the amount involved in the purchase and sale of government securities. This information was shared to ensure the bank's financial stability, and the Board of Directors would approve the Investment Committee's decisions regarding these transactions. However, we did not discuss with whom the government securities transactions were made. Our sole aim was to ensure the bank's benefit.

I am unaware of the parties with whom Navsari People's Co-operative Bank Ltd. conducted government securities transactions. However, I learned through newspaper reports about a fraud committed by Home Trade Ltd., Mumbai, in financial transactions involving government securities with Nagpur Citizens District Co-operative Bank Ltd. Subsequently, through the statement of Shri Thakorbhai Desai, Chairman of Navsari People's Bank Ltd., I learned that our bank had also conducted government securities transactions with Home Trade Ltd., Mumbai. In these transactions, physical possession of government securities worth Rs. 24,76,52,925/- was yet to be received by Navsari People's Co-operative Bank Ltd. from Home Trade Ltd. Efforts were made by the bank to obtain physical possession of these securities, but they were unsuccessful.

I learned the names of Home Trade Ltd.'s directors and operators through newspaper reports, including Sanjay Agarwal, Subodh Bhandari, N.S. Trivedi, and Ketan Seth. I do not know them personally, nor have I met them. Most of the government securities transactions for Navsari People's Co-operative Bank Ltd. were handled by Hiteshbhai Desai, a member of the Investment Committee. Our bank's manager, Shri Bhanuprasad Harishankar Suthar, filed a complaint against the directors and operators of Home Trade Ltd., and the police have arrested Ketan Seth in connection with this case. I have neither met nor do I know Ketan Seth. Additionally, the Reserve Bank of India has filed a complaint in the

Hon'ble Navsari court against us Directors for violating the Banking Regulation Act.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 24/09/2002

My name is Dr. Ajitbhai Bachubhai Soni, aged 46 years, occupation: Medical profession, residing at 17-B, Alka Society, Chhapra Road, Navsari, Taluka/District Navsari, Phone No.: (Residence) 59724.

Upon inquiry in person, I state that I reside at the above-mentioned address with my family and practice my medical profession at my clinic located opposite the Hanumanji Temple at Gadelwad Gate, Navsari. My family includes one son, Abhishek, who studies at Madrasa School, and one daughter, Kalashri, who is studying in Standard 11 at Sheth R.J.J. School. My wife is also engaged in the medical profession. I completed my education from Standard 1 to 7 at Primary School No. 7 in Navsari, and from Standard 8 to 11 at Navsari Government Medical College in Surat. In 1981, I obtained my M.B.B.S. degree and have been practicing medicine at the aforementioned clinic in Navsari since then.

In 2001, due to my prior acquaintance with Shri Thakorbbhai Desai, Chairman of Navsari People's Co-operative Bank Ltd., he requested me to provide my services to the bank. Consequently, I joined Navsari People's Co-operative Bank Ltd. as a Director in June 2001. My duty as a Director is to provide opinions on policy-related decisions concerning the bank's financial transactions during Board of Directors' meetings. As per the Reserve Bank of India's circulars, the bank must maintain its Statutory Liquidity Ratio (SLR) by buying and selling government securities. The decisions regarding the purchase and sale of government securities are made by the Investment Committee. During Board meetings, the bank's manager would inform us about the decisions taken by the Investment

Committee and provide details about the amount involved in the purchase and sale of government securities. To ensure the bank's financial stability, the Board of Directors would approve the Investment Committee's decisions regarding these transactions. However, we did not discuss with whom the government securities transactions were made, as our sole aim was to ensure the bank's benefit.

I am unaware of the parties with whom Navsari People's Co-operative Bank Ltd. conducted government securities transactions. However, I learned through newspaper reports about a fraud committed by Home Trade Ltd., Mumbai, in financial transactions involving government securities with Nagpur Citizens District Co-operative Bank Ltd. Subsequently, through the statement of Shri Thakorbbhai Desai, Chairman of Navsari People's Bank Ltd., I learned that our bank had also conducted government securities transactions with Home Trade Ltd., Mumbai. In these transactions, physical possession of government securities worth Rs. 24,76,52,925/- was yet to be received by Navsari People's Co-operative Bank Ltd. from Home Trade Ltd. Efforts were made by the bank to obtain physical possession of these securities, but they were unsuccessful.

I learned the names of Home Trade Ltd.'s directors and operators through newspaper reports, including Sanjay Agarwal, Subodh Bhandari, N.S. Trivedi, and Ketan Seth. I do not know them personally, nor have I met them. Most of the government securities transactions for Navsari People's Co-operative Bank Ltd. were handled by Hiteshbhai Desai, a member of the Investment Committee. Our bank's manager, Shri Bhanuprasad Harishankar Suthar, filed a complaint against the directors and operators of Home Trade Ltd., and the police have arrested Ketanbhai Seth, a director of Home Trade Ltd., in connection with this case. I have neither met nor do I know Ketan Seth. Additionally, the Reserve Bank of

India has filed a complaint in the Hon'ble Navsari court against us
Directors for violating the Banking Regulation Act.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Date: 24/09/2002

My name is Karamshi Damjibhai Patel, aged 40 years, occupation: Contractor, residing at Shantadevi Road, Sardar Society, Bungalow No. 8, Taluka/District Navsari, Phone Nos.: (Residence) 81463, (Office) 45424, originally from Gajdi, Taluka Jodia, District Jamnagar.

Upon inquiry in person, I state that I reside at the above-mentioned address with my family. My family consists of three brothers. The eldest brother, Laghabhai, works as a contractor. I am the next younger brother, and the youngest, Dharmshibhai, also works as a contractor and runs a factory. I have three children: one son, Mitul, who studies in Standard 9 at Sheth R.J.J. School in Navsari, and two daughters. The elder daughter, Jalpa, studies in Standard 8 at D.D. Girls' School, and the younger daughter, Hina, studies in Standard 5 at D.D. Girls' School. I completed my education up to Standard 7 in my village and have been residing in Navsari for the last 28 years. As a social worker, I joined Navsari People's Co-operative Bank Ltd. as a Director in August 1999. My term ended on July 31, 2002, and I am currently not a Director.

As a Director, my duty was to provide approval during Board of Directors' meetings for policy-related decisions concerning the bank's financial transactions, including those made by the Investment Committee. As per the Reserve Bank of India's regulations, the bank must maintain its Statutory Liquidity Ratio (SLR) by buying and selling government securities. The decisions regarding the purchase and sale of government securities are made by the Investment Committee. During Board of Directors' meetings, the bank's manager would inform us about the

decisions taken by the Investment Committee and provide details about the amount involved in the purchase and sale of government securities. To ensure the bank's financial stability and profitability, the Board of Directors would approve the Investment Committee's decisions regarding these transactions. However, we did not discuss with whom the government securities transactions were made, as our sole aim was to ensure the bank's benefit.

I am unaware of the parties with whom Navsari People's Co-operative Bank Ltd. conducted government securities transactions. However, I learned through newspaper reports about a fraud committed by Home Trade Ltd., Mumbai, in financial transactions involving government securities with Nagpur Citizens District Co-operative Bank Ltd. Subsequently, through the statement of Hiteshbhai Desai, a member of our bank's Investment Committee, I learned that our bank had also conducted government securities transactions with Home Trade Ltd., Mumbai. Physical possession of government securities worth Rs. 24, 76, 52,925/- was not received by the bank. This information came to my knowledge through these transactions, and later, the bank attempted to obtain physical possession of the government securities from Home Trade Ltd., but neither the securities nor the funds were received. It was evident that Home Trade Ltd. had committed fraud, cheating, and misappropriation of funds against Navsari People's Co-operative Bank Ltd.

I do not know or have met any directors or operators of Home Trade Ltd. Through newspaper reports, I learned that Home Trade Ltd., Mumbai's directors include Sanjay Agarwal, Subodh Bhandari, N.S. Trivedi, and Ketan Seth, among others. Our bank's manager, Shri Bhanuprasad Harishankar Suthar, filed a police complaint against the directors and operators of Home Trade Ltd., and the police have arrested

Ketan Seth, a director of Home Trade Ltd. I neither know nor have met Ketan Seth. Additionally, the Reserve Bank of India has filed a complaint in the Hon'ble Navsari court against us Directors for violating the Banking Regulation Act. The purchase and sale of government securities for Navsari People's Co-operative Bank Ltd. were primarily handled by Hiteshbhai Desai, a member of the Investment Committee, who also conducted these transactions. I have no further information on this matter.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 24/09/2002

My name is Yashwantbhai Gulabbhai Desai, aged 60 years, occupation: Retired, residing at 101 Swapna, opposite Subhashnagar Society, Ghod Dod Road, Surat, Phone No.: 3234045.

Upon inquiry in person, I state that we are three brothers. The eldest brother is Gunwantbhai, followed by Dinakarbhai, and I am the youngest. I completed my S.S.C. at Mission High School in Nashirabad, Ajmer, and pursued my B.Com and M.Com at M.S. University, Vadodara. In 1964, I joined Dena Bank in Vadodara as a clerk. In 1970, I was promoted to Officer, and my transfer took place to Dena Bank's main office at Bhagal, Surat. I served at Dena Bank in Surat until 1983. Thereafter, in 1983, I joined Surat People's Co-operative Bank Ltd. as Assistant General Manager. In 1999, I retired from Surat People's Co-operative Bank Ltd. as Deputy Manager. From May 2000, I joined Navsari People's Co-operative Bank Ltd. as General Manager and served in that capacity until my retirement on August 10, 2001.

During my tenure as General Manager at Navsari People's Co-operative Bank Ltd., government securities transactions were made through Niraj Surati, a Chartered Accountant from Bharuch, to maintain the Statutory Liquidity Ratio (SLR) as per Reserve Bank of India regulations. This practice had been ongoing since the time of my predecessor, Manager Shri Doshi. I am acquainted with Niraj Surati, who frequently visited the bank. He worked on behalf of Home Trade Ltd., Mumbai, and received a commission from them for facilitating deals. The purchase and sale of government securities for Navsari People's Co-

operative Bank Ltd. were conducted with Home Trade Ltd. During my tenure, Reserve Bank guidelines stipulated that government securities transactions should preferably be conducted through an account, though it was not mandatory. However, to my knowledge, in June 2001, a Reserve Bank of India circular mandated that SLR-related securities transactions be conducted through an SGL (Subsidiary General Ledger) account. Accordingly, I prepared the necessary documents, passed a resolution through the Board of Directors, and initiated the process to open an SGL account with HDFC Bank, Ahmedabad. As per my knowledge, the SGL account was opened via a letter dated 18/08/2001. However, during my tenure, no government securities transactions were made through the SGL account.

On May 25, 2001, during my tenure, Ketanbhai Seth from Mumbai visited Navsari People's Co-operative Bank Ltd. He met with the then Chairman, Thakorbhai Desai, and Investment Committee members Hiteshbhai Desai and Mohanbhai Gandhi in the Chairman's chamber. The Investment Committee decided to sell government securities with a face value of Rs. 11.75 crore and a consideration value of Rs. 12,98,34,067/- to Home Trade Ltd. In return, securities with a consideration value of Rs. 12, 85, 92,333.33 and a face value of Rs. 12.50 crore were purchased from Home Trade Ltd. The difference amount of Rs. 12, 45, 74,076/- was received by Navsari People's Bank via a cheque from Janata Sahakari Bank dated 25/05/2001. This deal was finalized by the Investment Committee, and the physical possession of the purchased securities was not received by the bank. I was not present at the Investment Committee meeting during this transaction. In this deal, government securities were sold to Home Trade Ltd., but the physical possession of the securities purchased in return was not delivered to Navsari People's Co-operative Bank Ltd. As part of

my duties as Manager, I wrote letters to Home Trade Ltd. to obtain physical possession of the securities, but they typically took one-and-a-half to two months to deliver due to processing delays. During my tenure, all prior government securities transactions had been completed. I retired from Navsari People's Co-operative Bank Ltd. on August 10, 2001.

As a retired Manager of Navsari People's Co-operative Bank Ltd., I learned that Home Trade Ltd. initially gained the bank's trust in government securities transactions but later failed to deliver physical possession of the securities. Consequently, Home Trade Ltd. defrauded Navsari People's Co-operative Bank Ltd. of Rs. 24,76,52,925/-, including profits and interest, through cheating and misappropriation. The moral responsibility lies with the Investment Committee, as my role as Manager was to follow the policies and decisions made by the Investment Committee, which I fulfilled completely during my tenure. During my tenure, I neither met nor do I know Ketan Seth.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 23/10/2002

My name is Thakorbhai Maganlal Desai, aged 65 years, occupation: Legal practice, residing at 202 Poorv Pashchim Apartment, opposite Court, Junathana, Navsari, Phone Nos.: 59752, 57956.

Upon inquiry in person, I state that I reside at the above-mentioned address and practice law. I hold M.A. and LL.B. degrees.

I have been serving as the Chairman of Navsari People's Co-operative Bank Ltd., located at Din Dayal Bhavan, Din Dayal Chowk near Tower, since 1986. As Chairman, my responsibilities include regulating the bank's financial transactions and employee management as per the instructions of the Board of Directors, in accordance with cooperative laws and bylaws. As per amendments in cooperative laws, no individual can hold a position for more than two terms, i.e., six years. Therefore, I was relieved from the Chairman's position on 30/06/2002. After me, the bank's Vice-Chairman, Shri Mafatbhai Purohit, was appointed as Chairman. However, I have recently been elected unopposed as a Director of the bank for a three-year term.

From 1999, while serving as Chairman, I was also the Chairman of the Investment Committee by virtue of my position. At that time, the Investment Committee members included (1) Hiteshbhai Shankarbhai Desai, (2) Mohanbhai Somabhai Gandhi, the bank's Manager Bhanuprasad H. Suthar, and Assistant Chairman Arvindbhai Soni. The Investment Committee's role is to make decisions regarding the investment in government securities to maintain the Statutory Liquidity Ratio (SLR) as

per Reserve Bank of India regulations, ensuring the bank's profitability, and to execute related operations.

On 25/05/2001, Ketanbhai Seth visited Navsari People's Co-operative Bank Ltd. and met me and the Investment Committee members in my chamber. The internal auditor, Vinodbhai Desai, was also present. Ketanbhai Seth stated that he was a Director of Home Trade Ltd. and proposed that the purchase, sale, and investment of government securities be conducted through Home Trade Ltd., Mumbai. To my recollection, Hiteshbhai Shankarbhai Desai was present at the meeting. Since Hiteshbhai Desai had prior experience in share trading and was knowledgeable, he handled all government securities transactions with Home Trade Ltd. via telephone.

Navsari People's Co-operative Bank Ltd. conducted a total of sixteen government securities transactions with Home Trade Ltd., Mumbai, on the following dates: 30/12/1999, 16/02/2000, 22/02/2000, 14/03/2000, 20/09/2000, 01/02/2001, 20/02/2001, 12/04/2001, 25/05/2001, 14/08/2001, 19/09/2001, 17/10/2001, 05/11/2001, and 19/03/2002. In the final transaction on 19/03/2002, Home Trade Ltd. sent only a contract note, and physical possession of government securities worth Rs. 24,76,52,925/-, which were sold by the bank, was not provided. However, the difference amount of Rs. 5, 59,419.44 was sent via HDFC Bank cheque no. 984100 dated 19/03/2002, which was credited to the bank's account. Regarding the aforementioned amount of Rs. 24,76,52,925/-, physical possession of the securities was not received in transactions with Home Trade Ltd., and only the difference amount was provided. Despite the bank sending letters to Home Trade Ltd., physical possession was not obtained. It appears that Home Trade Ltd.'s directors and operators initially gained the bank's trust and later, with criminal

intent, breached that trust, misappropriating Rs. 24,76,52,925/- from the bank. The Board of Directors passed a resolution authorizing the bank's Manager, Bhanuprasad Harishankar Suthar, to take legal action. Consequently, a complaint was filed against Home Trade Ltd.'s directors and operators at Navsari Town Police Station, registered as C.R. No. 93/2002 under IPC Sections 406, 408, 420, 421, and 422. The complaint names thirteen accused, including Home Trade Ltd.'s directors: (1) Ketan Seth, (2) Sanjay Agarwal, (3) N.S. Trivedi, (4) Kanan Agarwal (working in the securities department), and (5) Subodh Bhandari (also working in Home Trade's securities department), who played a role in the fraud against Navsari People's Bank. I am unaware of how the remaining names were included.

In the government securities transaction with Home Trade Ltd. on 19/03/2002, physical possession of the securities was not received by Navsari People's Co-operative Bank Ltd. even in prior deals. However, the difference amounts were regularly received by the bank. I am unaware of any regulation stating that securities cannot be sold until physical possession is obtained or the securities are registered in the bank's name after purchase.

As per Reserve Bank regulations, Navsari People's Co-operative Bank Ltd. opened an SGL account in August 2001. However, since the bank did not have physical possession of government securities at that time, no securities transactions were made through the SGL account.

Navsari People's Co-operative Bank Ltd.'s government securities transactions with Home Trade Ltd. were initially facilitated through Nirajbhai Surati, a Chartered Accountant from Bharuch. Subsequently, no commission was involved in the purchase and sale transactions with Home Trade Ltd. I have no knowledge regarding commissions.

The Reserve Bank of India filed a complaint against Navsari People's Co-operative Bank Ltd., its directors, and Chairman in the Hon'ble Navsari court for violating the Banking Regulation Act due to administrative errors. We believe we are not at fault in this matter.

Officers from the Registrar of Cooperative Banks, Gandhinagar, and the Reserve Bank of India, Ahmedabad, inspected Navsari People's Co-operative Bank Ltd. Their report criticized the bank's administration and the failure to conduct securities transactions through the SGL account. We believe we are not at fault in this regard.

During the year 2001-2002, no internal auditor was appointed, and thus, no internal audit was conducted. Home Trade Ltd.'s directors and operators defrauded Navsari People's Co-operative Bank Ltd. of Rs. 24,76,52,925/- through cheating and misappropriation. We believe we are not at fault, as Home Trade Ltd.'s personnel gained the bank's trust and, with malicious intent, conspired to commit this act with deceit. We bear no responsibility for this.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Date: 09/09/2002

My name is Chunilal Chhogaji Mali, aged 52 years, occupation: Service, residing at 17/193, Rameshwar Apartment, Sola Road, Naranpura, Ahmedabad, Phone Nos.: (Office) 6584037, 7614, (Residence) 7413844.

Upon inquiry in person, I state that I reside at the above-mentioned address with my family. I have been employed at the Reserve Bank of India, Ahmedabad, at Gajjar Chambers, Ashram Road, in the Urban Banks Department for the last two years. I have been working with the Reserve Bank of India for the past 31 years, currently holding the position of Assistant Manager.

In May 2002, along with Manager Shri Vinayakbhai Raval, I conducted a routine inspection of Navsari People's Co-operative Bank Ltd. under Section 35 of the Banking Regulation Act, 1949. The bank is located at Din Dayal Bhavan, Din Dayal Chowk, Navsari. During the inspection, we examined the bank's registers, documents, and financial transactions. We found that Navsari People's Co-operative Bank Ltd. failed to comply with Reserve Bank of India regulations regarding the Statutory Liquidity Ratio (SLR). The purchase and sale of government securities for maintaining SLR should have been conducted through an SGL (Subsidiary General Ledger) account, but the bank did not do so. Additionally, government securities for which physical possession was not obtained were sold, which was against regulations. In transactions with Home Trade Ltd., Mumbai, involving the purchase and sale of government securities, physical possession of the securities was not received. Despite this, these

securities were resold, and other government securities were purchased in their place. Although physical possession of these purchased securities was not obtained, they were recorded in the bank's books as investments in government securities. False information was provided to the Reserve Bank of India in the reports submitted, thereby violating the Banking Regulation Act. We included detailed findings in our inspection report and recommended action against the bank's directors and operators. A complaint was filed in the Hon'ble Navsari court against the directors and operators of Navsari People's Co-operative Bank Ltd. for violating the Banking Regulation Act.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Date: 07/12/2002

My name is Mafatbhai Motirabhai Purohit, aged 54 years, occupation: Agriculture and trade, residing at Shantadevi Road, Bhagwati Society, Bungalow No. 9, Nilam, Taluka/District Navsari, Phone No.: 56130.

Upon inquiry in person, I state that I reside at the above-mentioned address with my family. I am engaged in the trade of building materials and also manage my own agricultural land, where I conduct farming activities.

I have been a Director at Navsari People's Co-operative Bank Ltd., located at Din Dayal Bhavan, Din Dayal Chowk near Tower, for the past 12 years. For the last two years, I held the position of Vice-Chairman. During that time, Thakorbhai Maganlal Desai was the Chairman. He was relieved from the Chairman's position on 30/06/2002, and I currently hold the position of Chairman of Navsari People's Co-operative Bank Ltd.

Previously, as a Director and Vice-Chairman, my duty was to provide opinions on policy-related decisions concerning the bank's financial transactions during Board of Directors' meetings. As per Reserve Bank of India regulations, the bank is required to maintain its Statutory Liquidity Ratio (SLR) by buying and selling government securities. Additionally, as per cooperative laws, my role as a Director included providing opinions on policy-related decisions concerning the bank. The purchase and sale of government securities were handled by the bank's Investment Committee. Previously, the Investment Committee was chaired

by Thakorbbhai Maganlal Desai, with members (1) Hiteshbhai Shankarbhai Desai, (2) Mohanbhai Uttambhai Gandhi, and the bank's Manager, Dhirubhai Nayak. The Investment Committee made decisions regarding the purchase and sale of government securities. As Directors, we trusted the Investment Committee to act in the bank's best interest, and during Board of Directors' meetings, we approved the decisions made by the Investment Committee. For a long time, Navsari People's Co-operative Bank Ltd. had been conducting government securities transactions with Home Trade Ltd., Mumbai. In these transactions, physical possession of government securities worth Rs. 24, 76, 52,925/- was not received by the bank. Despite the bank sending repeated letters to Home Trade Ltd., physical possession of the securities was not delivered. Home Trade Ltd.'s directors and operators initially gained the bank's trust by completing early transactions but later failed to deliver physical possession of the securities in subsequent transactions, sending false contract notes instead. This resulted in a fraud of Rs. 24, 76, 52,925/- and a breach of trust against the bank. Consequently, our bank's Manager, Shri Bhanuprasad Harishankar Suthar, filed a complaint against Home Trade Ltd.'s directors and operators at Navsari Town Police Station.

The government securities transactions with Home Trade Ltd. were managed by our bank's Investment Committee. In these financial transactions, the aforementioned amount was defrauded, and no one is at fault for this.

The Reserve Bank of India filed a complaint against Navsari People's Co-operative Bank Ltd., its Directors, and Chairman in the Hon'ble Navsari court for violating the Banking Regulation Act due to administrative errors.

No commissions were involved in the government securities transactions conducted by Navsari People's Co-operative Bank Ltd. with Home Trade Ltd.

I do not know or have met any of the directors or operators of Home Trade Ltd., Mumbai.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Message Form

To,

The DSP,

Navsari.

INFO: SDPO Navsari / CPI Navsari / PI Navsari Town

From: A. M. Sarang, CPI, Bilimora.

As per the telephonic permission given by you sir, I and Police Sub Inspector Shri R. S. Patel, with accused Ketan Kantilal Sheth, have left by the government vehicle of Bilimora Police Station at 15:35 o'clock today on 08/09/2002 for Bharuch and Ahmedabad in connection with the investigation of the offence registered with Gandevi Police Station vide M-Case No. 3/2002 and Navsari Town Police Station CR No. 93/2002.

To,
Hon'ble Police Inspector,
 Navsari Town Police Station.

Subject: To serve the notice to the accused in connection with Navsari Town Police Station Outward No. (Illegible), dated 24/08/2002 and Notice No. 749.

I, unarmed head constable Naranbhai Hariyabhai, Badge No. 509, Navsari Town Police Station, kindly report that,

I had received total 13 notices from Hon'ble Chief Judicial Magistrate First Class, Navsari Court to deposit the passport of the accused in connection with Navsari Town Police Station Outward No. 2884 dated 24/08/2002 and Notice No. 749/2002, and Navsari Town Police Station I-CR No. 93/2002 registered under IPC Section-406, 409, 421, 422, 423, 120B, 34. I have been asked to go to Mumbai and serve the notices as mentioned below.

Sr. No.	Name	Residential Address	Whether notice served or not and if not, why
1	Mr. Sanjay Agrawal, Director, S/o Hariram Agrawal	, Juhu Shalimar CHS Ltd, 7 th Floor, Gulmahor Crossroad No. 10, Juhu, Mumbai.	The flat is found in closed condition. The Home Trade Office at Vasi is also in closed condition. It has been found that he is in the custody of Nagpur Police. The notice could not be served.
2	Mr. Nandkishor S.	Dev Bhuvan, 2 nd floor, Room No. 32,	His mother states that since 25/04, he has run away

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

	Trivedi, the Director.	Gazadar Street, Chira Bazaar, Mumbai-400002, Mobile No. 98210 30149.	from home and has not returned till date. Therefore, the notice could not be served.
3	Kumari Kanan Mevawala, Manager.	Manager, Home Trade Ltd., Jayant Mahal, 5 th Floor, Opp. Vankhede Stadium, Marine Drive, Mumbai	When her home was visited, her father states that he has gone since 20/06/2002 and he has lodged a complaint of her going missing.
4	Bina Sanghavi,	Officer - Ketan Sheth & Co., 103, Liberty Apartment, 80/A, Sarojini Road, behind Macdonald, Vile Parley-West, Mumbai	When the said address was visited, it has been found that she does not come to duty for last two months and there is no information of her whereabouts at present. Therefore, the notice could not be served.
5	Mr. Ketan Mashkariya	Officer, Home Trade Ltd.	When the office of Home Trade at Vasi, Mumbai was visited and inquired, the said office is sealed and since there is no address or information of his residential address, the notice could not be served.
6	Mr. Subodh Bhandari.	Executive Managing Director, Home Trade Ltd., Flat No. 703 / B, Govind Complex, Sector - 14, Vasi Turbhi, Navi Mumbai - 400 705	The office of Home Trade Ltd at Vasi, Mumbai is sealed and his flat is also in sealed condition. As he has been absconding, the notice could not be served.

7	Hiren Gada	Senior Vice President, Home Trade Limited	The office of Home Trade Ltd at Vasi, Mumbai is in sealed condition at present and it is closed, and as there is no address of his whereabouts at present, the notice could not be served.
8	Mr. Atul Shah	Senior Officer, Giltej Management Services Ltd.	When the office of Giltedge located at Vile Parley, Mumbai was visited, it has been found that no person named Atul Shah is doing job in the office. Besides, there is no information of his whereabouts at present. Therefore, the notice could not be served to him.
9	Kumar Vichita,	Officer, Giltej Management Services Ltd., Mumbai.	When the office of Giltedge located at Vile Parley, Mumbai was visited, it has been found that no person named Kumari Vichita is doing job in the office. Besides, there is no information of her residential address. Therefore, the notice could not be served to him.
10	Ketan Sheth	Vile Parley, Mumbai.	The notice has been served in person.
11	Jagrutiben Ketan Sheth	Mumbai, Vile Parley.	The notice has been served.
12	Hiten Bhupendra Shah	Gandhi Nivas, Ashok Nagar Road, Mumbai.	The notice has been served to the said accused in person.

13	Shilpa Hiten Shah	As above	As the said accused was found present when her address was visited, the notice has been served to her in person.
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Date: 06/09/2002

Sd/- Illegible
Unarmed Head Constable
Navsari Town Police Station

Navsari Town Police Station

Date: 23/08/2002

To,
The Chief Judicial Magistrate,
Navsari.

Subject: Request for issuance of a Transfer Warrant for the accused arrested by Valsad City Police Station in connection with Navsari Town Police Station I-C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 120B, and 34.

I, R.S. Patel, Police Sub-Inspector, Navsari Town Police Station, respectfully submit this report that,

I am investigating the case registered with Navsari Town Police Station vide I-C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 120B, and 34. Among the accused involved in this case, (1) Ketanbhai Kantilal Shah, caste: Vaishnav, aged Educated 40 years, occupation: Share Broker, residing at 193 Lalit Footi, C.H.S., 3rd Floor, Gulmohar Cross Road No. 9, J.V.P.D., Mumbai 400049, has been arrested by Valsad Town Police Station in connection with I-C.R. No. 119/02 under IPC Sections 420, 406, 409, 422, 423, 120B, and 34. This case pertains to a fraud and misappropriation of Rs. 28, 75, 21,758.33 involving Valsad People's Co-operative Bank Ltd. The Valsad Police arrested him on 18/08/2002 at 14:00 hours, and he is currently under remand until 26/08/2002.

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

As the aforementioned accused is required for investigation in connection with Navsari Town Police Station C.R. No. 93/02, I request that a Transfer Warrant be issued by the Hon'ble court of the Chief Judicial Magistrate, Valsad, to transfer the accused to Navsari Town Police Station. I kindly request your attention to this matter.

Date: 23/08/2002

Sd/- Illegible
Police Sub-Inspector
Navsari Town Police Station

Navsari Town Police Station

Date: 23/08/2002

To,
The Chief Judicial Magistrate,
Valsad.

Subject: Request to accept and process the Transfer Warrant in connection with Navsari Town Police Station C.R. No. 93/02 under IPC Sections 406, 409, 420, 421, 422, 423, 120B, and 34.

Respected Sir,

I, R. S. Patel, Police Sub-Inspector, Navsari Town Police Station, respectfully submit the following request report:

I am investigating the case registered at Navsari Town Police Station under C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 120B, and 34. Among the thirteen accused involved in this case, Ketanbhai Kantilal Shah, aged 40, residing at 193 Lalit Kutir, C.H.S., 3rd Floor, Gulmohar Cross Road No. 9, J.V.P.D., Mumbai 400049, was arrested by Valsad Town Police Station on 18/08/2002 at 14:00 hours in connection with I-C.R. No. 119/2002 under IPC Sections 420, 406, 409, 422, 423, 120B, and 34. He is currently under police remand until 26/08/2002.

The aforementioned accused is also involved in Navsari Town Police Station I-C.R. No. 93/02 under IPC Sections 406, 409, 420, 421, 422, 423, 120B, and 34. As per your jurisdiction, a Transfer Warrant has been issued by the Chief Judicial Magistrate, Navsari, to arrest the accused in connection with the aforementioned case registered at our police station. The Transfer Warrant is enclosed with this letter, and I request that it be accepted and processed accordingly. This is for your kind information and necessary order.

Date: 23/08/2002

Sd/- Illegible
Police Sub-Inspector
Navsari Town Police Station

To,
The Chief Judicial Magistrate,
Navsari.

Subject: Request for issuance of a Transfer Warrant in connection with Navsari Town Police Station C.R. No. 93/02 under IPC Sections 406, 409, 420, etc.

Respected Sir,

I, R.S. Patel, Police Sub-Inspector, Navsari Town Police Station, respectfully submit the following request report:

In connection with Navsari Town Police Station I- C.R. No. 93/2002, registered under IPC Sections 406, 409, 420, 421, 422, 423, 120B, and 34, the accused, Ketanbhai Kantilal Shah, residing at 193, Lalit Kutir, C.H.S., 3rd Floor, J.V.P.D., Mumbai 400049, is currently under police remand under the jurisdiction of the Hon'ble Joint Judicial Magistrate, Valsad, for the case registered at Valsad Town Police Station under C.R. No. 119/02, involving IPC Sections 420, 406, 409, etc. On 23/08/2002, a Transfer Warrant was issued by your honor addressed to the Chief Judicial Magistrate, Valsad. However, when our armed Police Constable, Narayan Shanti Swarup, visited the Valsad court to submit the said warrant, it was found that there was no court of the Chief Judicial

Magistrate, Valsad, and the warrant issued by your honor was not accepted. Therefore, I request that the said Transfer Warrant be issued in the name of the Hon'ble Joint Judicial Magistrate, Valsad. The original warrant is enclosed with this letter. Kindly take note of it.

Date: 26/08/2002

Police Sub-Inspector
Navsari Town Police Station

Navsari Town Police Station

Date: 26/08/2002

To,
The Chief Judicial Magistrate (Judicial) and
Judicial Magistrate First Class,
Valsad.

Subject: Submission of Transfer Warrant in connection with
Navsari Town Police Station I-C.R. No. 93/2002 under
IPC Sections 406, 409, 420, 421, 422, 423, 120B, and
34.

Respected Sir,

I, R.S. Patel, Police Sub-Inspector, Navsari Town Police Station,
respectfully submit the following request report:

I am investigating the case registered at Navsari Town Police Station
vide I-C.R. No. 93/2002 for offenses punishable under IPC Sections 406,
409, 420, 421, 422, 423, 120B, and 34. Among the thirteen accused
involved in this case, Ketanbhai Kantilal Shah, aged 40, residing at 193,
Lalit Kutir, C.H.S., 3rd Floor, Gulmohar Cross Road No. 9, J.V.P.D.,
Mumbai 400049, was arrested by Valsad Town Police Station on
18/08/2002 at 14:00 hours in connection with C.R. No. 119/2002 under

IPC Sections 420, 406, 409, 422, 423, 120B, and 34. He is currently under police remand until 26/08/2002.

The aforementioned accused is also involved in Navsari Town Police Station I-C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 120B, and 34, which is under your honor's jurisdiction. A Transfer Warrant has been issued by the Chief Judicial Magistrate, Navsari, to arrest the accused in connection with the aforementioned case at our police station. I request that the accused not be released on bail and that we be informed accordingly. The Transfer Warrant is enclosed with this letter, and I request that it be accepted and processed. Kindly take note of this matter.

Date: 26/08/2002

Sd/- Illegible
Police Sub-Inspector
Navsari Town Police Station

Fax Message

To: All Commissioners of Police,
All Superintendents of Police (Including Western Railways,
Vadodara).

Sender: Superintendent of Police, Navsari.

No. LCB/Vishwasghat/498/02

Date: 22/08/02

Particular: - In connection with Navsari Town Police Station I-CR No. 93/02 registered under IPC Section 406, 409, 420, 421, 422, 423, 120B and 34, accused persons (1) Mr. Sanjay Agrawal, Director, S/o Hariram Agrawal, Juhu Shalimar CHS Ltd, 7th Floor, Gulmahor Crossroad No. 10, Juhu, Mumbai-400049. (2) Mr. Sanjay Agrawal, Director, 9th Floor, Kusum Apartment, sector-17, Vasi, Navi Mumbai, Phone No. 7897172. Mr. Ketan Sheth, Director, 193, Lalit Kutir, CHS, 3rd Floor, Gulmahor Crossroad no. 9, JVPD, Mumbai-400049. Phone No.6194712-19, Mobile No. 9821142821, 9821142823. (3). Smt. Jagruti Sheth, wife of Ketan Sheth, 193, Lalit Kutir, CHS, 3rd Floor, Gulmahor Crossroad No. 9, JVPD Mumbai-400049. Phone No. 6194712-19, Mobile No. 98213 30822 (4). Mr. Nandkishor S. Trivedi, Director, s/o Shankarlal V. Trivedi, Dev Bhuvan, 2nd floor, Room No. 32, Gazadar Street, Chira Bazaar, Mumbai-400002, Mobile No. 98210 30149, (5). Mr. Hiten B. Shah, Director, s/o Bhupendra B. Shah, 102, Gandhi Nivas, Ashok Nagar Road, Vakola,

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Santacruz, Mumbai-400055, (6). Smt. Shilpa H. Shah, Director, w/o Hiten B. Shah, 102, Gandhi Nivas, Ashok Nagar Road, Vakola, Santacruz, Mumbai – 400055, (7). Kumari Kanan Mevawala, Manager, Home Trade Ltd., Jayant Mahal, 5th Floor, Opp. Vankhede Stadium, Marine Drive, Mumbai, (8). Bina Sanghavi, Officer – Ketan Sheth & Co., 103, Liberty Apartment, 80/A, Sarojini Road, behind Macdonald, Vile Parley-West, Mumbai-400 056, (9). Mr. Ketan Mashkariya, officer, Home Trade Ltd., (10). Mr. Subodh Bhandari, Executive Managing Director, Home Trade Ltd., Flat No. 703 / B, Govind Complex, Sector – 14, Vasi Turbhi, Navi Mumbai – 400 705, (11). Mr. Hiren Gada, Senior Vice President, Home Trade Ltd., (12). Mr. Atul Shah, Senior Officer, Giltej Management Services Ltd., (13). Kumar Vichita, Officer, Giltej Management Services Ltd., in connivance with one another, introduced self to the Navsari People's Bank Ltd of the complainant, a registered cooperative bank as the approved broker of National Stock Exchange working under Euro Asian Securities Ltd., and gained the trust and confidence of the bank and got the bank to purchase and sell the government securities through them and meanwhile, the said accused committed fraud with the bank and with the mala fide intention of siphoning off the money of the bank, changed the name of Euro Asian Securities Ltd with a new name titled Home Trade Ltd and during the said period and dates, mentioned four government securities of Rs. 24,82,12,344.24 by themselves as the broker instead of selling the said security, and said that the price is constantly increasing and the bank will get more profit, and said that the investment in new security will bring more benefit to the bank, and sold the old security on 20/03/2002 and purchased 05 new security at the price of Rs. 24,76,52,925/- on behalf of the complainant and sent the notice only on paper and actually, despite the fact that the accused received the consideration amount of the said

securities, showed the purchase and selling only on paper and did not give the physical possession of the security to the complainant bank and the accused hatched criminal conspiracy and caused serious damage to the interest of the bank. Therefore, it is requested to keep vigilance on the said accused and if they are found or traced, inform this office in this regard.

Sd/- Illegible
Superintendent of Police
Navsari District

Police Inspector,
Navsari Town Police Station.

Navsari Town Police Station

Date: 30/08/2002

To,
The Manager,
Navsari People's Co-operative Bank Ltd.,
Din Dayal Bhavan, Navsari.

Subject: Submission of copies of necessary documents in connection with Navsari Town Police Station I-C.R. No. 93/02 under IPC Sections 406, 409, 420, 421, 422, 423, 120B, and 34.

Respected Sir,

I, R.S. Patel, Police Sub-Inspector, Navsari Town Police Station, respectfully submit the following request report:

In connection with Navsari Town Police Station I-C.R. No. 93/02, registered under IPC Sections 406, 409, 420, 421, 422, 423, 120B, and 34, the investigation pertains to the purchase and sale of government securities by Navsari People's Co-operative Bank Ltd. with Home Trade Ltd. The latest government securities purchased, with a consideration value of Rs. 24, 76, 52,925/-, are part of this case. Prior to this, several government securities transactions were made, and physical delivery of securities was received in earlier transactions. During the intervening period, new securities were also purchased. We require transaction-wise details,

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

including contract notes, cheques issued or received, and xerox copies of government securities, arranged in chronological order, from the last transaction where physical delivery was received up to the latest transaction. Despite our requests over the past three days, these documents have not yet been provided in an organized manner, causing delays in the investigation. Therefore, I urge you to promptly submit the required document copies to assist in the investigation. As the complainant party, it is also your responsibility to cooperate.

Date: 30/08/2002

Sd/- Illegible
Police Sub-Inspector
Navsari Town Police Station

No.: LCB 430/2002
Office of the District Police
Superintendent, Navsari.
Date: 30/08/2002

Subject: Obtaining the custody of the accused through a Transfer Warrant

Reference: Fax Message No. LCB / Home Trade Accused /356/02 dated 29/02/2002 from the Superintendent of Police, Valsad.

In connection with Valsad City Police Station C.R. No. I-119/02, registered under IPC Sections 406, 409, 420, 120B, 421, 422, and 423, a case was filed on 06/06/2002 against the accused Ketan Kantilal Shah and eighteen others. Among the accused, (1) Ketanbhai Kantilal Shah, residing at Juhu, near Vile Parle Railway Station, Andheri (West), Gulmohar Cross Road No. 8/193, was arrested on 18/08/2002. He was presented before the Judicial Magistrate First Class, Valsad, and placed under police remand until 30/08/2002.

The said accused is also involved in cases at Navsari Town Police Station and Gandevi Police Station. Kindly take the custody of the accused through a Transfer Warrant and proceed with further action.

Sd/- Illegible
Police Superintendent
Navsari District

To,

- Police Inspector, Navsari Town Police Station
- Police Sub Inspector, Gandevi Police Station

THE NAVSARI PEOPLE'S CO-OP. BANK LTD.
Din Dayal Bhavan, Din Dayal Chowk, Opp. Gayan Shala
Near Tower, Navsari-396445

PHONE:

Office Manager 57764

Bank: 57209, 57210, 53899,
53475.

Fax: (02637) 46131

Date: 06/08/02

Retirement Order

It is hereby notified that Shri Dhirubhai Manibhai Nayak, General Manager of this bank, whose annual renewal contract expires on 10/08/2002, is retired from service after office hours on 10/08/2002, as per Resolution No. 21 (7) of the Board of Directors' meeting held on 26/07/2002. He is required to hand over all responsibilities of his position as General Manager to the bank's Manager, Shri Bhanuprasad Harishankar Suthar, and submit a written report confirming the same.

The bank's Manager, Shri Bhanuprasad Harishankar Suthar, is directed to take over all responsibilities of the bank from General Manager Shri Dhirubhai M. Nayak after office hours on 10/08/2002 and submit a report accordingly.

We pray to the Almighty that your life post-retirement be filled with happiness, peace, and good health, and that you live a long and fulfilling life.

To,

1. Shri Dhirubhai M. Nayak, General Manager, Head Office, Navsari
2. Shri Bhanuprasad H. Suthar, Manager, Head Office, Navsari.
3. Shri Gunvantbhai B. Patel, Accountant, Head Office, Navsari (for information)

Former Chairman

Press Cutting

Dated: 19 August.

Police Present Home Trade Director Ketan Seth in Valsad Court for Remand**Police Seek Ten Days of Intensive Interrogation to Uncover Roots of the Scam**

Today afternoon, Valsad Police presented Home Trade Director Ketan Seth in court, seeking a ten-day remand. Intense arguments and submissions were made by the lawyers of both the accused and the complainant in court. Before the court could announce its decision, the court recessed for the day, and the decision regarding the remand period was deferred to after the recess.

Ketan Seth, one of the five main accused in the Home Trade scam, was brought to Valsad from Mumbai by Valsad Police on a Transfer Warrant. In connection with a fraud case involving Rs. 27 crore registered by Valsad People's Bank, Ketan Seth was presented in court today, and the police requested a ten-day remand for various investigative purposes.

The Home Trade scam has engulfed a staggering amount of approximately Rs. 92 crore from eight cooperative banks in South Gujarat, severely weakening their financial position. Fearing the instability of these banks, depositors lined up to withdraw their funds, causing significant financial losses to the affected banks. In response, the Reserve Bank of India intervened and ordered the appointment of administrators for all affected banks, creating significant turmoil in the cooperative banking sector. However, following requests from the directors of the eight banks, the Reserve Bank deferred the decision to appoint administrators for these banks for one year.

Press cutting from Pratap Vartaman, dated 19/08/2002

Date: 19/08/2002

Navsari Town Police Station

Date: 20/08/2002

To,
The Chief Judicial Magistrate,
Navsari.

Subject: Navsari Town Police Station I-C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 120B, and 34.

I, R.S. Patel, Police Sub-Inspector, Navsari Town Police Station, respectfully submit the following request report:

I am investigating the case registered at Navsari Town Police Station under I-C.R. No. 93/2002 for offenses punishable under IPC Sections 406, 409, 420, 421, 422, 423, 120B, and 34. In this case, a fraud and misappropriation amounting to Rs. 24,76,52,925/- has been committed against Navsari People's Co-operative Bank Ltd. The accused involved in this case are listed below:

- (1). **Sanjay Hariram Agarwal**, Residing at: Juhu Shalimar C.H.S., 7th Floor, Gulmohar Cross Road No. 10, Juhu, Mumbai 400049, and 9th Floor, Kusum, Sector 17, Vashi, Navi Mumbai.
- (2). **Ketan Seth, Director**, Residing at: 193, Lalit Kutir C.H.S., 3rd Floor, Gulmohar Cross Road No. 9, J.V.P.D., Mumbai 400049.
- (3). **Smt. Jagruti, w/o Ketan Seth**, Res. As per address in Serial No. 2.
- (4). **Nandkishor Shankarlal Trivedi, Director**, Residing at: Gajdar Street, Chira Bazaar, Mumbai 400002, and Pushpam Apartment, 3/A, 3rd Floor, Khandubhai Desai Road, Vile Parle West, Mumbai 400056.

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

- (5). **Hiten Bhupendra Shah**, Residing at: 102, Gandhi Niwas, Ashok Nagar Road, Vakosa, Shantakuj, Mumbai 400055.
- (6). **Smt. Shilpa Hiten Shah, Director**, Residing at: As per address in Serial No. 5.
- (7). **Kumari Kanan Mevawala, Manager, Home Trade Ltd.**, Residing at: Jayant Mahal, 5th Floor, Opposite Wankhede Stadium, Marine Drive, Mumbai.
- (8). **Bina Sanghvi, Officer, Ketan Seth & Company** Residing at: 103, Liberty Apartment, 80/A, Sarojini Road, Behind McDonald's, Vile Parle West, Mumbai 400056.
- (9). **Ketan Mashkariya, Officer, Home Trade Ltd.**,
- (10). **Subodh Bhandari, Executive Managing Director, Home Trade Ltd.** Residing at: Flat No. 703/B, Govind Complex, Sector 14, Vashi, Turbhe, Navi Mumbai 400705.
- (11). **Hiren Gada, Senior Vice President, Home Trade Ltd.**
- (12). **Atul Shah, Senior Officer, Giltedge Management Services Ltd.**,
- (13). **Kumari Vinchita, Officer, Giltedge Management Services Ltd.**

The above-mentioned accused have committed a significant financial fraud and misappropriation. Given the likelihood that they may flee the country after committing the offense, I request an order to seize their passports and visas. This is for your kind information.

Date: 20/08/2002

Sd/- Illegible
Police Sub-Inspector
Navsari Town Police Station

Navsari Town Police Station

Date: 20/08/2002

To,
The Manager,
Navsari People's Co-operative Bank Ltd.,
Din Dayal Bhavan, Din Dayal Chowk,
Near Tower, Navsari.

Subject: Submission of copies of necessary documents in connection with Navsari Town Police Station C.R. No. 93/02 under IPC Sections 406, 409, 420, etc.

Respected Sir,

I, R.S. Patel, Police Sub-Inspector, Navsari Town Police Station, submit the following request report:

We are investigating the case registered at Navsari Town Police Station under C.R. No. 93/2002 for offenses under IPC Sections 406, 409, 420, 421, 422, 423, 120B, and 34. Based on news reports, we have learned that Niraj Surati is associated with Home Trade Ltd. We request you to provide written information regarding Niraj Surati, including details such as his account numbers, information about his funds in banks, or any other relevant information you may have.

Additionally, in your complaint, you have named thirteen accused individuals, but the details regarding the specific roles each played in the fraud and misappropriation are incomplete. Therefore, we request you to provide detailed information about the role each accused played in the fraud and misappropriation, along with copies of any documentary or circumstantial evidence you have against each accused. Please submit written copies of the evidence against the accused promptly. Thank you for your cooperation.

Date: 20/08/2002

Sd/- Illegible
Police Sub-Inspector
Navsari Town Police Station

Gujarat Samachar (Newspaper Cutting)**Date: 20/08/2002****Navsari People's Bank Awakens: Files Rs. 24.56 Crore Complaint
against Home Trade**

(Representative) Navsari, Dt. 19.

The Navsari People's Co-operative Bank, entangled in the financial turmoil caused by Home Trade's fraudulent activities, found itself in dire straits. Having fallen victim to a fraud amounting to Rs. 24, 76, 52,925 in February, the bank lodged complaints with the Reserve Bank of India, National Stock Exchange, Arbitration Petition, SEBI, and the Mumbai Police Economic Offences Wing. Subsequently, at the local level, the bank's Manager, Shri Bhanuprasad Suthar, filed a complaint with the Navsari Town Police Station against Home Trade's directors under IPC Sections 406, 409, 420, 421, 422, 423, 120B, and 34.

**Navsari People's Bank Paid Rs. 12 Crore Prematurely and Was Forced to
Stay out of Clearing House: Complaint Filed Only after Ketan Seth's
Arrest**

In a devastating blow to Navsari's banking history, the region witnessed an estimated fraud of Rs. 25 crore. After being compelled to make premature payments, Navsari People's Bank disbursed over Rs. 12 crore, plunging the bank into a precarious financial situation akin to a drought-stricken crisis. Due to a severe shortage of liquid cash, the bank

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

was forced to remain outside the clearing house for one-and-a-half to two months, left helpless by its financial constraints. Only since last Friday has the bank re-entered the clearing house, albeit under stringent restrictions.

Yesterday, Navsari People's Bank Manager, Shri Bhanuprasad Harishankar Suthar, lodged a complaint with Navsari Town Police Inspector Shri Virendra Raval against Home Trade's directors and associates, including (1) Sanjay Hariram Agarwal, (2) Ketan Seth, (3) Nandkishor Trivedi, (4) Hiten Bhupendra Shah, (5) Jagruti Ketan Seth, (6) Shilpa Hiten Shah, (7) Kanan Mewawala (Manager), (8) Bina Sanghvi, (9) Ketan Maskariya, and others. The complaint alleges a breach of trust and fraud involving approximately Rs. 25 crore through misappropriation of the bank's funds. Deputy Staff Police Sub-Inspector R.S. Patel is further investigating the case.

Lok Prahari (Newspaper Cutting)**Date: 20/08/2002****Navsari People's Bank Files Complaint Against Home Trade
Directors at Navsari Town Police Station**

Representative, Navsari. Dt.19.

Following the arrest of Ketan Seth, a key figure in the Home Trade scam that defrauded eight cooperative banks in South Gujarat, including Navsari People's Co-operative Bank, by promising government securities, Valsad Police took him into custody on a Transfer Warrant yesterday. Subsequently, Navsari People's Co-operative Bank lodged a complaint against Ketan Seth at Navsari Town Police Station for fraud. The complaint was filed by the bank's Manager, Shri B.H. Suthar, raising the possibility that Navsari Police may soon bring Ketan Seth to Navsari on a Transfer Warrant for further investigation.

Yesterday, Navsari People's Bank Manager, Shri Bhanuprasad H. Suthar, filed a complaint at Navsari Town Police Station against Home Trade's directors under IPC Sections 406, 409, 420, 421, 422, 423, 120B, and 34, alleging that the bank was deceived and defrauded of Rs. 24, 76, 52,925.

The complaint lists the following individuals as accused:

- (1). Sanjay Hariram Agarwal, Director, Residing at: Juhu Shalimar, 7th Floor, Gulmahor Cross Road No. 10, Mumbai, (2). Ketan Seth, Director, Residing at: 193, Lalit Kutir, 3rd Floor, Gulmahor Cross Road No. 9, Juhu J.V.P.D. Scheme, Mumbai, (3). Smt. Jagruti Ketan Seth, Residing at: As per address in Serial No. 2, (4). Nandkishor Shankarlal Trivedi, Director,

Residing at: Devbhuvan, 2nd Floor, Room No. 32, Mazdhar Street, Chirabazaar, Mumbai, (5). Hiten Bhupendra Shah, Director, Residing at: 102, Gandhi Niwas, Ashok Nagar, Vakola, Santacruz, Mumbai, (6). Smt. Shilpa Hiten Shah, Director, Residing at: As per address in Serial No. 5, (7). Ms. Kanan Mewawala, Manager, Residing at: Jayant Mahollo, 5th Floor, Near Wankhede Stadium, Marine Drive, Mumbai, (8). Bina Sanghvi, Officer, Ketan Seth & Company, Residing at: 103, Liberty Apartment, 80/A, Sarojini Road, Vile Parle, Mumbai, (9). Ketan Maskariya, Officer, Home Trade, (10). Subodh Bhandari, Managing Director, Home Trade, Residing at: 703, B, Govind Complex, Vashi Kurla, Navi Mumbai, (11). Hiren Gada, Senior Vice President, Giltedge, Smt. Vichita, Officer, Giltedge, (12). Vichita, Officer, Giltedge, have been mentioned.

At present, Ketan Sheth has been presented in court by Valsad Police, who have obtained an eight-day remand. It is likely that he will be brought to Navsari thereafter. Further investigation regarding the other eleven accused is being conducted by Police Sub-Inspector Shri R.S. Patel under the guidance of Town Police Inspector Virendra Raval.

Gujarat Mitra Daily Newspaper**Date: 20/08/2002****Navsari People's Bank Files Complaint After Arrest of Home Trade
Director Sanjay Agrawal**

Navsari:

Navsari People's Bank, one of the leading cooperative banks in Navsari district, purchased government securities worth approximately Rs. 25 crore through Mumbai-based Home Trade to comply with Reserve Bank of India regulations for investment in government securities. Home Trade defrauded the bank of Rs. 25 crore, severely disrupting its financial condition. Around eight cooperative banks in South Gujarat lost approximately Rs. 92 crore through transactions facilitated by Home Trade's broker Sanjay Agarwal and his sub-broker Niraj Surati. Navsari People's Bank, having paid Rs. 25 crore for securities, received only a contract note without actual delivery of the securities, resulting in serious fraud. Several banks, including those in Valsad, had previously filed complaints at various police stations. Following these complaints, Valsad Police took the lead, bringing Home Trade Director Ketan Seth from Mumbai to Valsad on a Transfer Warrant yesterday. Today, he was presented in Valsad Court, where an eight-day remand was granted. Upon learning of Ketan Seth's arrest, Navsari People's Bank directors, through their Manager Shri Bhanuprasad H. Suthar, filed a complaint at Navsari Town Police Station on the night of 18/08/2002 at 10:00 PM. The

complaint alleges that the accused, (1) Sanjay Hariram Agarwal (residing at Juhu, Cross Road, Mumbai), (2) Ketan Seth, Director (residing at Juhu, Cross Road, Mumbai), (3) Smt. Jagruti Ketan Seth, (4) Nandkishor Shankarlal Trivedi, Director (residing at Santacruz, Mumbai), (5) Hiten Bhupendra Shah, Director (residing at Santacruz, Mumbai), (6) Smt. Shilpa Hitesh Shah, Director, (7) Ms. Kanan Mewawala, Manager, Home Trade (residing near Wankhede Stadium, Marine Drive, Mumbai), (8) Bina Sanghvi, Officer, Ketan Seth & Co. (residing at Vile Parle, Mumbai), (9) Ketan Maskariya, Officer, Home Trade Ltd., (10) Subodh Bhandari, Executive Managing Director, Home Trade Ltd. (residing at Vashi, Navi Mumbai), (11) Hiren Gada, Senior Vice President, (12) Atul Shah, Senior Officer, Giltedge Management Services Ltd., and (13) Smt. Vichita, Officer, Giltedge Management Services Ltd., colluded to defraud the complainant, Navsari People's Co-operative Bank Ltd. Initially, they gained the bank's trust by presenting themselves as brokers of Asian Securities Ltd., recognized by the National Stock Exchange, for the purchase and sale of government securities required to maintain the Statutory Liquidity Ratio (SLR) as per Reserve Bank regulations. The accused then misrepresented Asian Securities as Home Trade Ltd. and, between February 1999 and 24/04/2002, sold four different government securities worth Rs. 24, 82, 12,344.44 to others. Instead of acting as brokers, they sold the securities themselves and purportedly purchased five new securities worth Rs. 24, 76, 52,925 on behalf of the complainant, sending only a contract note without delivering the securities. Despite receiving payment, they falsely recorded the purchase and sale on paper, assuring the bank of increasing profits due to rising market prices and encouraging further investment in new securities. On 20/03/2002, they failed to deliver physical possession of the old securities, engaging in a

criminal conspiracy. Following the complaint, Police Sub-Inspector Shri R.S. Patel has initiated an investigation under the guidance of Police Inspector Shri V.B. Raval.

Home Trade's Sub-Broker Niraj Surati Not Named as an Accused!

After a long delay following the loss of approximately Rs. 25 crore in transactions with Home Trade, Navsari People's Bank filed a complaint late last night at Navsari Town Police Station against Home Trade Director Ketan Seth and twelve others under IPC Sections 406, 409, 420, 421, 422, 423, 120B, and 34. Notably, the name of Niraj Surati, a sub-agent from Bharuch who introduced Home Trade to Navsari People's Bank, was not included among the accused, sparking surprise within the bank's internal circles. Initially, the bank conducted significant transactions through Niraj Surati, but later discontinued dealings with him and began direct transactions with Home Trade. Today, the case has generated intense discussion across Navsari, with questions arising about how Rs. 25 crore was paid to Home Trade without securing possession of any securities and whether anyone received commissions in these transactions.

Gujarat Mitra Daily Newspaper**Date: 20/08/2002****Valsad Court Grants Seven-Day Remand for Home Trade Scam's
Key Accused Ketan Seth, Brought from Mumbai on Transfer
Warrant Following Balsar People's Complaint**

Following a complaint by Balsar People's Bank, Ketan Seth, a director of Home Trade, was brought to Valsad on a Transfer Warrant and presented today in the court of Joint Civil Judge and Judicial Magistrate Shri Kanani. The District Special Squad requested a remand, and a seven-day remand was granted.

According to the details, Balsar People's Bank, which invested Rs. 28 crore in government securities through Home Trade, filed a police complaint on 06/06/2002 against 19 accused individuals associated with Home Trade for fraud. Under the guidance of District Police Chief Shri Vijay Singh Gautam, the District Special Squad, led by Police Inspector Shri Mahendrasinh Parmar and his team, arrested Ketan Seth, considered one of the main accused in the scam, in Mumbai under a Transfer Warrant. He was brought to Valsad yesterday for investigation and presented today in the court of Joint Civil Judge and Judicial Magistrate Shri Kanani.

Police Inspector Shri Mahendrasinh Parmar of the Valsad District Special Squad presented Ketan Seth in court, stating that the investigation was ongoing and that details regarding where such a large sum was invested were still pending. He highlighted the need to apprehend other accused individuals and requested a 14-day remand for Ketan Seth.

Subsequently, Ketan Seth's lawyer, Shri H.M. Qureshi, opposed the police's remand request and began arguments. The court proceedings, which started at 2:00 PM today, continued for an hour, after which Justice Shri Kanani deferred the verdict until 4:00 PM.

Finally, at 4:30 PM, Justice Shri Kanani delivered the verdict, granting a seven-day remand for Ketan Seth until 26/08/2002 and ordering his presentation in court on 26 August at 1:30 PM.

The case, which has caused a significant stir in Valsad, drew a large crowd to the court of the Joint Civil Judge and Judicial Magistrate today, as news spread that Ketan Seth, arrested and brought to Valsad, would be presented.

As funds from Navsari and Gandevi People's Banks were also involved in Home Trade, officials from these banks were present in Valsad Court today upon learning of Ketan Seth's arrest. They were making arrangements to bring Ketan Seth to Gandevi and Navsari on the basis of a Transfer Warrant.

Gujarat Samachar**Date: 20/08/2002****Home Trade Director Ketan Seth on Seven-Day Remand**

Valsad Police presented Ketan Seth, a director of Home Trade who defrauded Valsad People's Bank of Rs. 28 crore, in court today, securing a seven-day remand to initiate the investigation.

Bank Representatives from South Gujarat Rush to Valsad Upon Learning Ketan Seth Was Brought There

The Balsar People's Co-operative Bank, named Sheth Bhagwandas Brij Bhukhandas Shroff, along with eight other banks in South Gujarat, suffered a fraud exceeding Rs. 92 crore. Home Trade, a Mumbai-based firm acting as an intermediary for banks required to invest in government securities, used celebrities like Sachin Tendulkar, Shahrukh Khan, and Hrithik Roshan in TV advertisements to gain public trust. Promising high commissions and government securities, Home Trade extracted funds from South Gujarat banks but failed to deliver the securities' certificates. Subsequently, nearly all affected banks filed police complaints.

Following a complaint lodged by Valsad People's Bank on 06/06/2002, Home Trade Director Ketan Seth was handed over to Valsad Police. He was presented in court today, and Valsad Police successfully obtained a remand until 26/08/2002. Meanwhile, the police have collected necessary documentary evidence from the bank, and the bank has provided details of when, how, and how much money was paid, along with cheques issued by Home Trade and other relevant information.

Continued from the last page

Upon learning that Ketan Seth had been handed over to Valsad Police, representatives from banks affected by Home Trade, including those from Navsari and Udhna, arrived in Valsad today and formally met Ketan Seth.

Notably, Ketan Seth, considered one of the key figures responsible for defrauding crores of rupees, behaved like a seasoned criminal, claiming he had no money and repeatedly asserting that he himself had lost Rs. 17 crore. He also made veiled accusations against Home Trade Chairman Sanjay Agarwal for the scam, insisting that he was the one seeking money.

Panchnama

Sr. No.	Name	Age	Occupation	Res.
1.	Maheshbhai Shurabhai Parmar,	47,	Cobbler,	Near Navsari Technical School, Navsari.
2.	Mohanbhai Dhirubhai Patel,	45,	labourer,	Patel Faliya, Chhapra village, Ta. Navsari, Navsari.

We, the undersigned panch witnesses, were summoned by the Navsari Town Police today and we appeared at the Navsari Town Police Station. The police explained to us that a detention panch witness document is to be prepared regarding the physical condition of the accused, Ketanbhai Kantilal Seth, residing at 193, Lalit Kutir, J.V.P.D., Mumbai, in connection with Navsari Town Police Station I-C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 423, 467, 468, 120B, and 34. We, the panch witnesses, willingly agreed to participate and, upon inspection, state the following:

An individual was present in the custody of the police. Upon verifying his identity, he stated his name as Ketanbhai Kantilal Seth, residing at 193, Lalit Kutir, J.V.P.D., Cross Road No. 9, Mumbai 400049. Upon examining his body, we observed stitch marks on his right arm and waist. He was wearing a navy blue checkered half-sleeve shirt, black jeans, and black leather sandals. The police conducted a body search, and no items were seized. No injuries or other marks were found on his body.

This panchnama, as recorded above, was prepared in our presence, and we confirm it to be accurate and true after reading and understanding it. We affix our signatures below.

Date: 13/09/2002 Time: 20:15 hrs. to 19:30 hrs.

1. Maheshbhai Surabhai Parmar
2. Mohanbhai Dhirubhai Patel

Before,
Sd/- Illegible
Police Sub Inspector
Valsad Town Police Station

3285

237

From

Mr R.S. Patel
Police Sub Inspector
Navsari Town Police Station
Dist. Navsari
Gujarat

To,
Maharashtra State CID
Fort,
Bombay

Dear Sir,

Sub - Offence Register against HOME TRADE LTD. For the Value of Rs 24,76,52,925.00 Cr. as per the above mentioned subject and I the Investigator Officer for the above crime register and am submitting the matter understood that all records of Home Trade has been seized and confiscated by you under the crime registered in your file. I also understand that all files along with their computer data's are also with you.

This is to inform you that there is offence registered against Home Trade Ltd. For the Value of Rs 24,76,52,925.00 Cr. as per the above mentioned subject and I the Investigator Officer for the above crime register and am submitting the matter understood that all records of Home Trade has been seized and confiscated by you under the crime registered in your file. I also understand that all files along with their computer data's are also with you.

I therefore request you to provide me the following details as it is require for my case investigation. Details are as follow.

1. A/C's ledger of Home Trade for the year 2001-2002
2. Govt Security ledger pertaining to above mentioned Bank for the year 2001-2002
3. Gandevi Peoples Bank role carrying all correspondence and details of their ledger.
4. Any other details which you deemed fit for this investigation purpose which you have.

Look forward for your co-operation in this regards.



Contact No. - (02637) 59356,
(02637) 31891
(Navsari)

Thanking you
Mr R.S. Patel
Police Sub Inspector,
Navsari Town Police Station
Navsari (Dist),Gujarat.

Handwritten notes:
C.S.B. Deshpande and 20
P.9. State CID (M)



Navsari Town Police Station

Date: 12/09/2002

To,
The Chief Judicial Magistrate,
Navsari.

Subject: Request for issuance of a Transfer Warrant for the accused in connection with Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 467, 468, etc.

I, R.S. Patel, Police Sub-Inspector, Navsari Town Police Station, respectfully submit the following request report:

In connection with Navsari Town Police Station I-C.R. No. 93/2002, registered under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34, the accused, Ketanbhai Kantilal Seth (Shah), residing at 193, Lalit Kutir, C.H.S., 3rd Floor, J.V.P.D., Mumbai 400049, is yet to be arrested in this case. The said accused is currently under the custody of the Hon'ble Gandevi Judicial Magistrate's court in connection with Gandevi Police Station Case No. 3/2002 under IPC Sections 406, 409, 420, 467, 468, etc., having been arrested on 06/09/2002 at 22:30 hours and is presently under police remand. To arrest the accused in connection with the aforementioned case at Navsari Town Police Station, we request the issuance of a Transfer Warrant addressed to the Hon'ble Judicial Magistrate, Gandevi.

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Enclosed with this letter is the Transfer Warrant for the accused issued by the Hon'ble Court of the Joint Civil Judge (Judicial) and Judicial Magistrate First Class, Valsad, dated 26/08/2002. We request that this warrant be canceled and a new Transfer Warrant be issued by the Hon'ble Gandevi Judicial Magistrate's court. The Transfer Warrant from the Hon'ble Joint Civil Judge (Judicial) and Judicial Magistrate First Class, Valsad, is included for reference. Kindly take note of this matter.

Date: 12/09/2002

Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Transfer Warrant

Chief Judicial Magistrate Court

Navsari

Date: 12/09/2002

To,
The Joint Civil Judge (Judicial) and
Judicial Magistrate First Class,
Gandevi

Subject: Transfer of accused Ketanbhai Kantilal Sheth (Shah) in connection with Gandevi Police Station Case under IPC Sections 406, 409, 422, 423, 120B, 420, and 34.

Respected Sir,

Respectfully it is submitted that the accused, Ketanbhai Kantilal Seth (Shah), aged 42, residing at 193, Lalit Kutir, C.H.S., 3rd Floor, Gulmohar Cross Road, J.V.P.D., Mumbai 400049, is currently in the custody of your Hon'ble court in connection with Gandevi Police Station Case No. 3/2002 under IPC Sections 406, 409, 422, 467, 468, etc.

The aforementioned accused, Ketanbhai Kantilal Sheth (Shah), residing at 193, Lalit Kutir, C.H.S., 3rd Floor, Cross Road, J.V.P.D., Mumbai 400049, is required in connection with Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 422, 467, 468, etc. Therefore, the accused is to be transferred to Navsari Town Police Station

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

for C.R. No. 93/2002 under IPC Sections 420, 421, 422, 423, 34, 467, 468, etc., on the condition that he is not released on bail.

Date: 12/09/2002

Sd/- Illegible

Chief Judicial Magistrate, Navsari

Navsari Town Police Station I-CR-No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Navsari Town Police Station

Date: 12/09/2002

To,
The Joint Chief Judicial Judge (Judicial) and
Judicial Magistrate First Class,
Gandevi.

Subject: Handover of the accused under a Transfer Warrant.

I, R.S. Patel, Police Sub-Inspector, Navsari Town Police Station, respectfully submit the following request report:

In connection with Navsari Town Police Station I-C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34, the accused, Ketanbhai Kantilal Seth (Shah), aged 42, residing at 193, Lalit Kutir, C.H.S., 3rd Floor, J.V.P.D., Mumbai-400049, is yet to be arrested in this case. Currently, the accused is in the custody of Gandevi Police Station M-Case No. 3/2002 under IPC Sections 406, 409, 420, 467, 468, etc., having been arrested on 06/09/2002 at 22:30 hours. A Transfer Warrant in our name, obtained from the Chief Judicial Magistrate, Navsari, for the arrest of the accused in connection with Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 467, 468, etc., is enclosed with this letter. We request that, upon completion of the accused's custody with Gandevi Police Station, his custody be handed over to us. Kindly take note of this matter.

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Date: 12/09/2002

Sd/- Illegible
Police Sub-Inspector
Navsari Town Police Station

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Office of the Police Inspector

Navsari Town Police Station

Date: 12/09/2002

To,
The Joint Civil Judge (Judicial) and
Judicial Magistrate First Class,
Valsad Court.

Subject: Cancellation of Transfer Warrant in connection with Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 467, 468, 120B, and 34.

I, S.R. Patel, Police Sub-Inspector, Navsari Town Police Station, respectfully submit the following request report:

In connection with Navsari Town Police Station I-C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 467, 468, 120B, and 34, the accused, Ketanbhai Kantilal Seth (Shah), is yet to be arrested for this case. The accused was arrested by Valsad Town Police Station under I-CR No. 119/2002 for offenses under IPC Sections 406, 409, 120B, 467, 468, etc. A Transfer Warrant was issued by the Chief Judicial Magistrate, Navsari, and submitted to your Hon'ble court to transfer the accused to Navsari Court's custody. However, the accused is currently in the custody of Gandevi Police Station for Case No. 3/2002 under IPC Sections 406, 409,

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

120B, 467, 468, etc. Therefore, I request the cancellation of the Transfer Warrant deposited to your Hon'ble court.

This is for your kind information.

Sd/- Illegible
PSI
Navsari Town PS

No.: Jail/Accused/Transfer/2002
Superintendent, Sub-Jail Gandevi
Office
Gandevi, Date: 13/09/2002

To,
Shri R.S. Patel,
Police Sub-Inspector,
Navsari.

Subject: Handover of under trial accused Ketanbhai Kantilal Seth.

Reference: Letter No. Ja.No.1073/2002, dated 13/09/2002, from the Judicial Magistrate First Class, Gandevi.

With regard to the above subject, it is informed that, as per the order dated 13/09/2002 from the Judicial Magistrate First Class, Gandevi, the accused, Ketanbhai Kantilal Seth, involved in Gandevi Police Station Case No. 3/2002, has been handed over to you in person for the investigation of Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 423, etc. The accused is to be presented before this court on 27/09/2002. Kindly make the necessary arrangements for his production. The original warrant is enclosed with this letter.

Enclosure: Original Warrant - 1 (One)

Sd/- Illegible
Jailer
Sub-Jail, Gandevi

Copy forwarded with compliments for information to:
The Judicial Magistrate First Class, Gandevi.

To.
The Police Station Officer,
Navsari Town Police Station.

Subject: To make Entry in the Station Diary.

In reference to the above subject, it is informed that the accused, Ketanbhai Kantilal Seth (Shah), residing at 193, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049, involved in Navsari Town Police Station I-C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34, was taken into custody today from Gandevi Sub-Jail based on a Transfer Warrant. The accused was brought to Navsari Police Station and arrested today, 13/09/2002, at 19:30 hours. Information regarding the arrest was personally conveyed to his elder brother, Nileshbhai Kantilal Seth, residing at Garibdas Society, 3rd Floor, J.V.P.D. Scheme, Road No. 5, Vile Parle West, Mumbai 400056, at Navsari. Kindly record this in the Station Diary and return the report herewith.

Date: 13/09/2002

Sd/- Illegible
(R. S. Patel)
Police Sub Inspector
Navsari Town P.S.

Custody Report under CRPC Section 58

To,

1. The Chief Judicial Magistrate,
Navsari Chief Court, Navsari.
2. The Sub-Divisional Magistrate,
Navsari.
3. The District Police Superintendent,
Valsad.
4. The District Police Superintendent,
Navsari.
5. The Free Legal Aid Center,
Navsari District.

With respect it is submitted that the accused, Ketanbhai Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049, was arrested on 13/09/2002 at 19:30 hours in connection with Navsari Town Police Station I-C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, and 120B. The arrest was made by Investigating Officer Shri R.S. Patel, Police Sub-Inspector. The accused is currently detained in the police lockup at Navsari Town Police Station.

Date: 13/09/2002

Sd/- Illegible
Police Sub-Inspector
Navsari Town Police Station

Arrest Report

The accused, Ketanbhai Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Mumbai, was arrested on 13/09/2002 at 19:30 hours at Navsari Town Police Station in connection with Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34.

Date: 13/09/2002

Place: Navsari

1.Illegible.....

Signature of the Accused or Left Thumb Impression

2.Illegible.....

Signature of Witness or Panch

Sd/- Illegible

Police Sub-Inspector

Navsari Town Police Station

Physical Search Report

The accused, Ketanbhai Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D., Mumbai, was arrested on 13/09/2002 at 19:30 hours at Navsari (Town Police Station) in connection with Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34. Upon examining the accused's body, the following injuries/marks were observed:

1. Stitch marks on the right leg, on the right side of the waist and on the right arm.

1.Illegible.....

Signature of the Accused
Police **Sub-Inspector**

Navsari Town Police Station

2.Illegible.....

Signature of Witness or Panch

Sd/- Illegible
 Police Sub Inspector
 Navsari Town PS

Arrest Report to the Accused
(Under CRPC Section 50)

I, Ketanbhai Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049,

Hereby acknowledge that Investigating Officer Shri R.S. Patel, Police Sub-Inspector, Navsari Town Police Station, has informed me that I have been arrested on 13/09/2002 at 19:30 hours at Navsari Town Police Station in connection with Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34. The offense is non-bailable. I have informed the authorities that my elder brother, Nileshbhai Kantilal Seth, residing at Gulmahor Society, J.V.P.D., Road No. 5, Vile Parle West, Mumbai, should be personally notified of my arrest at Navsari. I have been informed that assistance can be sought in this matter.

Date: 13/09/2002

Place: Navsari Town

Sd/- Illegible

Signature of the Accused

Sd/- Illegible

Police Sub-Inspector

Navsari Town Police Station

Arrest Report regarding the Arrest of the arrested person

1. Name and address of the arrested person: Ketanbhai Kantilal Seth, residing at 193, Lalit Kutir, J.V.P.D. scheme, Gulmohar cross road no. 9, Mumbai 400049.
2. Name and designation of the arresting police officer: R.S. Patel, police sub-inspector, Navsari Town police station.
3. Date, time, and place of arrest: date: 13/09/2002, time: 19:30 hours, place: Navsari.
4. Whether specific and clear information about the offense was provided to the arrested person? (cognizable, non-cognizable, bailable, non-bailable): yes
5. details of family member/friend or respected person from the area (witness) interested in the welfare of the arrested person, including name, address, telephone number, and information about notification of arrest with date and time: Nileshbhai Kantilal Seth, residing at Gulmahor society, 3rd floor, JVPD road no. 5, Vile Parle West, Mumbai 400056, was personally informed of the arrest at Navsari on 13/09/2002 at 19:30 hours.
6. Whether the arrested person was informed about obtaining necessary legal aid? : Yes.
7. Whether the arrest was recorded in the station diary? : Yes, station diary entry no. 36/02, dated 13/09/2002 at 20:40 hours.
8. Name, designation, and place of detention of the police officer in whose custody the arrested person is held: police sub-inspector R. S. Patel, Navsari town police station, Navsari.

9. Whether the physical condition of the arrested person was examined and an inspection report maintained? : Yes.
10. Whether medical services were provided by a recognized doctor every 48 hours? : (not specified in the document).
11. Whether the arrest report was sent to the area magistrate, district police control, and recorded? : Yes.

Date: 13/09/2002

Place: Navsari.

1. Sd/- Illegible (Signature of accused)
2. Sd/- Illegible (Signature of Witness)

Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

GUJARAT STATE POLICE WIRELESS GRID
(Traffic Section)

MESSAGE FORM

GUJARAT STATE

IN	CALL	PRIORITY	TRANS. INSTRUCTIONS	NR	GR
		OU	2	16	10/35

ABOVE THIS LINE FOR USE OF RADIO STAFF ONLY

To: D. R. Patel, Navsari

INFO: SDPO Navsari

FROM: R. S. Patel, Navsari Town Police Station

The accused, Ketanbhai Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049, involved in Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34, was taken into custody today, 13/09/2002, from Gandeve Sub-Jail based on a Transfer Warrant. He was brought to Navsari Town Police Station and arrested at 19:30 hours. This is for your information.

Sd/- Illegible

Police Sub Inspector

Navsari Town PS

M. J. Parmar,
Special Squad, Valsad.
Date: 13/09/02.
Camp: Navsari

To,
Shri R. S. Patel, PSI,
Navsari Police Station,
Navsari.

Subject: As the Ketan Sheth, the Director of the Company, is in your custody, it is requested to allow to meet him in connection with Valsad City PS CR No. 119/2002.

I, Valsad District Special Squad PI M. J. Parmar report that,

In the offence of Navsari People's Bank, you have received the custody of the accused Ketan Sheth from the Court today who was in our custody remand in the offence of Valsad City PS CR No. I-119/2002. Then, I have brought the chairman of Home Trade Ltd from Mumbai in connection with Valsad Police Station CR No. 119/02 and at present, the accused Sanjay Agrawal is on 14 days' police custody remand with us and the said person Sanjay Agrawal, the chairman of Home Trade Ltd and Ketan Sheth who is the director of Home Trade and as both accused are to be interrogated by making them sit together, therefore, as accused Ketan Sheth is in your custody, and as both accused are to be interrogated jointly,

it is requested to give the custody of accused Ketan Sheth who is in your custody at present.

Sd/- Illegible
(M. J. Parmar)
Police Inspector
Special Squad
Valsad, Camp: Navsari

**To,
The Police Inspector,
Special Squad,
Valsad.**

Subject: To provide the copy of the statement of the accused and the FIR of Valsad Town Police Station I-CR No. 119/2002.

I, R. S. Patel, Police Sub Inspector, Navsari Town Police Station, kindly report that,

I have been conducting the investigation of the offence registered with Navsari Town Police Station vide CR No. I-93/2002 under IPC Section 406, 409, 420, 467, 468, etc., and as you have arrested accused Ketanbhai Kantilal Sheth, Res. Mumbai, of Valsad Town PS CR No. I-119/2002 IPC Section-406, 409, 420 etc., and as the said accused is involved in the said offence registered with Navsari Town PS, it is requested to provide the copy of the statement of the accused taken by you and the copy of the FIR as they are required in connection with the investigation. This is for your kind information.

Date: 13/09/2002

Sd/- Illegible
Police Sub Inspector
Navsari Town PS

To,
The Circle Police Inspector,
Bilimora.

Subject: To provide the copy of the statement of the accused and the FIR of Gandevi PS M-Case No. 3/2002 IPC Section-406, 409, 420 etc.

I, R. S. Patel, PSI, Navsari Town PS, kindly report that,

We are investigating the case registered at Navsari Town Police Station under C.R. No. 93/2002 for offenses under IPC Sections 406, 409, 420, 467, and 468. You have arrested the accused, Ketanbhai Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D., Mumbai 400049, in connection with Valsad Town Police Station C.R. No. 119/2002 under IPC Sections 406, 409, 420, etc. The said accused is also involved in the aforementioned case at Navsari Town Police Station. Therefore, we request you to provide xerox copies of the accused's statement and the FIR for investigative purposes. Kindly take note of this matter.

Date: 13/09/2002

Sd/- Illegible
P. S. I.
Navsari Town PS

**To,
The Police Station Officer,
Navsari Town PS.**

It is hereby stated that the accused, Ketanbhai Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049, involved in Navsari Town Police Station I- C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34, was arrested today, 13/09/2002, at 19:30 hours. While he is detained in the police station lockup, no person other than police officers is permitted to meet or converse with him. Instructions are hereby given.

Date: 13/09/2002.

Sd/- Illegible
(R. S. Patel)
PSI
Navsari Town PS

Navsari Town Police Station

Date: 14/09/2002

To,
Hon'ble Chief Judicial Magistrate,
Navsari.

I, R. S. Patel, PSI, Navsari Town PS, kindly report that,

The accused, Ketanbhai Kantilal Seth, aged 40, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049, involved in Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34, was arrested yesterday, 13/09/2002, at 19:30 hours. He has been sent to your Hon'ble court's custody within the stipulated time for detention. Kindly take him into custody. This is for your information.

Date: 14/09/2002

Sd/- Illegible

P. S. I.

Navsari Town PS

Navsari Town Police Station

Date: 14/09/2002

To,
The Hon'ble Chief Judicial Magistrate,
Navsari.

Subject: To grant the police custody remand of 14 days under CrPC Section 167 of the accused arrested in connection with Navsari Town Police Station I-CR No. 93/2002 IPC Section-406, 409, 420, 467, 468 etc.

I, R. S. Patel, Police Sub Inspector, Navsari Town Police Station, kindly report that,

The facts of the case registered at Navsari Town Police Station under Gujarat Registration No. 93/2002, IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34 are as follows: The complainant, Shri Bhanuprasad Harishankar Suthar, a resident of Navsari, is the manager of Navsari People's Co-operative Bank Ltd., a banking institution registered under the Gujarat State Co-operative Societies Act, 1961. As per the Reserve Bank of India regulations, Navsari People's Co-operative Bank Ltd. is required to maintain a Statutory Liquidity Ratio (SLR) by investing in government securities. Accordingly, Navsari People's Co-operative Bank Ltd. engaged in transactions with Home Trade Ltd., Mumbai, for the purchase and sale of government securities. Initially, Navsari People's Co-operative Bank Ltd. handed over physical possession of the securities to Home Trade Ltd., Mumbai, completed the financial transactions, and earned the bank's trust. However, in subsequent transactions, with

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

fraudulent and criminal intent to misappropriate funds, Home Trade Ltd. lured Navsari People's Co-operative Bank Ltd. with promises of higher profits, failed to provide physical possession of the securities, and instead issued fake contract notes and documents. This resulted in cheating Navsari People's Co-operative Bank Ltd. of a substantial amount of Rs. 24,76,52,925/-, jeopardizing the interests of the bank's depositors and shareholders and putting the bank in financial distress. On 18/08/2002, the bank's manager filed a complaint at Navsari Town Police Station against the directors and officers of Home Trade Ltd., Mumbai.

In this case, on 13/09/2002 at 19:30 hrs., the accused, Ketanbhai Kantilal Sheth, aged 40, residing at 193, Lalit Kutir, Gul Mahor Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049, a director of Home Trade Ltd., Mumbai, was arrested. He visited Navsari People's Co-operative Bank Ltd. on behalf of Home Trade Ltd. and engaged with the bank's directors regarding the purchase and sale of government securities. The directors of Navsari People's Co-operative Bank Ltd. communicated with Ketanbhai Sheth, a director of Home Trade Ltd., via telephone or mobile phone regarding government securities and settlements. With criminal intent, Ketanbhai Sheth enticed the bank's directors to engage in the purchase and sale of government securities. Evidence in this regard has been obtained, and Ketanbhai Sheth is an active director of Home Trade Ltd. Further investigation is pending regarding the government securities transactions conducted by Home Trade Ltd. The following points also require investigation:

1. The structure of Home Trade Ltd., its employees, the directors involved in the fraud, the bank accounts of Home Trade Ltd., and the ledger documents related to the purchase and sale of securities need to be examined.

2. Investigation into the remaining co-accused involved in the significant financial fraud with Navsari People's Co-operative Bank Ltd. is pending.
3. The investigation into where the defrauded amount of Rs. 24, 76, 52,925/- from Navsari People's Co-operative Bank Ltd. has been placed is pending.

The aforementioned investigation is not possible without the presence of the accused, Ketanbhai Sheth, and much of the investigation involves activities outside the state, which will require considerable travel time. Home Trade Ltd. has committed the fraud against Navsari People's Co-operative Bank Ltd. with great cunning. The accused, Ketanbhai Sheth, is a white-collar criminal with a habit of committing sophisticated financial crimes and has systematically conspired to defraud banks across India. Therefore, in the public interest and for a thorough investigation, given the complex financial web involved, the accused's presence is necessary for the investigation. A 14-day police custody remand under CrPC Section 167 is requested. A copy of the case diary detailing the investigation conducted is attached for your reference.

Date: 14/09/2002

Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Navsari town Police Station

Date: 14/09/2002

To,
The Executive Magistrate,
Navsari Town,
Navsari.

Subject: To conduct the Identification Parade

I, R. S. Patel, Police Sub Inspector, Navsari Town Police Station, kindly report that,

The accused, Ketanbhai Kantilal Sheth, aged 40, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049, was arrested on-13/09/2002 at 19:30 hrs. in connection with the case registered at Navsari Town Police Station under Gujarat Registration No. 93/2002, IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34. He is currently under police custody remand. The accused is a director of Home Trade Ltd., Mumbai, and frequently visited Navsari People's Co-operative Bank Ltd., Navsari. He gained the trust of the bank in financial transactions involving the purchase and sale of government securities and committed fraud, cheating the bank of a substantial amount of Rs. 24,76,52,925/-. Therefore, an identification parade of the accused is required to be conducted promptly with the following witnesses. It is requested to schedule the identification parade at the earliest possible date and issue summons to the witnesses for the same.

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Witnesses:

- (1). Shri Thakorbbhai Desai, Chairman, Navsari People's Bank Ltd., Navsari.
- (2). Arvindhbai Rambhai Soni, Assistant Manager, Navsari People's Bank Ltd.
- (3). Bhanuprasad Harishankar Suthar, Manager, Navsari People's Bank Ltd.
- (4). Mohanbbhai Uttambhai
- (5). Dhirubhai Manibhai Nayak
- (6). Hitendrabhai Desai, Director, Navsari People's Bank Ltd.

Date: 14/09/2002

Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Navsari Town Police Station

Date: 15/09/2002

To,
Hon'ble Medical Officer,
Navsari Civil Hospital,
Navsari.

I, R. S. Patel, Police Sub Inspector, Navsari Town Police Station, kindly report that,

The accused, Ketanbhai Kantilal Sheth, residing at 193, Lalit Kutir, Gul Mohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai, was arrested on 13/09/2002 at 19:30 hrs. in connection with the case registered at Navsari Town Police Station under I-CR No. 93/2002, IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34. He is currently under police custody remand. As per the orders of the Hon'ble Supreme Court, an accused under police custody remand must undergo a medical examination every 48 hours. Therefore, it is requested to conduct a medical examination of the aforementioned accused, conduct his medical check-up, and issue a certificate regarding the treatment provided.

Date: 15/09/2002

Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Transfer Warrant

Chief Judicial Magistrate Court,
Navsari.

Date: 24/08/2002

To,
Judicial Civil Judge (J. D.), and
Judicial Magistrate First Class, Valsad.

Subject: Transfer of accused Ketanbhai Kantilal Shah in connection with Valsad Town Police Station Crime Reg. No. 119/2002 under IPC Sections 406, 409, 422, 423, 120B, 420, and 34.

Respected Sir,

With due respect, it is submitted that the accused, Ketanbhai Kantilal Shah, aged 40, resident of 193, Lalit Kutir, C.H.S., 3rd Floor, Gulmohar Cross Road, J.V.P.D., Mumbai 400049, is currently in the custody of your court in connection with Valsad Town Police Station Crime Reg. No. 119/2002 under IPC Sections 420, 406, 409, 422, 423, 120B, and 34.

The aforementioned accused, Ketanbhai Kantilal Sheth Shah, resident of 193, Lalit Kutir, C.H.S., 3rd Floor, Cross Road, J.V.P.D., Mumbai 400049, is required for the investigation of Navsari Town Police

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Station I-CR No. 93/2002 under IPC Sections 420, 421, 422, 423, 34, 406, 409, and 120B. Therefore, it is requested to transfer the accused to Navsari Town Police Station for the purpose of investigation in I-Crime Reg. No. 93/2002 under IPC Sections 420, 421, 422, 423, 34, 406, 409, and 120B, on the condition that the accused is not released on bail.

Date: 26/08/2002

Sd/- Illegible
Chief Judicial Magistrate,
Navsari.



(265)
3927

From
Mr. R.S. Patel
Police Sub Inspector,
Navsari Town Police Station,
Dist. - Navsari
Gujarat.

To,
The Manager,

Federal Bank Ltd.

Dear Sir,

Sub. - Offence Registered against Home Trade Ltd, By Navsari Town Police Station, Cr. No. 93/2002 under sec 406, 420, 409, 467, 468, 120B, 31 etc. for Rs. 24,76,52,925=00 by Navsari Peoples Co-op Bank Ltd and Investigation thereof.

This is to inform you that there is offence registered against Home Trade Ltd. for the value of Rs. 24,76,52,925=00. As per the above cited Sub. and I the undersigned is investigating officer for the above crime investigation. On the scrutiny of the records I found that Home Trade Ltd. were having A/c with your Bank. I therefore request you to kindly furnish me the following details at the earliest.

- (1) Statement of A/c of Home Trade Ltd. for the accounting year 2001-2002
- (2) Statement of Constituent SGL A/c (CSGL) A/c for the year 2001-2002 (If they have a CSGL A/c with you)
- (3) Balance in their A/c as on date.

I further request you to furnish the details of A/c of Home Trade Ltd. if they have No. of A/c under the name of Home Trade Ltd.

I therefore inform you that kindly send me all details at the earliest and your early reply will be highly appreciated.



Thanking you,
Mr. R.S. Patel
Police Sub Inspector,
Navsari Town Police Station,
Dist. - Navsari
Gujarat.

Contact No: (02637) 59356
(02637) 31891



(766)

30/24

From :
Mr. R. S. Patel,
Police Sub Inspector,
Navsari Town Police Station,
Dist. : Navsari
Gujarat.

To
The Manager,

P. B. C. Bank Ltd.

Dear Sir,

Subj:- Offence Register against Home Trade Ltd. By Navsari Town Police Station, Cr. No. 93/2002 under sec 406,420,409,467,468,120B, 34 etc. for Rs 24,76,52,925=00 by Navsari Peoples Co-op Bank Ltd. and Investigation there of

This is to inform you that there is offence registered against Home Trade Ltd for the value of Rs 24,76,52,925=00. As per the above cited Sub and I the undersigned is investigating officer for the above crime investigation. On the scrutiny of the records I found that Home Trade Ltd. were having A/c with your Bank. I therefore request you to kindly furnish me the following details at the earliest.

- (1) Statement of A/c of Home Trade Ltd. for the accounting year 2001-2002
- (2) Statement of Constituent SGL A/c (CSGL) A/c for the year 2001-2002 (If they have a CSGL A/c with you)
- (3) Balance in their A/c as on date.

I further request you to furnish the details of A/c of Home Trade Ltd. if they have No. of A/c under the name of Home Trade Ltd.

I therefore inform you that kindly send me all details at the earliest and your early reply will be highly appreciated.



Contact No. (02637) 59356
(02637) 31891

R. S. Patel
Thanking you,
Mr. R. S. Patel
Police Sub Inspector,
Navsari Town Police Station,
Dist. : Navsari
Gujarat.



(487)
3931

From
Mr. R. S. Patel
Police Sub Inspector
Navsari Town Police Station,
Dist. Navsari
Gujarat

To
The Manager,

Janata Sahakari Bank Ltd.

Dear Sir,

Sub: Offence Registered against Home Trade Ltd. By Navsari Town Police Station Cr. No. 462002 under sec. 406, 420, 421, 422 etc. for Rs. 24,76,52,925-00 by Navsari Peoples Co-op. Bank Ltd. and Investment there.

This is to inform you that there is offence registered against Home Trade Ltd for the value of Rs. 24,76,52,925-00. As per the above cited Sub. and I the undersigned is investigating officer for the above crime investigation. On the scrutiny of the records I found that Home Trade Ltd. were having A/c with your Bank. I therefore request you to kindly furnish me the following details at the earliest

- (1) Statement of A/c of Home Trade Ltd. for the accounting year 2001-2002
- (2) Statement of Constituent SGL A/c (CSGL) A/c for the year 2001-2002 (If they have a CSGL A/c with you)
- (3) Balance in their A/c as on date.

I further request you to furnish the details of A/c of Home Trade Ltd. if they have No. of A/c under the name of Home Trade Ltd.

I therefore inform you that kindly send me all details at the earliest and your early reply will be highly appreciated.



Contact No: (02637) 59356
(02637) 31891

Thanking you,
Mr. R. S. Patel
Police Sub Inspector,
Navsari Town Police Station,
Dist. - Navsari
Gujarat.



(288)

FROM

576/02

3333

Mr. A.M.Sarang
Circle Police Inspector,
Bilimora
Dist. - Navsari
Gujarat

Date 11-09-02

To, *Public Debt Office*
Reserve Bank of India
Fort,
Bombay.

Dear Sir,

Sub:- Offence Registered against Home Trade Ltd. By Navsari Town Police Station, Cr. No. 93/2002 under sec 406,420,409,167,468,120B, 34 etc. for Rs.24,76,52,925=00 by Navsari Peoples Coop Bank Ltd. and Investigation there of.

This is to inform you that there is offence registered against Home Trade Ltd. for the value of Rs.24,76,52,925.00 as per the above cited subject and I undersigned is the investigating officer for the above Crime register and on the scrutiny of the record I found that enclosed copy of the security has been transferred in various Banks name. I therefore request you to give me the entire details till as on date.

For your ready reference I enclose herewith copy of the security along with transfer form.

Kindly send me the details at the earliest.



A. Sarang

Thanking you,
Mr. A.M.Sarang
Circle Police Inspector,
Bilimora,
Dist. - Navsari
Gujarat.



Contact No: (02634) 84485
(Bilimora C.P.I.)
Fax No. : (02364) 58074



From:
 Mr. R.S. Patel
 Police Sub-Inspector,
 Navsari Town Police Station,
 Dist. Navsari
 Gujarat.

Date: 12/01/2012

To,
 Manager
 Company Registration Dept
 Registrar of the company (ROC),
 Pune
 Maharashtra.

Dear Sir,

Sub: - Offence Registered against Home Trade Ltd. By Navsari Town Police Station, Cr. No. 93/2002 under sec 406, 420, 401, 404, 468 (20B) 34 etc for Rs. 24,76,52,925-00 by Navsari Peoples Coop. Bank Ltd. and Investigation there of

This is to inform you that there is offence registered against Home Trade Ltd. for the value of Rs. 24,76,52,925.00 as per the above cited subject and I the undersigned is the investigating officer for the above crime register and on scrutiny of the records observed that Home Trade Ltd. is registered in Pune ROC. I therefore require following information from your good offices for my investigation purpose, hope you will provide me at the earliest.

Details are as below:

- (1) When Company was registered and list of Directors at the time of Registration.
- (2) When it was incorporated and commence the business send me the xerox copy of the certificates.
- (3) As I understood that this company was original name was "LLOYDS BROKERAGE LTD." then they have changed to "HOME TRADE LTD." In this regard I would like to know in which period they have done this if possible send me the xerox copy of certificates for the change of name.
- (4) List of the Directors from the beginning and their after any addition of Directors, please furnish me the Details of addition with their joining dates.
- (5) List of Directors Resign from the company details with their Registration Date registered in your office (i.e. when you have accepted) send me the accepted Resignation (form 32) copy from your records.



Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

270

3837

- (6) List of Directors remain as on date as per your records.
- (7) Memorandum & Articles of Association.

All above details are crucial for this investigation I therefore request you to furnish me above mentioned details at the earliest.

I look forward for your early reply.



Contact No: (02637) 59856
(02637) 31891

Thanking you,
Mr. R.S. Patel
Police Sub Inspector,
Navsari Town Police Station,
Dist. - Navsari
Gujarat.



Navsari Town Police Station

Date: 20/09/2002

To,
The Medical Officer,
Navsari Civil Hospital,
Navsari.

I, R.S. Patel, Police Sub-Inspector, Navsari Town Police Station, submit the following request report:

The accused, Ketanbhai Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D., Mumbai, involved in Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 467, 468, etc., is currently in police custody on remand. I request you to conduct a medical examination of the accused and provide a certificate regarding the treatment administered. Kindly take note of this matter.

Date: 20/09/2002

Sd/- Illegible
Police Sub-Inspector
Navsari Town Police Station

Date: 21/09/2002

To,
Hon'ble Chief Judicial Magistrate,
Navsari.

I, R. S. Patel, Police Sub Inspector, Navsari Town Police Station, kindly report that,

The accused, Ketanbhai Kantilal Sheth, aged 40, resident of 193, Lalit Kutir, Gul Mohar Cross Road No. 9, J.V.P.D. Scheme, Mumbai 400049, involved in Navsari Town Police Station Crime Reg. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34, was arrested on 13/09/2002 at 19:30 hrs. He was presented before the Hon'ble Court within the stipulated time, and the court granted police custody remand until 21/09/2002 at 14:00 hrs. Today, the accused has been presented before your court within the stipulated time for judicial custody. It is requested to take him into custody.

Date: 21/09/2002

Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Navsari Town Police Station**Date: 21/09/2002**

To,
Hon'ble Chief Judicial Magistrate,
Navsari.

Subject: to grant 07 days' the police custody remand of the accused, Navsari Town PS I-CR No. 93/02.

I, R. S. Patel, PSI, Navsari Town PS, kindly report that,

The facts of the case registered at Navsari Town Police Station under Gujarat Registration No. 93/2002, IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34 are as follows: The complainant, Shri Bhanuprasad Harishankar Suthar, a resident of Navsari, is the manager of Navsari People's Co-operative Bank Ltd., a banking institution registered under the Gujarat State Co-operative Societies Act, 1961. As per the Reserve Bank of India regulations, Navsari People's Co-operative Bank Ltd. is required to maintain a Statutory Liquidity Ratio (SLR) by investing in government securities. Accordingly, Navsari People's Co-operative Bank Ltd. engaged in transactions with Home Trade Ltd., Mumbai, for the purchase and sale of government securities. Initially, Navsari People's Co-operative Bank Ltd. handed over physical possession of the securities to Home Trade Ltd., Mumbai, completed the financial transactions, and earned the bank's trust. However, in subsequent transactions, with fraudulent and criminal intent to misappropriate funds, Home Trade Ltd.

lured Navsari People's Co-operative Bank Ltd. with promises of higher profits, failed to provide physical possession of the securities, and instead issued fake contract notes and documents. This resulted in cheating Navsari People's Co-operative Bank Ltd. of a substantial amount of Rs. 24,76,52,925/-, jeopardizing the interests of the bank's depositors and shareholders and putting the bank in financial distress. On 18/08/2002, the bank's manager filed a complaint at Navsari Town Police Station against the directors and officers of Home Trade Ltd., Mumbai.

In this case, on 13/09/2002 at 19:30 hrs., the accused, Ketanbhai Kantilal Sheth, aged 40, residing at 193, Lalit Kutir, Gulmahor Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049, a director of Home Trade Ltd., Mumbai, was arrested at 19:30 o'clock on 13/09/2002 and the accused was produced in Hon'ble Court on 14/09/2002 and the Court granted the police custody remand of the accused till 14:00 o'clock of 21/09/2002, and the investigation was carried out in presence of the accused and as the offence pertains to the financial transactions, and the accused has committed multiple offences in Gujarat State and Maharashtra State by hatching the conspiracy smartly of huge amounts and conspiracy and caused serious damage to the interest of the bank, the depositors and the shareholders and committed fraud and siphoned off the money of the bank and committed the offence, and as the presence of the accused is required to carry out thorough investigation as the accused is very smart and aware legally and is having criminal mentality, he has not cooperated in the investigation carried out so far and as the recovery of the documents, and the amount is to be recovered, and who has the ownership of the securities sold to Navsari People's Bank is still to be investigated, and as the investigation of the co-accused is also pending, therefore in order

to carry out systematic and in-depth investigation, the presence of the accused is required, therefore it is requested to grant the police custody remand of the accused under CrPC Section 167. The copy of the case diary of the investigation and the accused has been produced before this Court. This is for your reference.

Date: 21/09/2002.

Enclosed: Remand Warrant and the copy of case diary.

Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Navsari Town Police Station

Date: 24/09/2002

**To,
The Medical Officer,
Navsari Civil Hospital,
Navsari.**

I, R.S. Patel, Police Sub-Inspector, Navsari Town Police Station, submit the following request report:

The accused, Ketanbhai Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D., Mumbai, involved in Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 467, 468, etc., is currently in police custody on remand. I request you to conduct a medical examination of the accused and provide a certificate regarding the treatment administered. Kindly take note of this matter.

Date: 24/09/2002

Sd/- Illegible
Police Sub-Inspector
Navsari Town Police Station

Navsari Town Police Station

Date: 26/09/2002

To,

The Medical Officer,

Navsari Civil Hospital,

Navsari.

I. R.S. Patel, Police Sub-Inspector, Navsari Town Police Station, submit the following request report:

The accused, Ketanbhai Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D., Mumbai, involved in Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 467, 468, etc., is currently in police custody on remand. I request you to conduct a medical examination of the accused and provide a certificate regarding the treatment administered. Kindly take note of this matter.

Date: 26/09/2002

Sd/- Illegible

Police Sub-Inspector

Navsari Town Police Station

To,

Hon'ble Chief Judicial Magistrate,

Navsari.

I, R. S. Patel, Police Sub Inspector, Navsari Town Police Station, kindly report that,

The accused, Ketanbhai Kantilal Seth, aged 40, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Mumbai 400049, involved in Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34, was arrested on 13/09/2002 at 19:30 hours. He has been under police custody remand until today, 27/09/2002, at 17:00 hours. The accused is now sent to your Hon'ble court within the stipulated time for taking in judicial custody. Kindly take him into custody. Enclosed with this letter are the remand warrant and the warrant from the Hon'ble Gandevi Court. This is for your information.

Date: 27/09/2002

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

**Of Ketan K. Sheth To,
The Superintendent of Police,
Navsari District, Navsari.**

Subject: to appoint a chartered accountant or an account expert in connection with the investigation of the offence registered with Navsari Town Police Station I-CR No. 93/2002 under IPC Section-406, 409, 420, 467, 468, etc.

I, R. S. Patel, Police Sub Inspector, Navsari town Police Station, kindly report that,

I am investigating the case registered with Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34. On 18/08/2002, the Manager of Navsari People's Co-operative Bank Ltd. filed a complaint at this station, stating that the bank entered into transactions with Home Trade Ltd., Mumbai, for the purchase and sale of government securities. Initially, Home Trade completed financial transactions, gaining the bank's trust, but in subsequent deals, they failed to deliver physical possession of the securities, defrauding the bank of Rs. 24, 76, 52,925 through cheating. The case involves complex financial data and accounting matters, making it feasible to obtain documentary evidence against the accused with the assistance of an accounting expert or chartered accountant. During the investigation, we visited Mumbai and sought information from Police Inspector Shri Deshpande of the State CID regarding Home Trade Ltd. He informed us that for fraud cases involving banks in Maharashtra, the

Maharashtra Government has appointed a chartered accountant to assist, and their involvement facilitates evidence collection. Given that Navsari People's Co-operative Bank Ltd. has suffered a significant fraud and the accused have committed the offense with great cunning, obtaining evidence against them requires the expertise of an accountant or chartered accountant. As the case pertains to financial data, we request the appointment of a chartered accountant or accounting expert by the government to assist in gathering necessary evidence for the investigation. This is for your information.

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Dispatched with compliments to:-

- The Police Inspector, Navsari Town Police Station.

**No.: TPS/Mahiti/Rubru/2002,
Office of the Police Inspector,
Local Crime Branch, Anand
Camp: Navsari.
Date: 27/09/2002**

To,
The Police Inspector,
Navsari Police Station.

Subject: Request for necessary information and copies regarding accused Ketan Kantilal Seth, Director, Home Trade, Mumbai.

I, V.J. Raval, Police Sub-Inspector, Local Crime Branch, Anand, submit the following request:

With regard to the above subject, a case has been registered against Ketan Kantilal Seth, Director, Home Trade, Mumbai, and other accused under Case No. 28/2002 for offenses under IPC Sections 406, 420, 465, 468, etc. The accused, Ketan Kantilal Seth, is currently under police remand in your custody for investigation related to your case. We require copies of the accused's statement, the registered FIR, the facial

identification form, and details of other co-accused involved in the case for our investigation. Kindly provide these documents.

Date: 27/09/2002

Sd/- Illegible

(V.J. Raval)

Police Sub-Inspector

Local Crime Branch, Anand

Navsari

FROM: R. S. PATEL
POLICE SUB-INSPECTOR
NAVSARI TOWN POLICE STATION
DIST. NAVSARI GJ (ARAJ)

(200)
3959

To,
Reserve Bank of India
Public Debt Office
Near Income Tax office
Ahmedabad

Dear Sir,

SUB: OFFENCE REGISTER AGAINST HOME TRADE LTD. BY NAVSARI TOWN POLICE STATION C.R. NO. 93/2002 UNDER SECTION 406, 420, 409, 467, 468, 120B, 34 ETC FOR RS. 24,76,52,925 BY NAVSARI PEOPLES CO-OP. BANK LTD. AND INVESTIGATION THEREOF.

Further to my earlier letter regard to the above cited subject for the investigation of the crime registered against Home Trade Ltd. In this matter I look forward for the following information's for the investigation, I request you to provide me at the earliest, details of govt. securities are as follow, kindly let me know who is the last holder of this govt. securities as on date

Details of the securities	Amount	Certi. No
11.25 % GOI 2005	1,00,00,000.00	AD0014
11.43 % GOI 2015	1,00,00,000.00	AD45
	1,00,00,000.00	AD46
	50,00,000.00	AD47
11.50 % GOI 2011	50,00,000.00	AD25
11.50 % GOI 2015	25,00,000.00	AD211
	25,00,000.00	AD212
	25,00,000.00	AD213

Hope you will provide me this information at the earliest

Thanking You,

(Signature)
Mr. R.S. Patel
(Police Sub-Inspection)
Navsari.
Contact No. 40203439356
07263733180



Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

(924)
3361

FROM: R. S. PATEL
POLICE SUB INSPECTOR
NAVSARI TOWN POLICE STATION,
DIST. NAVSARI (GUJARAT)

TO:
MCS LTD.,
Unit - Sardar sarovernarmada nagam Ltd.,
101, 1st Floor, Shubhal Complex,
Opp. Bata Showroom,
Ashram Road
AHMEDABAD - 380 009
Tel: 079-6582878

Dear Sir,

SUB: OFFENCE REGISTER AGAINST HOME TRADE LTD. BY NAVSARI TOWN POLICE STATION C.R. NO. 93/2002 UNDER SECTION 406, 420, 409, 467, 468, 120B, 34 etc. FOR Rs. 24,76,52,925/- BY NAVSARI PEOPLES CO-OP. BANK LTD., AND INVESTIGATION THEREOF.

This is to inform you that there is offence registered against Home Trade Ltd. for the value 24 Cr Approx. as per above cited subject and I the undersigned is the Investigation officer for the above crime register and on scrutinising the matter I found that given below details of Bonds has been sold by the Bank to Home Trade Ltd. and against that they have purchased various Govt. Securities from them but so far not a single delivery of the security purchased by the Bank has been delivered by Home Trade Ltd. There fore I request you to let me know that given below Bonds are in whose name as an date. It will help in my Investigation.

DETAILS OF BONDS	AMOUNT	CERT. NO.
13.90% SSNNL 2009	Rs. 2,00,00,000.00	149
13.90% SSNNL 2009	Rs. 3,00,00,000.00	138

Kindly let me know this information at the earliest.

Thanking you.

YOURS FAITHFULLY,

Mr. R. S. Patel
(Police Sub. Inspector Navsari)



Cont No (02637) 59156
(02637) 31891

Shree
345

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

(285)
3563

FROM: R. S. PATEL
POLICE SUB INSPECTOR,
NAVSARI TOWN POLICE STATION,
DIST. NAVSARI (GUJARAT)

To,
Maharashtra State C.I.D.
Flat 614, Colaba, Mumbai, Maharashtra
Mumbai.

Dear Sir,

SUB: OFFENCE REGISTER AGAINST HOME TRADE LTD. BY NAVSARI TOWN POLICE STATION C.R. NO. 93/2002 UNDER SECTION 406, 420, 409, 467, 468, 120B, 34 ETC. FOR RS. 24,76,52,925/- BY NAVSARI PEOPLES CO-OP. BANK LTD., AND INVESTIGATION THEREOF.

I am very much thankful to you for the co-operation you had extended when I visited your office. I sincerely thank you for the guidance you had provided for the above crime investigation. I have also gone through the ledger A/c of Home Trade Ltd. and other A/c's paper you had given to me, but on the scrutiny I found that papers you had given to me is for the year 2000-2001 and I am looking for the year 2001-2002. I therefore request you to send me the ledger A/c of Home Trade Ltd. and security ledger A/c of Home Trade Ltd. for the year 2001-2002.

Hope you will extend your support in this regard and look forward for your early reply with A/c statements.

Thanking You,


Mr. R.S. Patel
(Police Sub Inspection)
Navsari.

Contact No. : (02634)59356
(02637) 11891



Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

286
3965

FROM: R. S. PATEL,
POLICE SUB-INSPECTOR,
NAVSARI TOWN POLICE STATION,
DIST. NAVSARI (GUJARAT)

To,
Mennen Financial Ltd
UNIL MKVDC BOND,
501, ACNIE INDI Plaza
Off. Western Express Highway
Coorgaan (E)
Mumbai - 03
Tel. 022-875813783787129

Dear Sir,

**SUB: OFFENCE REGISTER AGAINST HOME TRADE LTD. BY NAVSARI TOWNS POLISE
STATION C.R. NO. 93/2002 UNDER SECTION 406, 420,409,167,468,120B, 34 ETC. FOR
RS. 24,76,52,925/- BY NAVSARI PEOPLES CO-OP. BANK LTD., AND INVESTIGATION
THEREOF.**

This is to inform you that there is offence registered against "Home Trade Ltd" for the value 24 Cr. Approx as per above cited subject and I the undersigned is the investigation officer for the above Crime register and on scrutinising the matter I found that given below details of Bonds has been sold by the Banks to Home Trade Ltd. and against that they have purchased various govt. securities from them but so far not a single delivery of the securities by the bank has been delivered by Home Trade Ltd. There for I request you to let me know that given below bonds are in whose name as i.e, who is the last holder as on date of the bonds

This information will help in my investigation

Details of Bonds	Amounts	Certi.No.
12.90% MKVDC 2005	25,00,000/-	416

Kindly let me know this information at the earliest

Thanking You,

3/09
and
Mr. R. S. Patel
(Police Sub Inspection)
Navsari.
Contact No. 02631459136
(026171 41891)



To,
Hon'ble Chief Judicial Magistrate,
Navsari Chief Court, Navsari.

Subject: To issue the Transfer Warrant

I, R. S. Patel, PSI, Navsari Town PS, kindly report that,

I am investigating the case registered with Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34. The accused of the said offence Sanjay Hariram Agrawal, Director, Home Trade Ltd., Mumbai, Juhu, Shalimar CHS, 6th Floor, Gulmahor crossroad no. 10, Juhu, Mumbai-400049, is in the court custody of Deshmukh Sir, Court No. 51, Mumbai Sessions Judge, in connection with CBI Mumbai Case No. 4E/2002 IPC Section-420, 467 etc., therefore, as the said accused is to be brought here in connection with the offence registered with this police station, it is requested to issue a transfer warrant.

Date: 22/10/2002

Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

To,
J. M. Patel, Police Sub Inspector,
Navsari Town Police Station.

Subject: To deposit the Transfer Warrant

I, R. S. Patel, PSI, Navsari Town PS, report that,

In connection with Navsari Town PS CR No. 93/2002 IPC Section-406, 409 etc., accused Sanjay Hariram Agrawal, Director of Home Trade Ltd., Mumbai, Res. Mumbai, Juhu, whose transfer warrant has been issued by Chief Judicial Magistrate, Navsari in connection with the said offence, and the said accused is in the court custody of Deshmukh Sir, Court No. 51, Mumbai Sessions Judge, in connection with CBI Mumbai Case No. 4E/2002 IPC Section-420, 467 etc., and since you are going to Mumbai for the investigation of Navsari Town PS I-CR No. 38/2001, it is requested to submit the warrant issued by Chief Judicial Magistrate, Navsari in the Court of Deshmukh sir at Mumbai. The warrant is attached herewith.

Date: 23/10/2002

Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 14/09/2002

My name is Ketanbhai Kantilal Seth, aged 40, occupation: Share Broker, originally from Kalawad Nagar, District Jamnagar, currently residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049.

On being asked, I state that I reside at the above-mentioned address and work as a share broker, dealing in shares and government securities trading. I was born on 30/12/1962 in Lucknow. My parents, Kantilal Seth, were engaged in the cloth business at Swadeshi Market, Mumbai, where we had a shop. My father, Kantilal Seth, has one brother and two sisters. My uncle, Ghanshyambhai Keshavlal Seth, currently resides in Detroit, USA, and works in a motor car expertise company. He has two sons, Viral and Mihir, both studying and residing in Detroit, USA. My elder aunt, Nirmalaben, wife of Pravinchandra Mehta, lives in Parle, Mumbai, and her husband is retired. They have three daughters: the eldest, Shefaliben, is married to Faiz Khan, a resident of Srinagar, through a love marriage; the second daughter, Dimple, is unmarried and studying in Parle, Mumbai; the youngest, Nilamben, is married to Amitbhai Shah, who runs a brokerage business in Goregaon, Mumbai. My younger aunt, Snehalataben, is married to Satishchandra Majumdar, a Vaishnav, residing at Grant Road, Mumbai. Satishchandra passed away, and they have no children.

I have three maternal uncles. The eldest, Kanakray Anantray Parekh, resides in Bangalore and runs a timber shop. He has one son, Kalpeshbhai, married in Parle East, Mumbai, and works in the shop, and one daughter, Pallaviben, married in Ghatkopar. The second uncle, Mahendrakumar

Anantray Parekh, passed away, leaving one son, Ajaybhai, who runs a transport business in Chirana village, Tarapur, Gujarat, and one unmarried daughter, Nehaben. The youngest uncle, Chandrakant Anantray Parekh, resides in Pune, living a retired life. He has two daughters and one son: the eldest daughter, Simaben, is married in Pune; the son is married in Surat; and the youngest daughter, Nitaben, is married in Vile Parle, Mumbai. My mother, Nilaben, has no sisters.

Our family consists of three brothers. The eldest, Nileshbhai, is married to Harshaben in Ghatkopar and has a son, Abhishek, aged 10, who is studying. Nileshbhai resides with his family at Gulmahor Society, 3rd Floor, J.V.P.D. Scheme, Road No. 5, Vile Parle West, Mumbai 400056, and works as a share broker in Vile Parle, Mumbai. I am the second eldest, married in 1990 to Jagrutiben, daughter of Tribhovandas Durlabhdas Kachaliya. We have a daughter, Pooja, aged 11, who is studying. The youngest brother, Amitbhai, is married to Triptiben, daughter of Pratapray Gandhi from Santacruz, Mumbai, and has a daughter, Aneri, aged 7. I have two brothers-in-law: the elder, Jitubhai, runs an automobile spare parts shop in Sewri, Mumbai, and the younger, Nitinbhai, is a share broker in Mumbai. My wife has three sisters: the eldest, Charulata, wife of Hasmukhray Mayani, who is retired; the second, Madhuben, wife of Kiritbhai Mehta, who runs a cloth shop in Girgaon, Mumbai; and the youngest, Dakshaben, wife of Harshadray Mayani, a building contractor in Ghatkopar, Mumbai.

We have been residing in Vile Parle, Mumbai, for many years. I was born in Lucknow (U.P.) and later lived with my parents in Mumbai. I studied from Standard 1 to 10 at Gokalbhai Punamchand Pitambar High School in Vile Parle, Mumbai, and completed my B.Com. at Narsinh Mohanji College in Vile Parle, Mumbai. During my college years, while

studying in Standards 11 and 12. I worked as a clerk at Voltan Company Pvt. Ltd., near Ballard Pier, V.T. Station, Mumbai, earning a monthly salary of Rs. 1,200. After completing my B.Com. in 1985, I resigned from Voltan Company to pursue further studies in Pune. In 1985, I went to Pune for an MBA and completed it at Pune University in 1987, after which I returned to Mumbai.

While pursuing my MBA in Pune, representatives from Batliwala & Karani, a share broking company, conducted interviews. As I was interested in the share market, I applied and was selected by the company. After completing my MBA, I joined their office in Mumbai the next day as a dealer with a monthly salary of Rs. 2,500. I worked at Batliwala & Karani from 1987 to 1988, learning share trading, government securities trading, and merchant banking. Subsequently, I joined J.J. Shah, 821 Stock Exchange Tower, Dalal Street, Mumbai, as a 25% partner in share broking and worked there until 1990. In 1990, I purchased a share broker license from the Pune Stock Exchange for Rs. 11 lakh and acquired an office at 11 Nafisha Chamber, Modi Street, Fort, Mumbai. I started my own share and government securities trading business under the name Ketan Seth & Company, enrolling around 1,200 members. In 1993, I invested funds in a company named Giltedge Management Services, which was credited to my case. After a public issue, Sanjay Agarwal changed the company's name to Home Trade Ltd., and the details were submitted to the Registrar of Companies. The company, initially Euro Asian, was rebranded as Home Trade Ltd. in 2000. Subsequently, Sanjay Agarwal launched projects under Home Trade Ltd., offering online and offline services for small investors, with himself as Chairman, N.S. Trivedi as Chief Executive Director, and Manoh Shah as Director, who was previously the Managing Director of a digital company. I joined as a Non-Executive Director in January 2000.

Additionally, there were two directors from the USA, and other directors included Shalil Gandhi, Vijay Modi, Sasang Rande, and Dhananjay Agarwal.

Home Trade Ltd. decided to undertake large-scale projects, for which they purchased computer of Rs. 8 crore, technology comparable to that used by the National Stock Exchange and Mumbai Stock Exchange in India. Several reputed companies were content partners, including (1) Wipro, (2) Chartered Accountant, (3) Price Waterhouse, (4) M.I.E., (5) Vance, (6) Canterus, (7) U.N.I., and (8) P.T.I. Due to Home Trade's good market reputation at the time, I decided to join as a Director. During this period, our Giltedge Group, which dealt in government securities, saw significant growth, and we conducted more transactions through the Subsidiary General Ledger (SGL). Home Trade also handled substantial government securities business and held a license for the National Stock Exchange's HSDAM (Handle's Debt Market), enabling digital transactions with Gujarat banks. (Securities converted into certificates are called physical securities, while transactions recorded only as passbook entries without physical conversion are referred to as SGL transactions.)

Within Home Trade Ltd., Kanan Mewawala managed government securities administration, assisted by Ketan Markariya, Harvind Rai, Subodh Bhandari, and Jay Mehta. The financial transactions of Home Trade Ltd. were managed by Subodh Bhandari, Sanjay Agarwal, and N.S. Trivedi. On 25/05/2001, I, along with Niraj Surati, visited Navsari People's Co-operative Bank Ltd. from Surat and met Chairman Thakorbbhai, Manager Y.M. Desai, Director Hiteshbhai, and Assistant Manager Arvindbhai. In Chairman Thakorbbhai Desai's chamber, I met Director Hiteshbhai Desai, and we discussed the purchase and sale of government securities. Hiteshbhai Desai informed me that henceforth, he would discuss

securities transactions directly with me and provided me with his mobile number, which I do not recall now. Chairman Thakorbbhai stated that no brokers should be involved, and securities transactions would be conducted directly with Home Trade Ltd. At that time, Niraj Surati was not in the chamber but seated elsewhere. When I exited the chamber and informed Niraj Surati of the discussion, he insisted that his brokerage commission must be included in Navsari People's Bank's government securities transactions since he introduced me to the bank. I told Niraj Surati that we would discuss this with Sanjay Agarwal before deciding. Hiteshbhai Desai further informed me that for all government securities transactions between Navsari People's Co-operative Bank Ltd. and Home Trade Ltd., Home Trade would pay me a commission of 25 paisa per Rs. 100 of purchase or sale in cash. I told Director Hiteshbhai that I would discuss this with Home Trade Ltd. and inform him later. Prior to my visit, government securities transactions with Navsari People's Bank were conducted through Niraj Surati. As the administration of these transactions through Niraj Surati was unsatisfactory, Hiteshbhai Desai and Assistant Manager Arvindbhai Desai informed me that henceforth, government securities transactions with Home Trade Ltd. would be conducted through me.

After meeting the Manager and Assistant Manager at Navsari People's Bank, Niraj Surati and I left. That day, a securities transaction was finalized, and I informed Kanan Mewawala by phone, instructing her to handle the subsequent proceedings. I facilitated a conversation between Kanan Mewawala, Hiteshbhai Desai, and Assistant Manager Arvindbhai Soni, informing them that Kanan Mewawala manages Home Trade Ltd.'s government securities transactions and to stay in contact with her. Upon returning to Mumbai, I informed Subodh Bhandari that Hiteshbhai Desai had proposed a commission of 25 paisa per Rs. 100 of purchase or sale for

government securities transactions with Navsari People's Co-operative Bank Ltd., and that he should handle the matter. Subodh Bhandari, who managed Home Trade Ltd.'s financial transactions, did not disclose to me whether he finalized the commission arrangement with Hiteshbhai. Subodh Bhandari was the President of Home Trade Ltd.

Sanjay Agarwal was the Chairman of Home Trade Ltd. I am unaware of the positions held by Hiten B. Shah and Smt. Jalpa S. Shah in Home Trade Ltd., and I do not know them personally. My company, Giltedge Management Services, is separate from Home Trade Ltd., with distinct management. Giltedge Management Services handled government securities and bank purchase-sale transactions, and my wife is a shareholder in the company. Bina Sandhani managed administrative tasks at Giltedge Management Services, while Kumari Nikita Mehta, a chartered accountancy student, worked as a trainee. Atul Shah worked as a dealer in Giltedge Management Services.

Home Trade Ltd. and Giltedge Management Services were separate companies with distinct management. Government securities transactions were made by both companies, with profits and losses recorded separately in their respective registers. In Home Trade Ltd., Ketan Markariya worked as a clerk, and Hiren Gada was Vice President, both salaried employees. Kumari Kanan Mewawala was a manager at Home Trade Ltd.

In the government securities transactions between Navsari People's Co-operative Bank Ltd. and Home Trade Ltd., physical possession of the securities was provided initially. However, in some transactions, physical possession was not delivered, and only contract notes, adjustment letters, and difference cheques were exchanged. At that time, I was a Non-Executive Director of Home Trade Ltd. and submitted my resignation from the Director's position on 15/05/2001, which was accepted by Home Trade

Ltd. on 13/06/2001. Home Trade Ltd. used the funds from government securities transactions with banks for projects named We India, Home Trade Buy Everything, and Tell Me. I was aware that bank funds were utilized for these projects, but I also knew that Home Trade Ltd. had secured a foreign loan for these projects, which was approved. I was assured that the incoming funds would be used to provide securities to the banks, so I did not discuss government securities transactions with any bank. Additionally, Home Trade Ltd.'s shares were approved for listing on the Bombay Stock Exchange, which could have enabled the company to raise significant capital to repay the banks. However, due to a complaint filed by Nagpur District Co-operative Bank Ltd., the foreign loan was halted, and the listing was also stalled, preventing Home Trade Ltd. from repaying the banks.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 15/09/2002

My name is Ketan Kantilal Seth, residing at 193, Lalit Kutir, J.V.P.D., Mumbai.

On being asked further, I state that the statement recorded yesterday was read out to me, and the details therein are accurate and true as per what I have stated. Upon additional questioning, I provide the following statement:

The government securities issued by the Reserve Bank of India can be traded by bankers, cooperative banks, financial institutions, provident funds, corporate mutual funds, corporate entities, non-banking financial companies (NBFCs), brokers, and traders. NBFCs must obtain an NBFC license from the Reserve Bank to trade government securities. My company, Giltedge Management Services Ltd., obtained this NBFC license and engaged in the purchase and sale of government securities, submitting reports to the Reserve Bank's management every six months. Similarly, Home Trade Ltd. operated under SEBI regulations, holding licenses from the National Stock Exchange (NSE) and Wholesale Debt Market (WDM), with a license fee of approximately Rs. 1.75 crore.

Details regarding the government securities transactions between Navsari People's Co-operative Bank Ltd. and Home Trade Ltd., including contract notes, can be obtained from the contract note file, which contains bills, delivery challans, correspondence with banks, and entries in the accounts and securities ledger. Contract note numbers are generated from the computer.

In Home Trade Ltd., our group company held an 8% share, while 75% of the shares were held by Sanjay Agarwal, his brother Dhananjay Agarwal, Subodh Bhandari, and Nandkishor Trivedi. The remaining 17% were public shares. As a member of the NSE, Home Trade Ltd. was required to report all bank transactions to the NSE within 24 hours, and the NSE maintains these records. In case of disputes between clients, the NSE reviews both parties' claims and issues a decision. I believe Home Trade Ltd. did not report the financial transactions involving government securities with banks to the NSE.

Today, you arranged for my medical examination at Navsari Civil Hospital, and I have no health issues.

This is my statement, which is accurate and true.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Date: 19/09/2002

My name is Ketan Kantilal Seth, residing at 193, Lalit Kutir, J.V.P.D., Mumbai.

Today, my statements previously recorded were read out to me, and the details therein are accurate and true as per my submission. Upon further inquiry, I provide the following additional statement:

In 1990, I obtained membership with the Pune Stock Exchange in my name and conducted share and government securities trading from an office at 11 Nafira Chamber, Modi Street, Fort, Mumbai, under the name Ketan Seth & Company. In 1993, I established a company named Giltedge Management Services Ltd., obtaining a banking company license from the Reserve Bank of India (RBI). In 1995, I founded Giltedge Credit Capital Ltd. at the same office, securing a license from the National Stock Exchange (NSE) for share transactions. In 1998/99, I established Giltedge Investment Banking and obtained a merchant banking license from SEBI, through which I conducted government securities trading. These transactions were made with provident fund companies, Indian cooperative banks, financial institutions, corporates, nationalized banks, and foreign banks, as well as with most market brokers. I am submitting a list of these transactions. I am also providing a list of all my clients and the transactions conducted with them, along with details of all government securities purchase and sale transactions conducted by my company with Home Trade Ltd. in 2001 and 2002. The government securities sold by Home Trade Ltd. to my company, including those of Navsari People's Co-operative Bank Ltd., were sold in the market. I am submitting a list of

payments for all transactions conducted by my company, a list of payments made to Home Trade Ltd., and copies of bank statements. Previously, I was a Non-Executive Director at Home Trade Ltd., and I am submitting a notarized copy of the resignation form filed with the Registrar of Companies (ROC), along with a copy of the resolution accepting my resignation by Home Trade Ltd. Additionally, I am submitting a copy of the affidavit filed by Sanjay Agarwal with the Stock Exchange.

This is my statement, which is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town PS

Date: 20/09/2002

My name is Ketan Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Mumbai.

Today, the statements previously recorded were read out to me, and the details therein are accurate and true as per my submission. On being asked further, I state that I recall and state that Home Trade Ltd. had previously obtained a cash credit limit of Rs. 8 crore from Janata Sahakari Bank Ltd., Mumbai. In return, Janata Sahakari Bank Ltd. took a mortgage on a plot of land belonging to a society in Ahmedabad from Home Trade Ltd. This land belonged to the society, and Ashileshbhai, a journalist and member of the society, facilitated the arrangement between the society's members and Home Trade Ltd. The land was overvalued, and documents worth Rs. 15 crore were provided by the society to the Director of Janata Sahakari Bank on behalf of Home Trade Ltd. In this transaction, Home Trade Ltd. paid approximately Rs. 60 to 70 lakh as commission, but I have no further information about this deal.

The above fact stated by me is true and correct

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Date: 21/09/2002

My name is Ketan Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049.

Upon further inquiry in person, I state that today, you read out my previously recorded statements to me, and the details therein are accurate and true as per my submission. Beyond this, I have no further information. Today, you presented me before the Chief Judicial Magistrate, Navsari, and obtained my remand until 27/09/2002.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 22/09/2002

My name is Ketan Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, Mumbai.

Upon further inquiry today, I state that the details recorded in my previous statements are true. Today, you arranged for my medical check-up.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 23/09/2002

My name is Ketan Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Mumbai.

Upon further inquiry in person today, I state that you read out my previously recorded statements to me, and the details therein are accurate and true. Beyond this, I do not know anything else.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Date: 24/09/2002

My name is Ketan Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, Mumbai.

Upon further inquiry in person today, I state that you read out my previously recorded statements to me, and the details therein are accurate and true as per my submission. Beyond this, I have no further information. Today, you arranged for my medical examination.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Date: 25/09/2002

My name is Ketan Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, Mumbai.

Today, you read out my previously recorded statements to me, and the details therein are accurate and true as per my submission. Beyond this, I have no further information.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Date: 26/09/2002

My name is Ketan Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, Mumbai.

My name is Ketan Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, Mumbai.

Upon further inquiry in person today, I state that you read out my previously recorded statements to me, and the details therein are accurate and true as per my submission. Beyond this, I have no further information. You arranged for my medical check-up at Navsari Civil Hospital today.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Date: 27/09/2002

My name is Ketan Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, Mumbai.

Upon further inquiry in person, I state that you read out my previously recorded statements to me, and the details therein are accurate and true as per my submission. Beyond this, I have no further information.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Date: 07/12/2002

My name is Mafatbhai Motirabhai Purohit, aged 54 years, occupation: Agriculture and trade, residing at Shantadevi Road, Bhagwati Society, Bungalow No. 9, Nilam, Taluka/District Navsari, Phone No.: 56130.

Upon inquiry in person, I state that I reside at the above-mentioned address with my family. I am engaged in the trade of building materials and also manage my own agricultural land, where I conduct farming activities.

I have been a Director at Navsari People's Co-operative Bank Ltd., located at Din Dayal Bhavan, Din Dayal Chowk near Tower, for the past 12 years. For the last two years, I held the position of Vice-Chairman. During that time, Thakorabhai Maganlal Desai was the Chairman. He was relieved from the Chairman's position on 30/06/2002, and I currently hold the position of Chairman of Navsari People's Co-operative Bank Ltd.

Previously, as a Director and Vice-Chairman, my duty was to provide opinions on policy-related decisions concerning the bank's financial transactions during Board of Directors' meetings. As per Reserve Bank of India regulations, the bank is required to maintain its Statutory Liquidity Ratio (SLR) by buying and selling government securities. Additionally, as per cooperative laws, my role as a Director included providing opinions on policy-related decisions concerning the bank. The purchase and sale of government securities were handled by the bank's Investment Committee. Previously, the Investment Committee was chaired

by Thakorbbhai Maganlal Desai, with members (1) Hiteshbhai Shankarbhai Desai, (2) Mohanbhai Uttambhai Gandhi, and the bank's Manager, Dhirubhai Nayak. The Investment Committee made decisions regarding the purchase and sale of government securities. As Directors, we trusted the Investment Committee to act in the bank's best interest, and during Board of Directors' meetings, we approved the decisions made by the Investment Committee. For a long time, Navsari People's Co-operative Bank Ltd. had been conducting government securities transactions with Home Trade Ltd., Mumbai. In these transactions, physical possession of government securities worth Rs. 24, 76, 52,925/- was not received by the bank. Despite the bank sending repeated letters to Home Trade Ltd., physical possession of the securities was not delivered. Home Trade Ltd.'s directors and operators initially gained the bank's trust by completing early transactions but later failed to deliver physical possession of the securities in subsequent transactions, sending false contract notes instead. This resulted in a fraud of Rs. 24, 76, 52,925/- and a breach of trust against the bank. Consequently, our bank's Manager, Shri Bhanuprasad Harishankar Suthar, filed a complaint against Home Trade Ltd.'s directors and operators at Navsari Town Police Station.

The government securities transactions with Home Trade Ltd. were managed by our bank's Investment Committee. In these financial transactions, the aforementioned amount was defrauded, and no one is at fault for this.

The Reserve Bank of India filed a complaint against Navsari People's Co-operative Bank Ltd., its Directors, and Chairman in the Hon'ble Navsari court for violating the Banking Regulation Act due to administrative errors.

No commissions were involved in the government securities transactions conducted by Navsari People's Co-operative Bank Ltd. with Home Trade Ltd.

I do not know or have met any of the directors or operators of Home Trade Ltd., Mumbai.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Panchnama

Sr. No.	Name	Age	Occupation	Res.
1.	Shri Premal Madanlal Shah,	40,	business,	F-1/8, Sundar Nagar, Malad West, Mumbai.
2.	Shri Anurag Swami,	34,	Job,	Goregaon West, Motilal Nagar, 104, Mumbai.

We, the panch witnesses, were summoned by the Circle Police Inspector, Bilimora, and Police Sub-Inspector Shri R.S. Patel, Navsari Town Police Station, District Navsari, Gujarat, to the residence of Ketan Kantilal Seth at 193, Lalit Kutir, Gulmohar Cross Road No. 9, Andheri West, Mumbai 400049. Upon arrival, you explained to us that a search and investigation panchnama is to be prepared in connection with Gandevi Police Station Case No. 3/2002 under IPC Sections 406, 409, 420, 467, 468, 120B, and Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34. We, the panch witnesses, willingly agreed to participate and state the following:

Kantilal Keshavlal Seth was present, and with him, we proceeded to his flat, which has a main door on the northern side. The flat consists of one bedroom, one living room, and a kitchen. First, we entered the bedroom, which contains a wooden showcase with a VCD and a camera. Upon inspection, no documents or items relevant to the case were found. Adjacent to the living room is the kitchen, containing kitchen utensils and related items. Moving north, we entered another bedroom with wooden cabinets built into the wall, containing clothes, essential books, and other items. A thorough inspection of the cabinets revealed no documents or

incriminating items relevant to the case. During the search, the police did not seize any items for investigation.

The above panchnama, as recorded in our presence, is accurate and true. After reading and understanding it, we affix our signatures below.

1. Sd/- Illegible (P. M. Shah)
2. Sd/- Illegible

Before,
Sd/- Illegible
Circle Police Inspector
Bilimora, Camp: Mumbai

Chargesheet

2. **Charge Sheet Number:** 116/2002, Dated: 10/12/2002
3. **First Information Report (FIR) Number:** I-C.R. No. 93/2002, Dated: 18/08/2002
4. **Complainant's Name:** Shri Bhanuprasad Harishankar Suthar
Address: Manager, The Navsari People's Co-operative Bank Ltd., Navsari
5. **Accused:**

(A) Sent in Police Custody:

1. Ketanbhai Kantilal Seth, Age: 40, Occupation: Share Broker, Residing at: 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049. Arrested on 13/09/2002 at 19:30 hours and remanded until 14/09/2002, 25/09/2002, and 27/09/2002 until 17:00 hours. After completion of remand, sent to court custody for detention.

(B) Not Sent for Judicial Proceedings (Not Arrested):

2. Sanjay Hariram Agarwal, Residing at: Juhu Shalimar, Gulmohar Cross Road, Mumbai
3. Nandkishor S. Trivedi, Residing at: Gazdar Street, Chira Bazaar, Mumbai
4. Kumari Kanan Mewawala, Residing at: Jayant Mahal, 5th Floor, Opposite Wankhede Stadium, Marine Drive, Mumbai
5. Ketan Markariya, Officer, Home Trade Ltd., Mumbai
6. Subodh Bhandari, Residing at: Flat No. 709/B, Govind Complex,

Sector 14, Vashi, Turbhe, Navi Mumbai

7. Smt. Jagrutiben, w/o Ketanbhai Kantilal Seth. Residing at: 193, Lalit Kutir, C.H.S., Gulmohar Cross Road No. 9, J.V.P.D., Mumbai
8. Hiten B. Shah, Residing at: 102, Gandhi Niwas, Ashok Nagar Road, Vakola, Santacruz, Mumbai
9. Smt. Shilpaben H. Shah, Residing at: Same as above
10. Bina Sanghvi, Residing at: 103, Liberty Apartment, 80/A, Sarojini Road, Behind McDonald's, Vile Parle West, Mumbai
11. Shri Hiren Gada, Senior Vice President, Home Trade Ltd., Mumbai
12. Atul Shah, Senior Officer, Giltedge Management Services Ltd.
13. Kumari Vichita, Officer, Giltedge Management Services Ltd.

6. Charges:

Offenses under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34. The accused listed in Column 4(A) and 4(B) conspired with criminal intent in Mumbai, operating under the name of M/s Euro Asian Securities, a recognized entity by the National Stock Exchange. They misrepresented themselves as brokers and changed the company name to Home Trade Ltd. Between February 1999 and 29/04/2002, they deceived the complainant bank by receiving Rs. 24,76,52,925 for purchasing government securities, issuing contract notes (Nos. 7453, 7413, 7455, 7401, 7399, G.O.I. Nos. 2017, 2013) without delivering physical possession of the securities. Instead of selling the securities to others, they falsely claimed to have purchased them, misleading the bank about increasing market prices and potential profits, inducing further investment in new securities. On 20/03/2002, they sold old securities and claimed to have purchased five new securities worth Rs.

24.76.52.925 on behalf of the complainant. sending only paper notices without delivering physical possession, misappropriating the funds for personal use. The accused in Column 4(A), despite resigning from Home Trade Ltd. on 15/05/2001, did not inform the bank and opened a current account (No. 25504) with UTI Bank Ltd., Sir P.M. Road, Fort, Mumbai, on 01/10/2001. By frequently visiting the bank, gaining trust, inducing financial investments, and sending fraudulent contract notes, they defrauded the bank, endangering the financial interests of lakhs of depositors and shareholders, using forged documents as genuine to commit fraud and breach of trust.

7. Witnesses' Names and Addresses:

1. Complainant himself
2. Panch: Suresh Bhai Babubhai Chauhan, Residing at: Behind Nagalvadi Gate, Navsari
3. Panch: Sunil Shankarrao Gole, Residing at: Opposite Trupti Apartment, Rusmatvadi Road, Navsari
4. Witness: Arvindbhai Ramabhai Soni, Residing at: Rajmahal Apartment No. 1, 2nd Floor, Block No. 9, Navsari
5. Hitendra Shankarbhai Desai, Residing at: Patel Nagar Society, Chhapra Road, Navsari
6. Dhirubhai Manibhai Nayak, Residing at: 14/B, Purnima Society, Near Khetiwadi Farm, Ghodadod Road, Surat
7. Vinodchandra Ghelabhai Desai, Residing at: 301, Kastur Chopra, Chikuwadi, Asha Baug, Navsari
8. Mohanbhai Uttambhai Gandhi, Residing at: Tamusvad, Tarota Bazaar, Above Bank of Baroda, Taluka/District Navsari
9. Shivajibhai Muljibhai Patel, Originally from: Amran, Taluka Jodia, District Jamnagar, Currently Residing at: Shantadevi

- Road, Ramkrishna Nagar Society, Navsari
10. Shankarbhai Ramchandra Rathi, Residing at: 404, Pooja Apartment, Vijal Por Road, Taluka Jalalpore, District Navsari
 11. Nanalal Madhubhai Malaviya, Residing at: Panchvati Kamalpark Society, Jalalpore, District Navsari
 12. Witness: Gangaram Haribhai Patel, Residing at: Shivnagar Society, Umiya Niwas, Gauri Shankar Mahollo, Taluka Jalalpore, District Navsari
 13. Kiranbhai Bhagwanji Bhagat, Residing at: Chhapra Road, G.L.B. 2, Navsari
 14. Dr. Amitbhai Bachubhai Soni, Residing at: 17-D, Alka Society, Chhapra Road, Navsari
 15. Karamshi Damjibhai Patel, Residing at: Shantadevi Road, Sardar Society, Bungalow No. 8, Originally from: Gajdi, Taluka Jodia, District Navsari
 16. Yashwantbhai Gulabbhai Desai, Residing at: 101, Swapna, Opposite Subhashnagar Society, Ghodadod Road, Surat
 17. Thakorbhai Maganlal Desai, Residing at: 202, Poorv-Pashchim Apartment, Opposite Court, Navsari
 18. Chunilal Chhogaji Mali, Residing at: 17/193, Rameshwar Apartment, Sola Road, Naranpura, Ahmedabad
 19. Mafatbhai Motirambhai Purohit, Residing at: Shantadevi Road, Bhagwati Society, Bungalow No. 9, Navsari
 20. Shri H.K. Mishra, Assistant General Manager, Reserve Bank of India, Mumbai
 21. Shri H.P. Mishra, Officer In-Charge, Reserve Bank of India, Near Gandhipul, Ahmedabad
 22. Shri Abraham A.M. Jacob, Assistant General Manager, Federal

Bank Ltd., Mumbai House, Homi Modi Street, Fort, Mumbai

23. Police Inspector Shri D.B. Deshpande, State CID, Nagpur,

Camp: Mumbai Fort, Mumbai

24. Police Inspector Shri V.B. Rawal, Navsari Town Police Station

25. Shri P.R. Patel, Executive Magistrate, Navsari City

26. Shri R.S. Patel, Navsari Town Police Station

27. Investigating Officer Shri G.D. Thakor, Police Sub-Inspector,

Navsari Town Police Station

8. **Seized Property:** (Not specified in the document)

9. **Date and Time of Submission:** 11/12/2002, 14:00 to 17:00 hours

Date: 17/09/2002

My name is Ketanbhai Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Mumbai.

Today, you read out my previously recorded statements to me, and the details therein are accurate and true as per my submission. Upon further inquiry, I state that beyond this, I have no further information.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Date: 18/09/2002

My name is Ketanbhai Kantilal Seth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Mumbai.

Today, you read out my previously recorded statements to me, and the details therein are accurate and true as per my submission. Upon further inquiry, I state that beyond this, I have no further information.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Further attachment to the statement of accused Ketan Kantilal Sheth

In 1993, I established Giltedge Management Services Ltd. and obtained a Non-Banking Financial Company (NBFC) license from the Reserve Bank of India, Mumbai, based on the operations of my share market company. In 1995, I founded Giltedge Credit Capital Ltd., with directors including Nilesh Kantilal Seth, Amit Kantilal Seth, Kantilal Keshavlal Seth, and myself. We obtained a license from the National Stock Exchange for equity trading by paying Rs. 75 lakh. This company was managed by my brothers, Nilesh Kantilal Seth and Amit Kantilal Seth, while I handled government securities operations for Ketan Seth & Company and Giltedge Management Services Ltd. In 1996, I secured a cash credit limit of Rs. 8 crore from Janata Sahakari Bank by depositing Rs. 80 lakh as a security deposit, which enabled me to expand trading and broking activities. During this period, I was engaged in the purchase and sale of securities for provident fund companies. The Reserve Bank of India introduced a new regulation requiring banks to invest in government securities, prompting me to start government securities trading with cooperative banks in Maharashtra and Gujarat.

In 1997/98, I came into contact with several banks in Gujarat. Niraj Surati, a Chartered Accountant from Bharuch, facilitated transactions with numerous Gujarat banks. Previously, Niraj Surati independently conducted government securities trading, and through him, I was introduced to Navsari People's Co-operative Bank Ltd.

In 1998, the Reserve Bank of India issued a regulation mandating that government securities broking must be conducted only through

holders of the National Stock Exchange's Wholesale Debt Market (WDM) license. As I did not possess the NSE WDM license, I was unable to continue trading government securities for many banks. During this time, Sanjay Agarwal, a broker in the Mumbai share market, was working as the Chief Executive Officer of Lloyd Brokerage Ltd. I met him and Nandkishor Trivedi, who was Vice President at Lloyd's, a company with a prominent reputation in the share market. Sanjay Agarwal informed me that since I lacked the NSE WDM license, I could conduct dealings through their company, which held the license. I then invited Niraj Surati from Bharuch to Mumbai and arranged a meeting with Sanjay Agarwal. Niraj Surati connected Gujarat banks, where he had contacts, with Lloyd Brokerage Ltd., which Sanjay Agarwal had acquired from Mukesh Gupta. Subsequently, the company's name was changed to Euro Asian Securities Ltd., and Sanjay Agarwal registered it under the names of his family members.

In 1999, after a public issue of Rs. 30 crore for Euro Asian Securities Ltd., the issue was not fully subscribed. Sanjay Agarwal asked for my assistance, suggesting I use funds from my cash credit account. I contributed Rs. 12.5 crore from my cash credit account with Janata Sahakari Bank, Fort, Mumbai, to subscribe to the public issue. After the subscription, the amount was returned to me via cheque.

No.: M.AG/Identification Parade/2002
Office of the Executive Magistrate
Navsari City, Navsari
Date: 14/09/2002

To,
The Police Inspector / Police Sub-Inspector,
Navsari City Police Station.

Subject: Identification Parade of the Accused
Ref.: C.R. No. 93/2002, Navsari City Police Station

With regard to your letter dated 14/09/2002 regarding the above subject, it is informed that an identification parade for the case registered under C.R. No. 93/2002 at Navsari City Police Station has been scheduled as detailed below. Please ensure that the accused is presented in a manner that prevents the witnesses from seeing them in advance.

If the accused is in custody at the District Jail, permission from the concerned Judicial Magistrate must be obtained. Necessary correspondence for this should be made through this office in advance.

1. **Date and Time of Identification Parade:** 15/09/2002 at 17:00 hours
2. **Venue of Identification Parade:** Chamber of Mamlatdar, Navsari City
3. **Name of the Accused:** Ketanbhai Kantilal Seth, 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri, Mumbai
4. **Names and Addresses of Complainant/Witnesses:**

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

1. Shri Thakorbhai Desai, Chairman, Navsari People's Co-operative Bank Ltd., Navsari
2. Arvindbhai Ramabhai Soni, Assistant Manager, Navsari People's Co-operative Bank Ltd., Navsari
3. Bhanuprasad Harishankar Suthar, Manager, Navsari People's Co-operative Bank Ltd., Navsari
4. Mohanbhai Uttambhai Gandhi, Navsari People's Co-operative Bank Ltd., Navsari
5. Dhirubhai Manibhai Nayak, Navsari People's Co-operative Bank Ltd., Navsari
6. Hitendrabhai Desai, Director, Navsari People's Co-operative Bank Ltd., Navsari

Executive Magistrate

Navsari City

Copy forwarded with compliments to:

The Jail Superintendent, Navsari, for information.

Navsari town Police Station

Date: 14/09/2002

To,
The Executive Magistrate,
Navsari Town,
Navsari.

Subject: To conduct the Identification Parade

I, R. S. Patel, Police Sub Inspector, Navsari Town Police Station, kindly report that,

The accused, Ketanbhai Kantilal Sheth, aged 40, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049, was arrested on 13/09/2002 at 19:30 hrs. in connection with the case registered at Navsari Town Police Station under Gujarat Registration No. 93/2002, IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34. He is currently under police custody remand. The accused is a director of Home Trade Ltd., Mumbai, and frequently visited Navsari People's Co-operative Bank Ltd., Navsari. He gained the trust of the bank in financial transactions involving the purchase and sale of government securities and committed fraud, cheating the bank of a substantial amount of Rs. 24,76,52,925/-. Therefore, an identification parade of the accused is required to be conducted promptly with the following witnesses. It is requested to schedule the identification parade at the earliest possible date and issue summons to the witnesses for the same.

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Witnesses:

- (1). Shri Thakorbbhai Desai, Chairman, Navsari People's Bank Ltd., Navsari.
- (2). Arvinbbhai Rambhai Soni, Assistant Manager, Navsari People's Bank Ltd.
- (3). Bhanuprasad Harishankar Suthar, Manager, Navsari People's Bank Ltd.
- (4). Mohanbbhai Uttanbbhai
- (5). Dhirubhai Manibhai Nayak
- (6). Hitendrabhai Desai, Director, Navsari People's Bank Ltd.

Date: 14/09/2002

Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Identification Parade**Date: 15/09/2002****Time:****Accused: Ketan Kumar Kantilal Seth, Age: 40****Panch Witnesses:**

1. **Name:** Suresh Bhai Balubhai Chauhan, **Age:** 36
Occupation: Rickshaw Driver, **Address:** Sadhkuwa Gate, Nagtalavadi, Navsari.
2. **Name:** Sunil Bhai Shankar Bhai Gole, **Age:** 38
Occupation: Pan Stall, **Address:** Rustamvadi Road, Opposite Trupti Apartment, Navsari.

Other Participants:

1. **Name:** Kalesh Bhai Premabhai Timbar, **Age:** 30
Occupation: Laborer, **Address:** Bhesvada, Navsari.
2. **Name:** Shankar Bhai Chhanabhai Rathod, **Age:** 30
Occupation: Laborer, **Address:** Dashera Tekri, Navsari.
3. **Name:** Chiman Bhai Lallubhai Patel, **Age:** 25, **Occupation:** Casual Laborer, **Address:** Dashera Tekri, Navsari.
4. **Name:** Dipsinh Sukhiyabhai, **Age:** 18, **Occupation:** Casual Laborer, **Address:** Bhagro, District Jhaluva.
5. **Name:** Jitendrabhai Ratilal Mistry, **Age:** 42, **Occupation:** Business **Address:** Kabilpor Bazaar, Navsari.
6. **Name:** Pramodbhai Haribhai Patel, **Age:** 49, **Occupation:** Driver **Address:** Maruti Apartment, Damka Mahollo, Navsari.

7. **Name:** Ayubsha Yusufsha Diwan, **Age:** 35, **Occupation:** Driver
Address: Langarvadi, Navsari.
8. **Name:** Tahir Mahmud Memon, **Age:** 28, **Occupation:** Driver
Address: Kagdivad, Memon Colony, Navsari.
9. **Name:** Jagdishbhai Mohanbhai Maharaj, **Age:** 25, **Occupation:**
Driver, **Address:** Adda, Taluka Navsari, District Navsari.
10. **Name:** Ganibhai Kasimbhai Savan, **Age:** 39, **Occupation:**
Rickshaw Driver, **Address:** Kagdivad, Navsari.
11. **Name:** Manibhai Dajibhai Patel, **Age:** 30, **Occupation:** Driver
Address: Near Mazur Mahajan Society, Jamalpore, Navsari.

Proceedings:

- The police did not show the accused to me.
1. The accused was presented at the identification parade venue.
 - **Clothing and Hairstyle Change:** Nos. 9 and 10.
 - The accused and witnesses stated they had not been shown to each other previously.
 - The accused was shown for identification.
 2. When asked to change clothes:
 - Pramodbhai was wearing a yellow shirt.
 - **Position:** Between Nos. 3 and 4.
 - **Witness:** Arvindbhai Ramabhai Soni, Assistant Manager, identified Ketanbhai.
 3. When asked to change clothes:
 - Jitubhai was wearing a white jersey, and Ketanbhai was wearing a yellow shirt.
 - **Position:** Between Nos. 6 and 7.

- **Witness:** Bhanuprasad Harishankar Suthar, Manager, identified Ketanbhai.
- 4. **Position:** Between Nos. 2 and 3.
 - The third person was wearing a jersey.
 - **Witness:** Mohanbhai Uttambhai Gandhi, Occupation: Income Tax Lawyer, identified Ketanbhai.
- 5. **Position:** Between Nos. 10 and 11.
 - The accused changed his shirt.
 - **Witness:** Dhirubhai Manibhai Nayak, Occupation: Retired, General Manager, People's Bank, identified Ketanbhai.
- 6. **Position:** Between Nos. 1 and 2.
 - The accused refused to change clothes and wore his own.
 - **Witness:** Director at the bank, identified Ketanbhai.

Police Sub-Inspector:

Shri R.S. Patel, Navsari (Town)

Naikhan Padhan, Badge No. 852

Navsari Town Police Station

No.: M.AG/Identification Parade/2002
Office of the Executive Magistrate
Navsari City, Navsari
Date: 14/09/2002

To,
The Police Inspector / Police Sub-Inspector,

Navsari City Police Station.

Subject: Identification Parade of the Accused
Ref.: C.R. No. 93/2002, Navsari City Police Station

With regard to your letter dated 14/09/2002 regarding the above subject, it is informed that an identification parade for the case registered under C.R. No. 93/2002 at Navsari City Police Station has been scheduled as detailed below. Please ensure that the accused is presented in a manner that prevents the witnesses from seeing them in advance.

If the accused is in custody at the District Jail, permission from the concerned Judicial Magistrate must be obtained. Necessary correspondence for this should be made through this office in advance.

5. **Date and Time of Identification Parade:** 15/09/2002 at 17:00 hours
6. **Venue of Identification Parade:** Chamber of Mamlatdar, Navsari City
7. **Name of the Accused:** Ketanbhai Kantilal Seth, 193, Lalit Kutir,

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri, Mumbai

8. Names and Addresses of Complainant/Witnesses:

1. Shri Thakorbbhai Desai, Chairman, Navsari People's Co-operative Bank Ltd., Navsari
2. Arvindbhai Ramabhai Soni, Assistant Manager, Navsari People's Co-operative Bank Ltd., Navsari
3. Bhanuprasad Harishankar Suthar, Manager, Navsari People's Co-operative Bank Ltd., Navsari
4. Mohanbhai Uttambhai Gandhi, Navsari People's Co-operative Bank Ltd., Navsari
5. Dhirubhai Manibhai Nayak, Navsari People's Co-operative Bank Ltd., Navsari
6. Hitendrabhai Desai, Director, Navsari People's Co-operative Bank Ltd., Navsari

Executive Magistrate

Navsari City

Copy forwarded with compliments to:

The Jail Superintendent, Navsari, for information.

Proceedings of the Identification Parade conducted in the Supply branch of the office of the Mamlatdar Office, Navsari on 15/09/2002

The Executive Magistrate, Navsari (City) In-Charge, through a letter dated 14/09/2002, requested the Police Sub-Inspector, Navsari Town Police Station, to conduct an identification parade for the accused in connection with Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34. The identification parade was scheduled for 15/09/2002 at 17:00 hours in the Supply Branch of the Mamlatdar, Navsari (City) office. The accused, being under police custody on remand, was to be brought to the identification parade venue in a manner that ensured the complainant/witnesses could not see them beforehand, with a cloth covering their head. Written/oral instructions were given to the Police Sub-Inspector, Navsari Town, to ensure timely presentation. The complainant/witnesses were given written instructions on 14/09/2002 to be present at the specified date, venue, and time.

The details of the accused and complainant/witnesses are as follows:

Accused:

- **Name:** Ketanbhai Kantilal Seth, Age: 40
- **Address:** 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049
- **Description:** Height: 5'5", Complexion: Wheatish, Hair: Black, Eyes: Black, No beard or mustache
- **Attire:** Light blue shirt and black pants

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Complainant/Witnesses:

1. Shri Thakorbbhai Desai, Chairman, Navsari People's Co-operative Bank Ltd., Navsari
2. Arvindbhai Ramabhai Soni, Assistant Manager, Navsari People's Co-operative Bank Ltd., Navsari
3. Bhanuprasad Harishankar Suthar, Manager, Navsari People's Co-operative Bank Ltd., Navsari
4. Mohanbhai Uttambhai, Navsari People's Co-operative Bank Ltd., Navsari
5. Dhirubhai Manibhai Nayak, Navsari People's Co-operative Bank Ltd., Navsari
6. Hitendrabhai Desai, Director, Navsari People's Co-operative Bank Ltd., Navsari

The accused was brought to my chamber at 16:30 hours, handcuffed and with a cloth covering their head, by Police Sub-Inspector, Navsari Town, and Naikhan Pathan, Police Constable (Badge No. 852), Navsari Police Station. The escorting police staff were asked whether the accused had been shown to the complainant/witnesses, to which they replied in the negative. The accused, when asked, also denied being shown to the witnesses. The handcuffs and head covering were completely removed, and the accused was seated in a closed chamber with windows and doors shut.

At 16:55 hours, the complainant/witnesses—(1) Shri Thakorbbhai Desai, (2) Arvindbhai Ramabhai Soni, (3) Bhanuprasad Harishankar Suthar, (4) Mohanbhai Uttambhai, (5) Dhirubhai Manibhai Nayak, and (6) Hitendrabhai Desai—arrived outside my closed chamber in the Supply

Branch. Their identities were verified, and they confirmed their presence. When asked if the police had shown them the accused, they confirmed that they had not been shown the accused. They were seated in a closed room at the Mamlatdar Office, Jalalpore, ensuring they could not see the accused, which I personally verified.

The identification parade was conducted in the presence of two panch witnesses:

1. Suresh Bhai Balubhai Chauhan, Age: 36, Occupation: Driving, Address: Sadhkuwa Gate, Nag Talavadi, Navsari
2. Sunil Bhai Shankar Bhai Gole, Age: 38, Occupation: Pan Stall, Address: Rustamvadi Road, Opposite Trupti Apartment, Navsari

The parade was conducted with the assistance of Taluka Deputy Mamlatdar Shri Harishbhai Patel. The identification parade commenced at 17:15 hours.

Considering the accused's facial features, physical appearance, height, complexion, attire, and build, 16 individuals were summoned with the assistance of the Deputy Mamlatdar and peon. Of these, 11 individuals were selected, matching the accused's characteristics, and were asked to remove their footwear and stand in a line in the Supply Branch. Their details are as follows:

1. Shri Kamleshbhai Premabhai Timbar

- **Address:** Bhesvada, Navsari
- **Age:** 38, **Occupation:** Laborer
- **Description:** Height: 5'4", Complexion: Wheatish, Eyes: Black, No beard/mustache, Build: Sturdy

- Attire: Cream shirt, Brown pants

2. **Shri Shankarbhai Chhanabhai Rathod**

- Address: Dashera Tekri, Navsari
- Age: 40, Occupation: Job (623)
- Description: Height: 5'5", Complexion: Wheatish, Eyes: Black, No beard/mustache, Build: Sturdy
- Attire: White T-shirt, Black pants

3. **Shri Chimanbhai Lallubhai Patel**

- Address: Dashera Tekri, Navsari
- Age: 39, Occupation: Casual Job
- Description: Height: 5'6", Complexion: Dark, Eyes: Black, No beard/mustache, Build: Sturdy
- Attire: Blue shirt, Green pants

4. **Shri Dipsinh Sukhiyabhai Shah**

- Address: Tarota Bazaar, Navsari
- Age: 40, Occupation: Casual Laborer
- Description: Height: 5'6", Complexion: Dark, Eyes: Black, No beard/mustache, Build: Sturdy
- Attire: Red checkered shirt, Cream pants

5. **Shri Jitendrabhai Ratilal Mistry**

- Address: Kabil Por Bazaar, Navsari
- Age: 42, Occupation: Business
- Description: Height: 5'7", Complexion: Wheatish, Eyes: Black, No beard/mustache, Build: Sturdy
- Attire: White shirt, Black pants

6. **Pramodbhai Haribhai Patel**

- Address: Maruti Apartment, Izka Mahollo, Navsari
- Age: 40, Occupation: Driver

- **Description:** Height: 5'4", Complexion: Wheatish, Eyes: Black, No beard/mustache, Build: Sturdy
- **Attire:** Yellow shirt, Black pants

7. Shri Ayubsha Yusufya Diwan

- **Address:** Langarvadi, Navsari
- **Age:** 39, **Occupation:** Driver
- **Description:** Height: 5'6", Complexion: Wheatish, Eyes: Black, Has beard/mustache, Build: Sturdy
- **Attire:** Sky blue shirt, Black pants

8. Shri Tahir Mahmud Memon

- **Address:** Kagdivad, Memon Colony, Navsari
- **Age:** 40, **Occupation:** Business
- **Description:** Height: 5'5", Complexion: Wheatish, Eyes: Black, Has beard/mustache, Build: Sturdy
- **Attire:** Yellow shirt, Black pants

9. Shri Jagdishbhai Mohanbhai Maharaj

- **Address:** Adda, Taluka Navsari
- **Age:** 38, **Occupation:** Business
- **Description:** Height: 5'7", Complexion: Dark, Eyes: Black, No beard/mustache, Build: Sturdy
- **Attire:** Cream shirt, Coffee-colored pants

10. Shri Ganibhai Kasimbhai Savan

- **Address:** Kagdivad, Navsari
- **Age:** 39, **Occupation:** Rickshaw Driver
- **Description:** Height: 5'4", Complexion: Wheatish, Eyes: Black, No beard/mustache, Build: Sturdy
- **Attire:** White shirt, Black pants

11. Shri Manibhai Dajibhai Patel

- **Address:** Mazur Mahajan Society, Jamalpore, Navsari
- **Age:** 40, **Occupation:** Job
- **Description:** Height: 5'6", Complexion: Dark, Eyes: Black, Has beard/mustache, Build: Sturdy
- **Attire:** White checkered shirt, Blue pants

All police staff were instructed to leave the identification parade venue, and they left the office premises entirely. The office doors and windows were closed. During the identification parade, only I, Deputy Mamlatdar Shri Harishbhai Patel, the included panch witnesses, and the selected individuals were present; no other person was with me.

The accused was then brought from the closed chamber to the identification parade venue by Deputy Mamlatdar Shri Harishbhai Patel. The accused was explained the identification parade process and informed that they could change their clothes or hairstyle if desired and choose their position in the line. The accused declined to change clothes or hairstyle and removed their footwear.

First Instance: The accused stood between individuals Nos. 9 and 10. The peon, Shri Vipulbhai, stationed outside, was signaled to bring complainant/witness Shri Thakorbhai Desai from the Mamlatdar Office, Jalalpore, to the identification parade venue. The witness was briefed about the identification parade and asked to identify the accused among the individuals in the line by holding their hand and presenting them before me. Shri Thakorbhai Desai carefully observed the line, identified the accused, held their hand, and presented them before me. He was then asked to leave, and the peon escorted him outside the office. The Supply Branch door was closed.

Second Instance: The accused was again offered the opportunity to change clothes or hairstyle. Individual No. 6, Pramodbhai, exchanged his yellow shirt with the accused. The accused chose to stand between individuals Nos. 3 and 4. The peon was instructed to bring witness Shri Arvindbhai Ramabhai Soni, Assistant Manager, from the Mamlatdar Office, Jalalpore. The witness was briefed, observed the line, identified the accused, held their hand, and presented them before me. The peon escorted Shri Arvindbhai Soni outside, and the door was closed.

Third Instance: The accused was offered the chance to change clothes or hairstyle. The accused exchanged shirts with individual No. 5, Jitendrabhai, and chose to stand between individuals Nos. 6 and 7. The peon brought witness Shri Bhanuprasad Harishankar Suthar from the Mamlatdar Office, Jalalpore. The witness was briefed, observed the line, identified the accused, held their hand, and presented them before me. The peon escorted Shri Bhanuprasad Suthar outside, and the door was closed.

Fourth Instance: The accused was offered the chance to change clothes or hairstyle but declined, retaining the previously worn clothes. The accused chose to stand between individuals Nos. 2 and 3. The peon brought witness Shri Mohanbhai Uttambhai from the Mamlatdar Office, Jalalpore. The witness was briefed, observed the line, identified the accused, held their hand, and presented them before me. The peon escorted Shri Mohanbhai Uttambhai outside, and the door was closed.

Fifth Instance: The accused was offered the chance to change clothes or hairstyle and chose to change their shirt. The accused stood between individuals Nos. 10 and 11. The peon brought witness Shri Dhirubhai Manibhai Nayak from the Mamlatdar Office, Jalalpore. The witness was

briefed, observed the line, identified the accused, held their hand, and presented them before me. The peon escorted Shri Dhirubhai Nayak outside, and the door was closed.

Sixth Instance: The accused was offered the chance to change clothes or hairstyle but declined. The accused chose to stand between individuals Nos. 1 and 2. The peon brought witness Shri Hitendrabhai Desai from the Mamlatdar Office, Jalalpore. The witness was briefed, observed the line, identified the accused, held their hand, and presented them before me. The peon escorted Shri Hitendrabhai Desai outside, and the door was closed.

The accused was then handed over to the Police Sub-Inspector. The other individuals were asked to leave and did so. The identification parade concluded at 18:45 hours.

The identification parade was conducted in the presence of the two panch witnesses, (1) Suresh Bhai Babubhai Chauhan and (2) Sunil Bhai Shankar Bhai Gole, with their assistance. Everything that transpired was recorded in their presence, and their signatures were obtained below as proof. The identification parade was conducted fairly without instructing, teaching, or prompting the complainant/witnesses in any manner.

Navsari

Date: 15/09/2002

We have read this report, and the details described therein are true as stated.

Navsari

Date: 15/09/2002

1. Suresh Bhai Balubhai Chauhan

.....
2. Sunil Bhai Shankar Bhai Gole
.....

Before,
Executive Magistrate
Navsari (City)

The Navsari People's Co-operative Bank Ltd.

'Din Dayal Bhavan', Opposite Gyan Shala, Dhobiwad,
Near Tower, Navsari

Phone Numbers:

- Main Office: 53899, 57209, 53475
- Loan: 57210, 49159, 49160
- General Manager: (Mobile) 57764, (Home) 911-2005
- Manager: (Home) 911-3220220
- Chairman: 5776

Branches:

- Mareli Bazaar Branch: 72023, 42119
- Station Branch: 57149, 34693
- Kabilpor Branch: 53465, 39025
- Kerashops Road Branch: 53466, 34401
- Vijalpore Branch: 53470, 34470
- Shamapore Branch: 23447
- Jamalpore Branch: 34904
- Bhula Faliya Branch: 25577

**Board of Directors' Addresses and Telephone Numbers for the Year .
2001-2002**

Sr. No.	Name and address	Office	Residential
1	Shri Thakorbbhai Maganlal Desai, 202, Purva-Pashchim Apartment, Opposite	59456	58752, 57956

	Court, Junathana. Navsari. Mob. 098251 46132		
2	Shri Mafatlal Motiram Purohit, 9, 'Nilam Bhav', Bhagwati Society, Shantadevi Road, Navsari.	56721	56130, 40016
3	Shri Rajendra Mithalal Der, 'Vandemataram' Apartment, 3rd Floor, Shantadevi Road, Navsari.	52075	56498
4	Shri Shivalalbhai Muljibhai Patel, 'Ramnivas', Jan Kalyan Society, Shantadevi Road, Navsari.		57669
5	Shri Dhananjay Nanubhai Bhatt, At Post Maroli Village, Via Mareli Bazaar, Mali.	57477	72015
6	Shri Dhirajlal Mohanlal Patel, Patel Society, Gaurishankar Mahollo, Jalalpore Road, Navsari.	48291	56297
7	Shri Nanalal Madhubhai Malaviya, Trimurti Associates, Jalalpore Road, Navsari	54737	40718
8	Shri Kiranbhai Bhagwanji Bhagat, Tulsiwan Society, Chhapra Road, Navsari.	50244	270-55225
9	Shri Hitendra Shankarbhai Desai, Patel Nagar Society, Chhapra Road, Navsari.	58426	58641
10	Shri Jayantibhai Purushottambhai Kevat, Junathana, Navsari (Currently: Vrindavan Society, Grid Road, Navsari).	58726	42438
11	Shri Karamshibhai Damjibhai Patel, Sardar Patel Society, Shantadevi Road,	55914, 45424	52679

	Navsari.		
12	Shri Mohanbhai Uttambhai Gandhi, Kamulvad, Tarota Bazaar, Navsari.	50897	53261
13	Shri Gangarambhai Haribhai Patel, Shantadevi Road, Navsari.	39234	57517
14	Shri Shankarbhai Ramchandra Rathi (Maheshwari), Office: C-28, Keltron Enterprise, Udyognagar, Vijalpore, Navsari; Home: 404, Pooja Apartment, Near Amardeep Society, Vijalpore Road, Navsari.	52318, 47023	40853
15	Shri Aitbhai Bachubhai Soni, 17-B, Alka Society, Chhapra Road, Navsari		59724
16	Shri Yashvantraï G. Desai, General Manager, Svapnil Apartment, Ghod Dod Road, Surat.	57764	911-
17	Shri Dhirulal M. Nayak, Manager.	57764	911- 7220220

Sardar Patel Society, Navsari.

List of Transactions Where Home Trade Ltd. Failed to Provide Physical Delivery of Government Securities and Received Payments from the Bank

Transaction No. 6

- **Date:** 01/12/2000
- **Contract No.:** 11151
- **Details:** Purchased Government of India (GOI) securities with a face value of Rs. 3.25 crore at a total cost of Rs. 3,34,63,543.75 (11.43% GOI 2015) through Home Trade Ltd. Of this, Home Trade Ltd. delivered physical securities worth Rs. 2.50 crore face value in the bank's name with security numbers AD-45 (Rs. 1 crore), AD-46 (Rs. 1 crore), and AD-47 (Rs. 50 lakh). Additionally, a Reserve Bank of India (RBI) receipt no. 736 dated 09/05/2001 for Rs. 25 lakh (security no. BY 0111) was received in the bank's name from HDFC Bank. Thus, a total physical delivery of Rs. 2.75 crore was received by the bank, while physical delivery of Rs. 50 lakh was not received.
- **Payment for Purchased Securities:**
 - a) On 01/12/2000, Contract No. 11153: Sold bonds of Rs. 5 crore face value (13.90% SSNL 2009) for a total of Rs. 5,26,48,287.67 through Home Trade Ltd.
 - b) On 01/12/2000, Contract No. 11159: Sold bonds of Rs. 25 lakh face value (12.90% MKVDC 2005) for a total of Rs. 25,30,071.10 through Home Trade Ltd.
 - **Total Sale Amount:** Rs. 5,51,78,328.77
 - **Total Purchase Cost:** Rs. 3,34,63,443.75

- o **Balance:** Rs. 2, 17, 14,785.02 was directly credited by Home Trade Ltd. to Navsari People's Co-operative Bank Ltd.'s current account at HDFC Bank, Surat, on 07/12/2000 via HDFC Bank, Mumbai.

Transaction No. 8

- **Date:** 12/04/2001
- **Contract No.:** 12753
- **Details:** Purchased GOI securities with a face value of Rs. 1.25 crore at a total cost of Rs. 1,33,15,312.50 (11.43% GOI 2015) through Home Trade Ltd. No physical delivery was received by the bank.
- **Payment:** Paid Rs. 1, 33, 15,312.50 via UTI Bank cheque no. 009295 dated 16/04/2001.

Transaction No. 9

- **Date:** 02/05/2001
- **Contract No.:** 12885
- **Details:** Purchased GOI securities with a face value of Rs. 75 lakh at a total cost of Rs. 76,81,237.50 (10.71% GOI 2016) through Home Trade Ltd. No physical delivery was received by the bank.
- **Payment:**
 - a) On 02/05/2001, Contract No. 12883: Sold GOI securities of Rs. 50 lakh face value (11.80% GOI 2007) for Rs. 54,08,680.56 (Security No. AD-0008, Ahmedabad).
 - b) On 02/05/2001, Contract No. 12881: Sold GOI securities of Rs. 25 lakh face value (12.30% GOI 2016) for Rs. 28,34,604.17 (Security No. AD-0032, Ahmedabad).
 - **Total Sale Amount:** Rs. 82,43,284.73
 - **Total Purchase Cost:** Rs. 76,81,237.50
 - **Balance:** Rs. 5,62,047.23 was credited to Navsari People's Co-operative Bank Ltd.'s current account at HDFC Bank, Surat, on 03/05/2001 via HDFC Bank cheque no. 111446.

Transaction No. 10

- **Date:** 25/05/2001
- **Details:**
 - a) Contract No. 13121: Purchased GOI securities of Rs. 2.50 crore face value for Rs. 2,56,27,138.89 (10.70% GOI 2020). No physical delivery received.
 - b) Contract No. 13123: Purchased GOI securities of Rs. 5 crore face value for Rs. 5,06,77,361.11 (10.45% GOI 2018). No physical delivery received.
 - c) Contract No. 13125: Purchased GOI securities of Rs. 5 crore face value for Rs. 5,22,87,333.33 (10.47% GOI 2015). No physical delivery received.
 - **Total Purchase Cost:** Rs. 12,85,92,323.33
- **Payment:**
 - a) Contract No. 13113: Sold GOI securities of Rs. 3 crore face value for Rs. 3,24,92,916.67 (11.50% GOI 2015; Security Nos. AD-0117, AD-258, AD-257, AD-210, AD-176, AD-177, Ahmedabad).
 - b) Contract No. 13115: Sold GOI securities of Rs. 3 crore face value for Rs. 3,28,41,250.00 (11.50% GOI 2010; Security Nos. AD-65, AD-56, AD-57, AD-58, Ahmedabad).
 - c) Contract No. 13117: Sold GOI securities of Rs. 2.50 crore face value for Rs. 2,80,84,166.67 (11.40% GOI 2008; Security Nos. AD-55, AD-56, AD-37, Ahmedabad).
 - d) Contract No. 13119: Sold GOI securities of Rs. 3.25 crore face value for Rs. 3,64,19,743.75 (11.43% GOI 2015;

Security Nos. AD-45, AD-46, AD-47, BY-0111. Ahmedabad; BY-0111 transferred from HDFC Bank to Navsari People's Co-operative Bank Ltd. with RBI receipt no. 736 dated 09/05/2001; Rs. 50 lakh physical delivery not received).

- o **Total Sale Amount:** Rs. 12,98,38,077.09
- o **Total Purchase Cost:** Rs. 12,85,92,333.33
- o **Balance:** Rs. 12,45,743.76 was paid by Home Trade Ltd. via Janata Sahakari Bank Ltd., Pune, cheque no. 923001 on 25/05/2001 to Navsari People's Co-operative Bank Ltd.'s current account at HDFC Bank, Surat.

Transaction No. 11

- **Date:** 14/08/2001
- **Details:**
 - a) Contract No. 6675: Purchased GOI securities of Rs. 3 crore face value for Rs. 3,11,74,166.67 (10.25% GOI 2021). No physical delivery received.
 - b) Contract No. 6673: Purchased GOI securities of Rs. 3 crore face value for Rs. 3,02,83,508.33 (10.03% GOI 2019). No physical delivery received.
 - **Total Purchase Cost:** Rs. 6,14,57,675.00
- **Payment:**
 - a) Contract No. 6669: Sold GOI securities of Rs. 1.25 crore face value for Rs. 1,39,85,718.75 (11.43% GOI 2015; purchased via Home Trade Ltd. but no physical delivery received).
 - b) Contract No. 6667: Sold GOI securities of Rs. 25 lakh face value for Rs. 28,83,784.72 (11.50% GOI 2011; Security No. AD-25, Ahmedabad; includes transaction c).
 - c) Contract No. 6665: Sold GOI securities of Rs. 25 lakh face value for Rs. 28,83,784.72 (11.50% GOI 2011; Security No. AD-25, Ahmedabad; included in transaction b).
 - d) Contract No. 6671: Sold GOI securities of Rs. 75 lakh face value for Rs. 82,18,556.25 (10.71% GOI 2016; purchased via Home Trade Ltd. but no physical delivery received).
 - **Total Sale Amount:** Rs. 3,34,85,830.56
 - **Total Purchase Cost:** Rs. 6,14,57,675.00
 - **Balance:** Rs. 3,34,85,830.56 was paid to Home Trade Ltd. via Punjab National Bank drafts nos. 383102, 383103, 383104

(Rs. 9 lakh, 9 lakh, 7 lakh) and UTI Bank, Valsad, current account cheque no. 040853 (Rs. 3,09,85,830.56) on 14/08/2001.

Transaction No. 12

- **Date:** 19/09/2001
- **Details:**
 - a) Contract No. 6773: Purchased GOI securities of Rs. 5 crore face value for Rs. 5,10,80,291.67 (9.39% GOI 2011). No physical delivery received.
 - b) Contract No. 6771: Purchased GOI securities of Rs. 5 crore face value for Rs. 5,01,80,555.56 (9.40% GOI 2012). No physical delivery received.
 - c) Contract No. 6769: Purchased GOI securities of Rs. 5 crore face value for Rs. 5,01,91,388.89 (10.18% GOI 2026). No physical delivery received.
 - **Total Purchase Cost:** Rs. 15,14,52,236.12
- **Payment:**
 - a) Contract No. 6765: Sold GOI securities of Rs. 5 crore face value for Rs. 5,41,96,458.33 (10.45% GOI 2018; purchased via Home Trade Ltd. but no physical delivery received).
 - b) Contract No. 6767: Sold GOI securities of Rs. 75 lakh face value for Rs. 86,50,000.00 (11.50% GOI 2015; Security Nos. AD-211, AD-212, AD-213, Ahmedabad).
 - c) Contract No. 6763: Sold GOI securities of Rs. 5 crore face value for Rs. 5,26,92,125.00 (11.47% GOI 2015; purchased via Home Trade Ltd. but no physical delivery received).
 - d) Contract No. 6761: Sold GOI securities of Rs. 2.50 crore

face value for Rs. 2,72,94,952.78 (10.70% GOI 2020; purchased via Home Trade Ltd. but no physical delivery received).

- o **Total Sale Amount:** Rs. 14,28,33,236.11
- o **Total Purchase Cost:** Rs. 15,14,52,236.12
- o **Balance:** Rs. 86,19,000.01 was paid by the bank to Home Trade Ltd. via HDFC Bank, Surat, current account cheque no. 041939 on 20/09/2001.

Transaction No. 13

- **Date:** 17/10/2001
- **Contract No.:** 2015
- **Details:** Purchased GOI securities of Rs. 5 crore face value for Rs. 5,02,27,361.11 (9.85% GOI 2015) through Home Trade Ltd. No physical delivery received.
- **Total Purchase Cost:** Rs. 5,02,27,361.11
- **Payment:**
 - Contract No. 6809: Sold GOI securities of Rs. 5 crore face value for Rs. 5,22,07,416.67 (9.39% GOI 2011; purchased via Home Trade Ltd. but no physical delivery received).
 - **Total Sale Amount:** Rs. 5,22,07,416.67
 - **Total Purchase Cost:** Rs. 5,02,27,361.11
 - **Balance:** Rs. 19, 80,055.56 was paid by Home Trade Ltd. via HDFC Bank cheque no. 257022 on 23/10/2001 to Navsari People's Co-operative Bank Ltd.'s current account at HDFC Bank, Surat.

Transaction No. 14

- **Date:** 05/11/2001
- **Details:**
 - **a)** Contract No. 6885: Purchased GOI securities of Rs. 1.60 crore face value for Rs. 1,72,34,706.67 (9.39% GOI 2011). No physical delivery received.
 - **b)** Contract No. 6889: Purchased GOI securities of Rs. 5 crore face value for Rs. 5,40,79,166.67 (10.50% GOI 2014). No physical delivery received.
 - **c)** Contract No. 6887: Purchased GOI securities of Rs. 5 crore face value for Rs. 5,66,68,055.56 (12.50% GOI 2004). No physical delivery received.
 - **d)** Contract No. 6893: Purchased GOI securities of Rs. 5 crore face value for Rs. 5,70,97,222.22 (11.50% GOI 2005). No physical delivery received.
 - **e)** Contract No. 6891: Purchased GOI securities of Rs. 3 crore face value for Rs. 3,64,89,166.67 (11.50% GOI 2011). No physical delivery received.
 - **Total Purchase Cost:** Rs. 22,15,68,317.79
- **Payment:**
 - **a)** Contract No. 6879: Sold GOI securities of Rs. 3 crore face value for Rs. 3,23,75,683.33 (10.03% GOI 2019; purchased via Home Trade Ltd. but no physical delivery received).
 - **b)** Contract No. 6881: Sold GOI securities of Rs. 5 crore face

- value for Rs. 5,36,76,611.11 (10.18% GOI 2026; purchased via Home Trade Ltd. but no physical delivery received).
- c) Contract No. 6877: Sold GOI securities of Rs. 1 crore face value for Rs. 5,37,44,375.00 (9.85% GOI 2015; purchased via Home Trade Ltd. but no physical delivery received).
 - d) Contract No. 6875: Sold GOI securities of Rs. 3 crore face value for Rs. 3,34,02,291.67 (10.25% GOI 2021; purchased via Home Trade Ltd. but no physical delivery received).
 - e) Contract No. 6883: Sold GOI securities of Rs. 5 crore face value for Rs. 5,31,84,444.44 (9.40% GOI 2012; purchased via Home Trade Ltd. but no physical delivery received).
 - **Total Sale Amount:** Rs. 22,63,83,405.55
 - **Total Purchase Cost:** Rs. 22,15,68,317.79
 - **Balance:** Rs. 48, 15,087.76 was paid by Home Trade Ltd. via HDFC Bank cheque no. 257072 on 13/11/2001 to Navsari People's Co-operative Bank Ltd.'s current account at HDFC Bank, Surat.

Transaction No. 15

- **Date:** 28/11/2001
- **Contract No.:** 6901
- **Details:** Purchased GOI securities of Rs. 5.40 crore face value for Rs. 6,12,56,835.00 (9.39% GOI 2011) through Home Trade Ltd. No physical delivery received.
- **Total Purchase Cost:** Rs. 6,12,56,835.00
- **Payment:**
 - Contract No. 6899: Sold GOI securities of Rs. 5 crore face value for Rs. 5,75,15,277.78 (12.50% GOI 2004; purchased via Home Trade Ltd. but no physical delivery received).
 - **Total Sale Amount:** Rs. 5,75,15,277.78
 - **Total Purchase Cost:** Rs. 6,12,56,835.00
 - **Balance:** Rs. 37,41,557.22 was paid to Home Trade Ltd. via HDFC Bank, Surat, current account cheque no. 573236 (Rs. 15 lakh) and Punjab National Bank drafts nos. 652749, 652750, 652751 (Rs. 9 lakh, 9 lakh, 4,41,557.00) on 05/12/2001.

Transaction No. 16

- **Date:** 19/03/2002
- **Details:**
 - a) Contract No. 7453: Purchased GOI securities of Rs. 3.50 crore face value for Rs. 3,56,49,979.17 (8.07% GOI 2017). No physical delivery received.
 - b) Contract No. 7413: Purchased GOI securities of Rs. 5 crore face value for Rs. 5,09,28,541.67 (8.07% GOI 2017). No physical delivery received.
 - c) Contract No. 7455: Purchased GOI securities of Rs. 10 lakh face value for Rs. 10,18,570.83 (8.07% GOI 2017). No physical delivery received.
 - d) Contract No. 7401: Purchased GOI securities of Rs. 10 crore face value for Rs. 10,18,57,083.33 (8.07% GOI 2017). No physical delivery received.
 - e) Contract No. 7399: Purchased GOI securities of Rs. 5 crore face value for Rs. 5,81,98,750.00 (9.81% GOI 2017). No physical delivery received.
 - **Total Purchase Cost:** Rs. 24,76,52,925.00
- **Payment:**
 - a) Contract No. 7395: Sold GOI securities of Rs. 5 crore face value for Rs. 6,33,06,250.00 (10.50% GOI 2014; purchased via Home Trade Ltd. but no physical delivery received).

- o b) Contract No. 7397: Sold GOI securities of Rs. 7 crore face value for Rs. 8,08,74,150.00 (9.39% GOI 2011; purchased via Home Trade Ltd. but no physical delivery received).
- o c) Contract No. 7405: Sold GOI securities of Rs. 3 crore face value for Rs. 3,83,81,250.00 (11.50% GOI 2011; purchased via Home Trade Ltd. but no physical delivery received).
- o d) Contract No. 411: Sold GOI securities of Rs. 5 crore face value for Rs. 6,56,50,694.44 (11.71% GOI 2015; purchased via Home Trade Ltd. but no physical delivery received).
- o **Total Sale Amount:** Rs. 24,82,12,344.44
- o **Total Purchase Cost:** Rs. 24,76,52,925.00
- o **Balance:** Rs. 5, 59,419.44 was paid by Home Trade Ltd. via HDFC Bank cheque no. 984100 on 19/03/2002 to Navsari People's Co-operative Bank Ltd.'s current account at HDFC Bank, Surat.

Complaint: Under IPC Section-406, 409, 420, 421, 422, 423, 120(b), and 34.

I, the complainant, state that the facts of my complaint are as follows.

1. We, the complainant is a Cooperative Bank and it has been established under the title "The Navsari People's Co. O. Bank Ltd", Navsari. Besides, its registered and administrative office is located at the address "Din Dayal Bhavan", Din Dayal Chowk, near Gayanshala, Navsari, Gujarat. Besides, it has been registered under Gujarat State Cooperative Society Act, 1961. We have been authorised by Reserve Bank of India to do the business of banking activity in Navsari and its surrounding area in Gujarat State.
2. I have lodged the present complaint against M/s. Home Trade Ltd. (to be referred to as the broker hereinafter). Besides, the said company has been working as the Share and Stock Broker and as the member of National Stock Exchange of India. (To be referred to as NSE hereinafter). Its Director Mr. Sanjay Agrawal, Mr. Ketan Sheth, Mr. N. S. Trivedi, and Mr. Subodh Bhandari, and other accused hatched criminal conspiracy and have committed fraud of Rs. 24, 76, 52, 925/- (Rupees Twenty Four crore Seventy Six Lakh Fifty Two Thousand Nine Hundred Twenty Five) with us. As the member of NSE, we had purchased the Government

Securities through them and we had made full payment for the same. However, the said broker failed in making the delivery of the government securities to us in physical form. With this, we are producing Schedule-I bearing the names and addresses of the different offices of the brokers and their directors, bankers and associates companies.

3. The facts of the case are as follows.

1.. We the complainant is a Cooperative bank established under Gujarat State Cooperative Societies Act, 1961. Besides, our bank is authorized to do the business of banking activity in Navsari and surrounding area in Gujarat State under the Reserve Bank of India.

2.. Under the Provision of Banking Regulation Act, 1949, we are bound to invest about 25% amount in the Government Securities as the Net Time and Demand Liabilities. Therefore, we had decided to make the investment within the limit under the permission of RBI, which is known as the Statutory Liquidity Ratio (S.L.R.).

3.. Around 15th of December, 1997, Mr. Ketan Sheth had come to our bank and had said that he was the owner of M/s. Ketan Sheth & Co., and that he has been doing the business of the trading of the Government Securities for different customers including the Cooperative Banks.

4.. Thereafter, we had discussed with him regarding the conditions in order to purchase the government securities by

their firm, and at last, on 20/12/1997, we had placed our order to fulfil the requirement of our SLR. M/s. Ketan Sheth & Co. had purchased the securities of G. O. I. (GOVERNMENT OF INDIA) 1998 OF 10.50% at the consideration amount of Rs. 35,30,625/-, and the said consideration amount was paid vide cheque no. 862081 of Maharashtra State Cooperative Bank Ltd., Mumbai, and the said broker had handed over the physical possession of the said securities to us, and thus, both parties completed their responsibilities. During the period from the year 1997 to the year 1999, we had purchased different government securities through M/s. Ketan Sheth & Co., and in all the said cases, we had made the payment of all the purchases of the government securities and both parties had completed their responsibilities. During the said period, Mr. Ketan Sheth had told us that he is a director in Giltedge Management as well. So, in order to fulfil the requirement of SLR, we purchased the government securities through "Giltedge Management Services Ltd." And both parties had completed their responsibilities by making the payment against the purchase and had received the physical possession of the purchased government securities.

5.. In February, 1999, again Mr. Ketan Sheth had come to Navsari and had told us that "M/s. Euro Asian Securities" is a member of NSE and is authorized to trade the Government Securities. Besides, since we were associated with Ketan Sheth since December 1997, and had completed his all the deals with us in time till February 1999, we had decided to

purchase the government securities through the said new firm for the purpose of the SLR.

6.. Therefore, for the requirement of SLR, we had started purchasing government securities through "M/s. Euro Asian Securities" as per the requirement of SLR. In it also we both parties had fulfilled and completed our mutual responsibilities. During the deal with "Euro Asian Securities Ltd.", we had sold some government securities through them and with the intention of fulfilling our responsibility, we had handed over the possession of the said government securities to "Euro Asian Securities", and we had received full consideration amount of the selling, and thus, we both parties had completed the process of selling.

7... During the period of January, 2000, Mr. Ketan Sheth, Mr. Sanjay Agrawal and Mr. N. S. Trivedi had told us that their old broker firm titled "Euro Asian Securities Ltd" will do the business now after under the new title "Home Trade Ltd.", and Mr. Sanjay Agrawal is the chairman and chief Executive Officer in it, and Mr. Ketan Sheth and Mr. Nandkishor Trivedi are the directors.

They had also said that Home Trade Ltd has also created another group Company in the name of "Ways India Ltd", and they said that the said Company will be managed in the best professional manner in software technology. They further said that the activities of the business development will be handled

by the best film actors Shahrukh Khan, Rutvik Roshan, Sachin Tendulkar and Priyanka Chopra. Later on we came to know that the accused have established Home Trade Company systematically under to attract the investment of huge amount of People's cooperative banks in government securities. Besides, as stated above, the accused have committed the fraud of huge amount with us and have embezzled and siphoned off the huge amount. Therefore, it is requested to take strict legal action against them.

8. For the investment of the fund of the government securities as per the requirement of the SLR, it was decided within the bank that the orders of the purchase of the government securities will be given to the brokers.
 - A. During our business activities, we had come to know from reliable sources that as a Cooperative Bank, we can dispose of the government securities in the open market and in order to fulfil the requirement of the SLR, we can purchase the government securities from the open market. We made the calculation of the profit and loss regarding how many government securities we can trade in the open market and in return, the other government securities will earn more income for us, and therefore, in the best interest of the depositors and the shareholders, we had decided to sell the government securities whenever there was such chance so that we can earn more amount without affecting the requirement of SLR.
 - B. Therefore, in order to fulfil the requirement of SLR, we started purchasing the government securities through Home

Trade Ltd since February 2000 and by the end of March, 2001, we had sold certain government securities through them. The said broker purchased the certain government securities whose physical possession they had earlier handed over to us and we had received the payment of the said securities and they had accepted the government securities that we had sold to them.

- C. During the financial year of 2001-2002, the RBI had issued a circular and had stated that the Nagarik Sahakari Banks will increase their investment in the government securities and will not make investment in the district and state government banks. In other words, instead of the term deposits in the district and state cooperative banks, the Nagarik Sahakari banks were given the permission to make the investment in the government securities.

We made the comparison of the return in the government securities and the term deposits of the district and state cooperative banks and in order to fulfil the requirements mentioned in the circular of the RBI, we made the investment in the government securities.

- D. During the Financial Year of 2001-02, as there was decrease in the rate of the interest constantly entire year, and the government had started issuing new securities at less rate and due to it, the price of the old government securities had increased in the market. Due to the increase in the interest rate, more return was received.
- E. As we got the opportunity, and due to the increase in the income of the bank and in the interest of the shareholders and

the depositors, and as the government securities that we had purchased earlier were giving more price, we sold the said securities. As a result, the bank had earned more income as the profit. At the same time, in order to fulfil the requirement of the SLR, we purchased new government securities and due to which we again made the portfolio of the government securities and as a result, there was increase in the income of the bank and the requirement of SLR too was maintained.

- F. Whenever we made the selling of the old government securities and purchased new government securities through the broker, we came to know of the amount payable to the broker and the amount receivable from the broker due to the said deals and transactions. We and the said broker had issued the cheques of the amount of difference from time to time and had completed our mutual responsibilities.
- G. In March 2002, we had earlier paid the amount of the purchase order of the below mentioned securities that were in possession of the said broker.

Sr. No.	Scrip Name	Face Value
1	10.50% GOI 2014	5,00,00,000.00
2	9.39% GOI 2011	7,00,00,000.00
3	11.50% GOI 2011	3,00,00,000.00
4	11.50% GOI 2015	5,00,00,000.00
	Total Face Value	20,00,00,000.00

Therefore, we decided to sell the said government securities and the broker had implemented the said deal and we had sent the below mentioned

contract notes.

Sr. No.	Scrip Name	Cont.	Face Value	Total Consideration
1	10.50% GOI 2014	7395	5,00,00,000.00	6,33,06,250.00
2	9.39% GOI 2011	7397	7,00,00,000.00	8,08,74,150.00
3	11.50% GOI 2011	7405	3,00,00,000.00	3,83,81,250.00
4	11.50% GOI 2015	7411	5,00,00,000.00	6,56,50,694.44
			Total receivable	24,82,12,344.44

H. In order to fulfil the requirement of SLR, we had given the instruction to the broker to purchase the following securities and the broker had executed the said deal and had sent the contract notes to us.

Sr. No.	Scrip Name	Cont. No.	Face Value	Total Consideration
1	08.07% GOI 2017	7453	3,50,00,000.00	3,56,48,976.17
2	08.07% GOI 2017	7413	5,00,00,000.00	5,09,28,541.67
3	08.07% GOI 2017	7455	10,00,000.00	10,18,57,083.33
4	08.07% GOI 2017	7401	10,00,00,000.00	10,18,57,083.33
5	09.81% GOI 2013A	7399	5,00,00,000.00	5,81,98,750.00
			Total payables	24,76,52,925.00

I. Against the above mentioned deals, the broker was

supposed to pay us the amount of difference of Rs. 5, 59,419.44 of the above mentioned securities to us and was supposed to give the physical possession of the said securities to us. In this regard, the broker had given us the cheque no. 984100 dated 19/03/2002 of HDFC Bank Ltd to us and we have received the said amount.

- The Exhibit-A attached herewith is the contract note dated 19/03/2002 issued by the broker accepting the purchase of the government securities. The said broker has admitted the said deal and with it, had sent the copy of the cheque no. 984100 dated 19/03/2002 of Rs. 5, 59,419.44. The said broker failed in handing over the physical possession of the above mentioned securities that we had purchased, and thus, the broker has breached the contract notes.
- 4.. By making phone calls and in person, we had demanded the physical possession of the said securities that we had purchased and whose consideration amount we had paid but the broker gave false promises to us giving new dates for the delivery of the securities but till date the broker has not handed over the physical possession of the said securities to us till date.

In order to pressurise the broker to hand over the physical possession of the securities that we had purchased, we had sent a fax on their fax no. 022-7812548 on 16/04/2002 and had requested the broker to hand over the physical possession of the government securities to us but despite our written reminders, telephonic reminders and personal meetings, the said broker could not hand

over the government securities to us. The copy of the letter dated 16/04/2002 Exhibit-B is presented herewith.

- 5.. The directors and the officers of us the complainant bank had gone to the office of the said broker on 29/04/2002 and the directors of the broker company and the senior officers of the said firm could not be found or contacted there and we had come to know that they are absconding and we were greatly shocked and we realized that the said broker has committed fraud with us, and they avoided to meet us in person and they failed in handing over the physical possession of the securities and therefore, they are absconding.
- 6.. As per what we learnt from the reports given in the newspapers and the Durdarshan news and the information received from reliable sources, we have come to the conclusion that the said broker have failed in fulfilling the implementation of the agreement mentioned in their contract notes. Besides, actually, they have siphoned off the amount of the securities, the amount that we had paid to them in the dealing of the purchasing of the securities. So, all the directors of the said firm have hatched the criminal conspiracy and have committed the fraud.
- 7.. As a part of the precaution, we have sent our complaint to the Investors Service Cell of National Stock Exchange of India Ltd and the SEBI on date 30/04/2002 and dated 01/05/2002 respectively on Fax through our advisor M/s. D. R. Investors Grievances Ltd. Besides, we have sent its original copy on 02/05/2002, and they are presented vide Exhibit "C" and Exhibit "D" respectively.
8. Taking into account the seriousness of the present case, and due to the huge amount, the directors and the officers of the said broker firm, and their assistants may run away to foreign to avoid their

responsibility and the legal action. Therefore, we request to seize their passport by taking necessary action and request to take effective action to see that the criminals do not run away from the country.

Based on the information and the knowledge that we have, we are producing the schedule of the properties of the directors of the said broker firm and their assistants herewith and request to seize the properties of the accused who have forged criminal conspiracy with the investors.

9. The accused of this matter have siphoned off the money of huge amount from one Nagarik Sahakari bank of Valsad district, two banks of Navsari District, four banks of Surat and the Nagarik Sahakari bank of Karamsad of Kheda District and have committed fraud and have put the financial interest of the lakhs of depositors and the shareholders at risk. Besides, due to the said act of the accused, the trust of the depositors on the said banks has got broken, which may result into the closure of these banks permanently. By doing so, the accused have caused damage of serious nature to the public interest. Besides, it has damaged the prestige of all these banks. Therefore, it is requested to take strict criminal action against them.
10. I the complainant is the manager of The Navsari People's Co. Op. Bank Ltd., Navsari. Its registered office is at the address: "Din Dayal Bhavan", Din Dayal Chowk, near Gayanshala, Navsari. I the complainant have been authorized to sign this complaint and to give the deposition vide Resolution No. 4 dated 03/07/2002 of the Board of Directors of the Bank.
11. All the accused of this matter have committed the offences of serious

nature systematically and it is requested to take legal action against them all and to produce all of them in the Court having the jurisdiction.

12. Of the accused persons, accused no. 9 to 11 and no. 13 to 15 are the responsible officers of the said firm and they have taken active part in the deals and transactions of the securities made with us and are involved in the offence.
13. My witnesses are mentioned below and if required, we will request for the necessary summons to examine further witnesses.

Witnesses:-

6. I the complainant
7. The directors of the bank
8. Mr. T. R. Swami, Deputy General Manager, UBD, Reserve Bank of India, Ahmedabad.
9. Mr. Vinayak Raval, Manager, Reserve Bank of India, Ahmedabad.
10. Mr. Vinodbhai G. Desai, Chartered Accountant and the internal auditor of the bank.

Thanking you,

Yours faithfully,

Sd/- Illegible

Manager

(B.H. Suthar)

For The Navsari People's Co. O. Bank Ltd., Navsari.

NAVSARI PEOPLE'S CO-OP. BANK LTD.

"Din Dayal Bhavan, Din Dayal Chowk, Opp. Gayan Shala
Near Tower, Navsari-396445

Phone:

Office Manager 57764

Bank: 57209, 57210, 53899, 3475.

Fax: (02637) 46131

Date:

No.:

True copy made on the basis of the original one of the Resolution No. 4 passed in the meeting of the Board of Directors of The Navsari People's Co. Op. Bank Ltd., Navsari held on 03.07.2001.

Resolution No. 4:-

Issue No. 4	Resolution No. 4
To pass the necessary resolution to carry out criminal proceedings regarding the fraud committed with the bank by Home Trade Ltd., Mumbai.	It is resolved to carry out criminal proceedings regarding the fraud committed with the bank by Home Trade Ltd, Mumbai. Besides, the bank manager Mr. Bhanuprasad H. Suthar is authorized in this regard, it is resolved unanimously. The manager is also authorized to produce the documents and the information and the statements / explanations in this regard.

True copy on the basis of the original one.

Sd/- Illegible
Chairman

(25)
3447

MARK 'F' Mark - F

19/03/2002

Navsari Peoples Co-operative Bank Ltd. या धारक को OR BEARER

PEES Five Lakh Fifty nine thousand Four
hundred Ninety and forty four Paise only Rs. 5,59,419.44

c No. 0010400317011 CA

FC BANK LTD.
- 104, Tulshani Chambers, F.P. Marg,
Manpada, Mumbai - 400 021.

For HOME TRADE LIMITED
[Signature]
Authorized Signatories

⑨

984100 1002400031 100317* 13



Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

(20)
3449

HDFC Bank Ltd
Chowanga Jyoti
Opp. Raymond's Showroom
Sonal Purma Road,
Adlon Lane, Surat-393 009
Tel. : 0268843722/54
Fax : 0268852

Mark-G
MARK-G

93/07/2002

To:
The Manager
The Navsari People's Co-op Bank Ltd
Dindayal Bhasani, Dindayal Chawk
Opp. Gyan Shala, NAVSARI-396 205

Dear Sir

REF: Your letter dtd. 26/06/2002.
SUB: Certificate Regarding Clearance & Collection of Cheques.

With respect to the above, we hereby confirm that the given cheques pertaining to your current account # 067 0053208 002, have been cleared at HDFC Bank under the details stated below

Date	Cheque #	Amount (In Rs.)	Cleared At	Effect	Counterparty
05/05/2001	111446	5,02,47.23	Mumbai	Credit	Home Trade Ltd.,
08/06/2001	923001	12,45,43.70	CMS Collection	Credit	Home Trade Ltd.,
23/10/2001	257022	19,80,055.56	Mumbai	Credit	Home Trade Ltd.,
13/11/2001	257072	48,15,087.76	Mumbai	Credit	Home Trade Ltd.,
06/12/2001	573236	15,09,90.00	Mumbai	Debit	Home Trade Ltd.,
23/03/2002	984100	5,50,410.44	Surat	Credit	Home Trade Ltd.,

Accounts mentioned here have been cleared as per the above details.

Yours faithfully,
For: HDFC BANK LTD.

As Attached Signature



6

NAVSARI PEOPLE'S CO-OP. BANK LTD.

"Din Dayal Bhavan, Din Dayal Chowk, Opp. Gayan Shala
Near Tower, Navsari-396445

Phone:

Office Manager 57764

Bank: 57209, 57210, 53899, 3475.

Fax: (02637) 46131

Date:

No.:

True copy made on the basis of the original one of the Resolution No. 4 passed in the meeting of the Board of Directors of The Navsari People's Co. Op. Bank Ltd., Navsari held on 03.07.2001.

Resolution No. 27(5):-

Issue No. 27(5)	Resolution No. 27(5)
To appoint an investment committee for the year 2001-2002 and for the tenure till the other appointment is made.	For the year 2001-2002 and the period till the other appointment is made, the below mentioned three member including the chairman are appointed in the investment committee from the members of the board of directors, it is resolved unanimously. 7. Mr. Thakorbai M. Desai, (Chairman) 8. Mr. Hitendrabhai S. Desai, (Director) 9. Mr. Mohanbhai U. Gandhi (Director) As per the provision of Sub-Rule 37 (22), this committee will be considered as the Chief Executive Officer (Manager, Ex Officio member).

True copy on the basis of the original one.

Sd/- Illegible
Chairman

(28)

March 1996

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Mark-I 3453

MARK-I

BD.NO.BR.CIR/42/16.26.00/2000

UBD.No.BR.Cir/42/16.26.00/2000-01, April 19, 2001. (20010419)

BANKING REGULATION ACT, 1949 (AS APPLICABLE TO CO-OPERATIVE SOCIETIES) - SECTION 24 - INVESTMENT IN GOVERNMENT AND OTHER APPROVED SECURITIES BY URBAN

#

Chief Executive Officers of
All Primary (Urban) Co-operative Banks

Dear Sir,

#

Please refer to our Circular UBD.BR.No.33/16.26.00/95-96 dated 3 January 1996 in terms of which all scheduled urban co-operative banks are required to maintain at least 15.0 percent of their Net Demand and Time Liabilities (NDTL) in government and other approved securities and non-scheduled urban co-operative banks with NDTL of Rs. 25 crore and above are required to maintain at least 10.0 percent of their NDTL in government and other approved securities. However, in respect of other non-scheduled urban co-operative banks, there is no stipulation regarding maintenance of SLR in the form of government and other approved securities.

2. It has now been decided to increase the proportion of SLR holdings in the form of government and other approved securities as percentage of NDTL in the following manner which should be achieved by the urban co-operative banks by end-March 2002.

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Category of UCBs	Investment in government and other approved securities as percentage of Net Demand and Time Liabilities (NDTL)
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an, March 1996

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(29)

34.55

	Present	Revised
Scheduled UCBs	15%	120%
Non-Scheduled UCBs		
UCBs with NDTL of Rs. 25 crore & above	10%	15%
UCBs with NDTL of less than Rs. 25 crore	Nil	10%

#

3. Further, with effect from April 01, 2003, all scheduled urban co-operative banks shall maintain their entire SLR assets of 25.0 percent of NDTL only in government and other approved securities.

4. All the scheduled UCBs and non-scheduled UCBs with NDTL of Rs. 25 crore and above would, henceforth, be required to maintain investments in government securities only in SGL Accounts with Reserve Bank of India or in constituent SGL Accounts of public sector banks and Primary Dealers (PDs). Non-scheduled UCBs with NDTL of less than Rs. 25 crore may maintain government securities in physical or scrip form.

5. The other instructions contained in our above Circular will remain unchanged.

#

Yours faithfully,

Sd/-

(M. M. S. Rekhrao)
Chief General Manager-in-Charge

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Page

FIRST INFORMATION REPORT

(U/s 154 of CrPC)

CR No. I-93/2002

Navsari Town Police Station

Sub-District: Navsari Town District: Navsari

Date and time of occurrence of offence:

During the period from February 1999 to Date: 29/04/2002.

1. Date and time of reporting : Date: 18/08/2002 Time: 22:00
2. Place of offence and the distance and direction from PS: Navsari People's Co. Op. Bank, Din Dayal Bhavan, Opp. Gayan School, Navsari, In the South Direction, 2 km.
3. Date sent from PS: Date: 18/08/2002.
4. Name and address of the informer/complainant: Bhanuprasad Harishankar Suthar, Manager, The Navsari People's Co. Op. Bank Ltd., R/o, 304, Dhruv Apartment, near Vijay Park Society, Opp. Lunsikui, Navsari, Phone No. 40621. (O): 57209.
5. Names and addresses of the accused:-
 - a. Mr. Sanjay Agrawal, Director, S/o Hariram Agrawal, Juhu Shalimar CHS Ltd, 7th Floor, Gulmahor Crossroad No. 10, Juhu, Mumbai-400049.
 - 2 Mr. Ketan Sheth, Director,

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

- 193, Lalit Kutir, CHS, 3rd Floor, Gulmahor Crossroad no. 9, JVPD, Mumbai-400049. Phone No.6194712-19, Mobile No. 9821142821, 9821142823.
- 3 Smt. Jagruti Sheth, wife of Ketan Sheth, 193, Lalit Kutir, CHS, 3rd Floor, Gulmahor Crossroad No. 9, JVPD Mumbai-400049. Phone No. 6194712 19, Mobile No. 98213 30822.
 - 4 Mr. Nandkishor S. Trivedi, Director, s/o Shankarlal V. Trivedi, Dev Bhuvan, 2nd floor, Room No. 32, Gazadar Street, Chira Bazaar, Mumbai-400002, Mobile No. 98210 30149.
 - 5 Mr. Hiten B. Shah, Director, s/o Bhupendra B. Shah, 102, Gandhi Nivas, Ashok Nagar Road, Vakola, Santacruz, Mumbai-400055.
 - 6 Smt. Shilpa H. Shah, Director, w/o Hiten B. Shah, 102, Gandhi Nivas, Ashok Nagar Road, Vakola, Santacruz, Mumbai – 400055.
 - 7 Kumari Kanan Mevawala, Manager, Home Trade Ltd., Jayant Mahal, 5th Floor, Opp. Vankhede Stadium, Marine Drive, Mumbai, Phone No. Office – 7909427, House Phone No. 2819290, Mobile No. 9820086818.
 - 8 Bina Sanghavi, Officer – Ketan Sheth & Co., 103, Liberty Apartment, 80/A, Sarojini Road, behind Macdonald, Vile Parley-West, Mumbai-400 056. Phone No. 6194712, mobile no. 98211 42821, 98211 42823.
 - 9 Mr. Ketan Mashkariya, officer, Home Trade Ltd.
 - 10 Mr. Subodh Bhandari, Executive Managing Director, Home Trade Ltd., Flat No. 703 / B, Govind Complex, Sector – 14, Vasi Turbhi, Navi Mumbai – 400 705, Phone No. 7897433, Mobile No. 98210 30143.
 - 11 Mr. Hiren Gada, Senior Vice President, Home Trade Ltd.
 - 12 Mr. Atul Shah, Senior Officer, Giltej Management Services Ltd.

13 Kumar Vichita, Officer, Giltej Management Services Ltd.

6. Brief fact of the offence and the sections and brief description of the property is stolen:

Under IPC Section-406, 409, 420, 421, 422, 423, 120(b), and 34. The fact of the offence is that the above mentioned accused, in connivance with one another, introduced self to the Navsari People's Bank Ltd of the complainant, a registered cooperative bank as the approved broker of National Stock Exchange working under Euro Asian Securities Ltd., and gained the trust and confidence of the bank and got the bank to purchase and sell the government securities through them and meanwhile, the said accused committed fraud with the bank and with the mala fide intention of siphoning off the money of the bank, changed the name of Euro Asian Securities Ltd with a new name titled Home Trade Ltd and during the said period and dates, mentioned four government securities of Rs. 24,82,12,344.24 by themselves as the broker instead of selling the said security, and said that the price is constantly increasing and the bank will get more profit, and said that the investment in new security will bring more benefit to the bank, and sold the old security on 20/03/2002 and purchased 05 new security at the price of Rs. 24,76,52,925/- on behalf of the complainant and sent the notice only on paper and actually, despite the fact that the accused received the consideration amount of the said securities, showed the purchase and selling only on paper and did not give the physical possession of the security to the complainant bank and the accused hatched criminal conspiracy and caused serious damage to the interest of the bank, the depositors and the shareholders and committed fraud and siphoned off the money of the bank and committed the offence etc.

7. Action taken regarding the investigation, and explanation in case

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

of the delay in writing down the FIR:-

8. Disposal of the Muddamal: -

Sd/- Illegible

Rank: Police Inspector

Navsari Town Police Station

Note: - write the FIR below and obtain the signature of the informer and the officer writing it down will put his signature above it.

Today, as per the complaint application typed by Bhanuprasad Harishankar Suthar, Manager, The Navsari People's Co. Op. Bank Ltd., the following complaint has been received.

Complaint: Under IPC Section-406, 409, 420, 421, 422, 423, 120(b), and 34.

I, the complainant, state that the facts of my complaint are as follows.

1. I, the complainant is a Cooperative Bank and it has been established under the title "The Navsari People's Co. O. Bank Ltd", Navsari. Besides, its registered and administrative office is located at the address "Din Dayal Bhavan", Din Dayal Chowk, near Gayanshala, Navsari, Gujarat. Besides, it has been registered under Gujarat State Cooperative Society Act, 1961. We have been authorised by Reserve Bank of India to do the business of banking activity in Navsari and its surrounding area in Gujarat State.
2. I have lodged the present complaint against M/s. Home Trade Ltd.

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

(to be referred to as the broker hereinafter). Besides, the said company has been working as the Share and Stock Broker and as the member of National Stock Exchange of India. (To be referred to as NSE hereinafter). Its Director Mr. Sanjay Agrawal, Mr. Ketan Sheth, Mr. N. S. Trivedi, and Mr. Subodh Bhandari, and other accused hatched criminal conspiracy and have committed fraud of Rs. 24, 76, 52, 925/- (Rupees Twenty Four crore Seventy Six Lakh Fifty Two Thousand Nine Hundred Twenty Five) with us. As the member of NSE, we had purchased the Government Securities through them and we had made full payment for the same. However, the said broker failed in making the delivery of the government securities to us in physical form. With this, we are producing Schedule-I bearing the names and addresses of the different offices of the brokers and their directors, bankers and associates companies.

3.. The facts of the case are as follows.

1. We the complainant is a Cooperative bank established under Gujarat State Cooperative Societies Act, 1961. Besides, our bank is authorized to do the business of banking activity in Navsari and surrounding area in Gujarat State under the Reserve Bank of India.
2. Under the Provision of Banking Regulation Act, 1949, we are bound to invest about 25% amount in the Government Securities as the Net Time and Demand Liabilities. Therefore, we had decided to make the investment within the limit under the permission of RBI, which is known as the Statutory Liquidity

Ratio (S.L.R.).

3. Around 15th of December, 1997, Mr. Ketan Sheth had come to our bank and had said that he was the owner of M/s. Ketan Sheth & Co., and that he has been doing the business of the trading of the Government Securities for different customers including the Cooperative Banks.
4. Thereafter, we had discussed with him regarding the conditions in order to purchase the government securities by their firm, and at last, on 20/12/1997, we had placed our order to fulfil the requirement of our SLR. M/s. Ketan Sheth & Co. had purchased the securities of G. O. I. (GOVERNMENT OF INDIA) 1998 OF 10.50% at the consideration amount of Rs. 35, 30,625/-, and the said consideration amount was paid vide cheque no. 862081 of Maharashtra State Cooperative Bank Ltd., Mumbai, and the said broker had handed over the physical possession of the said securities to us, and thus, both parties completed their responsibilities.
5. During the period from the year 1997 to the year 1999, we had purchased different government securities through M/s. Ketan Sheth & Co., and in all the said cases, we had made the payment of all the purchases of the government securities and both parties had completed their responsibilities.

During the said period, Mr. Ketan Sheth had told us that he is a director in Giltedge Management as well. So, in order to fulfil the requirement of SLR, we purchased the government securities through "Giltedge Management Services Ltd." And both parties had completed their responsibilities by making the payment against the purchase

and had received the physical possession of the purchased government securities.

- 6 In February, 1999, again Mr. Ketan Sheth had come to Navsari and had told us that "M/s. Euro Asian Securities" is a member of NSE and is authorized to trade the Government Securities. Besides, since we were associated with Ketan Sheth since December 1997, and had completed his all the deals with us in time till February 1999, we had decided to purchase the government securities through the said new firm for the purpose of the SLR.

Therefore, for the requirement of SLR, we had started purchasing government securities through "M/s. Euro Asian Securities" as per the requirement of SLR. In it also we both parties had fulfilled and completed our mutual responsibilities. During the deal with "Euro Asian Securities Ltd.", we had sold some government securities through them and with the intention of fulfilling our responsibility, we had handed over the possession of the said government securities to "Euro Asian Securities", and we had received full consideration amount of the selling, and thus, we both parties had completed the process of selling.

7. During the period of January, 2000, Mr. Ketan Sheth, Mr. Sanjay Agrawal and Mr. N. S. Trivedi had told us that their old broker firm titled "Euro Asian Securities Ltd" will do the business now after under the new title "Home Trade Ltd.", and Mr. Sanjay Agrawal is the chairman and chief Executive Officer in it, and Mr. Ketan Sheth and Mr. Nandkishor Trivedi are the directors.

Then had further said that "Home Trade Ltd" is a

member of NSE and its administration is done by a professional team. Besides, they had assured us for the quality-result-oriented business services and transact government securities through the new broker firm Home Trade Ltd.

They had also said that Home Trade Ltd has also created another group Company in the name of "Ways India Ltd", and they said that the said Company will be managed in the best professional manner in software technology. They further said that the activities of the business development will be handled by the best film actors Shahrukh Khan, Rutvik Roshan, Sachin Tendulkar and Priyanka Chopra. Later on we came to know that the accused have established Home Trade Company systematically to attract the investment of huge amount of People's cooperative banks in government securities. Besides, as stated above, the accused have committed the fraud of huge amount with us and have embezzled and siphoned off the huge amount. Therefore, it is requested to take strict legal action against them.

- 8 For the investment of the fund of the government securities as per the requirement of the SLR, it was decided within the bank that the orders of the purchase of the government securities will be given to the brokers.
- A. During our business activities, we had come to know from reliable sources that as a Cooperative Bank, we can dispose of the government securities in the open market and in order to fulfil the requirement of the SLR, we can purchase the government securities from the open market. We made the calculation of the profit and loss regarding how many government securities we can trade in the open market and in return, the other government securities will earn more income for us, and therefore, in the best interest of the depositors and the shareholders, we had decided to sell the government securities whenever there was such chance so that we can earn more amount without affecting the requirement of SLR.
- B. Therefore, in order to fulfil the requirement of SLR, we started purchasing the government securities through Home Trade Ltd since February 2000 and by the end of March, 2001, we had sold certain government securities through them. The said broker purchased the certain government securities whose physical possession they had earlier handed over to us and we had received the payment of the said securities and they had accepted the government securities that we had sold to them.
- C. During the financial year of 2001-2002, the RBI had issued a circular and had stated that the Nagarik Sahakari Banks will increase their investment in the government securities and will not make investment in the district and state government banks. In other

words, instead of the term deposits in the district and state cooperative banks, the Nagarik Sahakari banks were given the permission to make the investment in the government securities.

We made the comparison of the return in the government securities and the term deposits of the district and state cooperative banks and in order to fulfil the requirements mentioned in the circular of the RBI, we made the investment in the government securities.

D. During the Financial Year of 2001-02, as there was decrease in the rate of the interest constantly entire year, and the government had started issuing new securities at less rate and due to it, the price of the old government securities had increased in the market. Due to the increase in the interest rate, more return was received.

E. As we got the opportunity, and due to the increase in the income of the bank and in the interest of the shareholders and the depositors, and as the government securities that we had purchased earlier were giving more price, we sold the said securities. As a result, the bank had earned more income as the profit. At the same time, in order to fulfil the requirement of the SLR, we purchased new government securities and due to which we again made the portfolio of the government securities and as a result, there was increase in the income of the bank and the requirement of SLR too was maintained.

F. Whenever we made the selling of the old government securities and purchased new government securities through the broker, we came to know of the amount payable to the broker and the amount receivable from the broker due to the said deals and transactions. We and the said broker had issued the cheques of the

amount of difference from time to time and had completed our mutual responsibilities.

G. In March 2002, we had earlier paid the amount of the purchase order of the below mentioned securities that were in possession of the said broker.

Sr. No.	Scrip Name	Face Value
1	10.50% GOI 2014	5,00,00,000.00
2	9.39% GOI 2011	7,00,00,000.00
3	11.50% GOI 2011	3,00,00,000.00
4	11.50% GOI 2015	5,00,00,000.00
	Total Face Value	20,00,00,000.00

Therefore, we decided to sell the said government securities and the broker had implemented the said deal and we had sent the below mentioned contract notes.

Sr. No.	Scrip Name	Cont.	Face Value	Total Consideration
1	10.50% GOI 2014	7395	5,00,00,000.00	6,33,06,250.00
2	9.39% GOI 2011	7397	7,00,00,000.00	8,08,74,150.00
3	11.50% GOI 2011	7405	3,00,00,000.00	3,83,81,250.00
4	11.50% GOI 2015	7411	5,00,00,000.00	6,56,50,694.44
			Total receivable	24,82,12,344.44

- H. In order to fulfil the requirement of SLR, we had given the instruction to the broker to purchase the following securities and the broker had executed the said deal and had sent the contract notes to us.

Sr. No.	Scrip Name	Cont. No.	Face Value	Total Consideration
1	08.07% GOI 2017	7453	3,50,00,000.00	3,56,48,976.17
2	08.07% GOI 2017	7413	5,00,00,000.00	5,09,28,541.67
3	08.07% GOI 2017	7455	10,00,000.00	10,18,57,083.33
4	08.07% GOI 2017	7401	10,00,00,000.00	10,18,57,083.33
5	09.81% GOI 2013A	7399	5,00,00,000.00	5,81,98,750.00
			Total payables	24,76,52,925.00

- I. Against the above mentioned deals, the broker was supposed to pay us the amount of difference of Rs. 5, 59,419.44 of the above mentioned securities to us and was supposed to give the physical possession of the said securities to us. In this regard, the broker had given us the cheque no. 984100 dated 19/03/2002 of HDFC Bank Ltd to us and we have received the said amount.

The Exhibit-A attached herewith is the contract note dated 19/03/2002 issued by the broker accepting the purchase of the government securities. The said broker has admitted the said deal and with it, had sent the copy of the cheque no. 984100 dated 19/03/2002 of Rs. 5, 59,419.44. The said broker failed in handing over the physical

possession of the above mentioned securities that we had purchased, and thus, the broker has breached the contract notes.

- 4.. As mentioned above, M/s. Home Trade Ltd that had been paid the full consideration amount of the government securities of Rs. 24, 76, 52,925/- has failed in giving the physical possession of the said securities.
- 5 By making phone calls and in person, we had demanded the physical possession of the said securities that we had purchased and whose consideration amount we had paid but the broker gave false promises to us giving new dates for the delivery of the securities but till date the broker has not handed over the physical possession of the said securities to us till date.

In order to pressurise the broker to hand over the physical possession of the securities that we had purchased, we had sent a fax on their fax no. 022-7812548 on 16/04/2002 and had requested the broker to hand over the physical possession of the government securities to us but despite our written reminders, telephonic reminders and personal meetings, the said broker could not hand over the government securities to us. The copy of the letter dated 16/04/2002 Exhibit-B is presented herewith.

- 6.. The directors and the officers of us the complainant bank had gone to the office of the said broker on 29/04/2002 and the directors of the broker company and the senior officers of the said firm could not be found or contacted there and we had come to know that they are

absconding and we were greatly shocked and we realized that the said broker has committed fraud with us, and they avoided to meet us in person and they failed in handing over the physical possession of the securities and therefore, they are absconding.

7. As per what we learnt from the reports given in the newspapers and the Durdarshan news and the information received from reliable sources, we have come to the conclusion that the said broker have failed in fulfilling the implementation of the agreement mentioned in their contract notes. Besides, actually, they have siphoned off the amount of the securities, the amount that we had paid to them in the dealing of the purchasing of the securities. So, all the directors of the said firm have hatched the criminal conspiracy and have committed the fraud.
8. As a part of the precaution, we have sent our complaint to the Investors Service Cell of National Stock Exchange of India Ltd and the SEBI on date 30/04/2002 and dated 01/05/2002 respectively on Fax through our advisor M/s. D. R. Investors Grievances Ltd. Besides, we have sent its original copy on 02/05/2002, and they are presented vide Exhibit "C" and Exhibit "D" respectively.

Taking into account the seriousness of the present case, and due to the huge amount, the directors and the officers of the said broker firm, and their assistants may run away to foreign to avoid their responsibility and the legal action. Therefore, we request to seize their passport by taking necessary action and request to take effective action to see that the criminals do not run away from the country.

Based on the information and the knowledge that we have, we

are producing the schedule of the properties of the directors of the said broker firm and their assistants herewith and request to seize the properties of the accused who have forged criminal conspiracy with the investors.

- 9.. The accused of this matter have siphoned off the huge amount from one Nagarik Sahakari bank of Valsad district, two banks of Navsari District, four banks of Surat and the Nagarik Sahakari bank of Karamsad of Kheda District and have committed fraud and have put the financial interest of the lakhs of depositors and the shareholders at risk. Besides, due to the said act of the accused, the trust of the depositors on the said banks has got broken, which may result into the closure of these banks permanently. By doing so, the accused have caused damage of serious nature to the public interest. Besides, it has damaged the prestige of all these banks. Therefore, it is requested to take strict criminal action against them.
10. I the complainant is the manager of The Navsari People's Co. Op. Bank Ltd., Navsari. Its registered office is at the address: "Din Dayal Bhavan", Din Dayal Chowk, near Gayanshala, Navsari. I the complainant have been authorized to sign this complaint and to give the deposition vide Resolution No. 4 dated 03/07/2002 of the Board of Directors of the Bank.
11. All the accused of this matter have committed the offences of serious nature systematically and it is requested to take legal action against them all and to produce all of them in the Court having the jurisdiction.

12. Of the accused persons, accused no. 9 to 11 and no. 13 to 15 are the responsible officers of the said firm and they have taken active part in the deals and transactions of the securities made with us and are involved in the offence.
13. My witnesses are mentioned below and if required, we will request for the necessary summons to examine further witnesses.

Witnesses:-

9. I the complainant
10. The directors of the bank
11. Mr. T. R. Swami, Deputy General Manager, UBD, Reserve Bank of India, Ahmedabad.
12. Mr. Vinayak Raval, Manager, Reserve Bank of India, Ahmedabad.
13. Mr. Vinodbhai G. Desai, Chartered Accountant and the internal auditor of the bank.

Thanking you,

Yours faithfully,

Sd/- Illegible

Manager

(B.H. Suthar)

For The Navsari People's Co. O. Bank Ltd., Navsari.

Sd/- Illegible

Police Inspector

Navsari Town Police Station

Dispatched with compliments:-

Hon'ble Chief Judicial Magistrate, Navsari: Date: 18/08/2002.

Date: 06/09/2002

My name is Bhanuprasad Harishankar Suthar, Res. 304, Dhruv Apartment, near Vijay Park Society, Opp. Lunsikui, Navsari.

On being asked, I further state that today you sir have read over to me my statements recorded earlier and the facts stated in the said statements by me are true and correct. I further state that the Assistant Manager of the bank Mr. Arvindbhai Soni has produced the copies of the documents regarding the transactions / deals of the trading of the government securities made by Navsari People's Co. Op. Bank Ltd with Home Trade Ltd., Mumbai, and all the documents bear the round seal of Navsari People's Co. Op. Bank and my signature and on perusal of the said documents, I state that the (financial) deals of the government securities made by Navsari People's Co. Op. Bank with Home Trade Ltd are as follows.

- (1). First, Navsari People's Co. Op. Bank had purchased the government securities of Rs. 26,49,145.83 paisa of the original price of Rs. 25 lakh through the Contract Note No. 6224 from Home Trade Ltd on 30/12/1999 and had paid its amount vide Cheque No. 383514 dated 06/01/2000 of Maharashtra State Co. O. Bank, and its physical delivery has been received, and it has been registered in the name of Navsari People's Co. O. Bank, and its security no is AD 0032 Ahmedabad.
- (2). On 16/02/2000, through the contract note no. 6237, the bond of Rs. 2,15,82,876.71 of Maharashtra Krishna Valley Development Corporation (MKVDC) of the original price of Rs. 2 crore that were sold to Home Trade

and in return, Navsari People's Co. O. bank purchased the government securities of the price of Rs. 2,02,3,2777.78 of the original price of Rs. 2 crore through contract note no. 6230 from Home Trade Ltd and the amount of difference of Rs. 1350099.93 got deposited in the bank account of Navsari People's Bank of State Bank of India, Navsari on 19/12/2000 vide DD No. SB/1/3992-94 dated 17/02/2000 of Bank of Hyderabad of the amount of Rs. 10 lakh, and the DD No. SB/1/65245.4 dated 17/12/2000 of Rs. 350098.93.

(3). On 22/02/2002, As per the contract note no. 6243 and 6241, the government securities of Rs. 4,31,25,833.33 whose face value is Rs. 4 crore were sold to Home Trade Ltd. Both the securities were in the name of Navsari People's Co. O. Bank. Against the said selling, Navsari People's Bank had purchased the government security of Rs. 4053388.59 of the face value of Rs. 4 crore vide contract note no. 6245 from Home Trade Ltd. The total amount of difference of Rs. 2591944.44 paisa was received from Home Trade vide the DD No. 399297 dated 24/02/2000 of State Bank of Hyderabad, Fort Branch, Mumbai, and the bank had received the said amount. Besides, a letter was written to the Reserve Bank regarding the transfer of the said purchased security and a receipt has been received from the Reserve Bank in this regard. It was given to Reserve Bank of India, Ahmedabad vide receipt no. 1305 dated 16/08/2000 for the transfer in the name of the bank.

(4). On 14/03/2000, through the contract note no. 6287, the government securities of Rs. 21,21,7777.68 paisa of the face value of Rs. 2 crore were sold to Home Trade Ltd by the bank. Against the said consideration amount, the bank purchased the government securities of Rs. 20318000/- of the face value of Rs. 2 crore vide the contract note no. 6289 from Home Trade Ltd. The total amount of Rs. 889777.78 of the difference was

received by the bank from Home Trade vide the DD No. 652639 dated 15/03/2000 of State Bank of Hyderabad, Fort Branch, Mumbai. The securities sold in this deal had got transferred in the name of Navsari People's Co. O. Bank, and in order to transfer the purchased securities in the name of Navsari People's Bank, Navsari, the receipt no. 7345 dated 17/08/2000 of the Public Dept office of Reserve Bank of India, Ahmedabad branch has been received.

(5). Thereafter, on 20/09/2000, vide contract note no. 10391, the securities (GOI) of the face value of Rs. 2 crore and vide contract note no. 10689, the securities of total Rs. 81,72,31,166.67 of the face value of Rs. 6 crore were sold to Home Trade Ltd by the bank. Against the consideration amount of said selling by the bank, as per the contract no. no. 10403, 10410 and 10393, the securities (GOI) of Rs. 83276333.33 of the face value of Rs. 8 crore were purchased by the bank from Home Trade Ltd, and the bank had sent the cheque no. 84401 of Rs. 1553166.66 of the amount of difference of HDFC Bank to Home Trade Ltd and the said purchased GOI securities had got transferred in the name of Navsari People's Co. O. Bank.

(6). On 01/12/2000, vide contract note no. 11153 and 11159, the bond of Sardar Sarovar Narmada Ltd of the face value of Rs. 5 crore and the bond of Maharashtra Krishna Valley Development Corporation of Rs. 25 lakh, and the bond of Rs. 55178328.77 were sold to Home Trade Ltd. Besides, as per the contract note no. 11151, the GOI Security of Rs.33463543.75 of the original price (Face Value) of Rs. 3, 25, 00,000/- were purchased by the bank from Home Trade Ltd, and the total amount of the difference of Rs. 21714785.02 was directly deposited in the current account of Navsari People's Co. Op. Bank in HDFC Bank through cheque on 07/12/2000.

(7). On 20/02/2001, vide contract note no. 12091, the GOI securities of the face value of Rs. 1 crore was sold by the bank to Home Trade Ltd at the

price of Rs. 1,06,21,875/- and the amount of the difference of Rs. 10621875/- was directly deposited in the HDFC Bank Surat of the account of the bank by the bank through the cheque no. 901918 dated 22/02/2001 of Mumbai Fort Branch, and the said amount got deposited in the account of the Bank.

(8). Thereafter, on 12/04/2001, through contract note no. 12753, the GOI securities of Rs. 1,33,15312.50 of the face value of Rs. 1 crore 25 lakh was purchased by the bank from Home Trade Ltd and had paid its amount vide cheque no. 009295 dated 16/04/2001 of UTI Bank, Valsad Branch, and the bank has not received its physical delivery, but Home Trade Ltd has sent only the transfer form and the photocopies of the security to the bank.

(9). Then, on 02/05/2001, vide contract note no. 12883 and 12881, Home Trade Ltd sold the security of Rs. 8243284.33 paisa of the face value of Rs. 75 lakh to Navsari People's Bank Ltd and against it, vide contract note no. 12745, the bank purchased the securities of Rs. 7681237.50 of the original price of Rs. 75 lakh from Home Trade Ltd and the amount of the difference of Rs. 562047.23 paisa was deposited in the account of the bank vide cheque no. 111446 in HDFC Bank. Its physical delivery has not been received.

(10). On 25/05/2001, vide contract note no. 13113 and 13115 and 13117 and 13119, the GOI security of Rs. 11,75,00,000/- was sold by the bank to Home Trade at the selling price of Rs. 12,98,38,077.09 and against it, as per contract note no. 13121, 13123, and 13125, the security of the original price of Rs. 12 crore 50 lakh was purchased by the bank from Home Trade Ltd at the price of Rs. 128592333.33 and the amount of the difference of Rs. 1245703.76 was deposited in the bank account of Navsari People's Co. Op. Bank at HDFC Bank, Surat through the cheque dated 25/05/2001 vide cheque no. 923001 of Janata Sahakari Bank, Pune, and in it, the purchased

securities have not got transferred in the name of Navsari People's Bank, and the photocopies of the papers of the names of others were received from Home Trade Ltd.

(11). On 14/08/2001, through contract note no. 6669, 6667, 6665, and 6671, the GOI security whose original price was Rs. 2.5 crore was sold to Home Trade Ltd by the bank at the price of Rs. 2,79,71,844.40. Against it, the bank had purchased the security of Rs. 6, 10, 57,675/- of the face value of Rs. 6 crore from Home Trade Ltd as per the contract note no. 6675, 6673. The amount of difference was paid by the bank to Home Trade Ltd and the amount of Rs. 25 lakh was paid to Home Trade Ltd through the draft no. 383102, 382108 and 303104 written at Punjab National Bank, Mumbai and through the cheque no. 047853 written at UTI Bank, Mumbai, the amount of Rs. 30985830.57 was paid through the bank account of Navsari People's Co. Op. Bank in Valsad UTI. In it, the bank had received physical delivery of Rs. 50 lakh as per the contract note no. 6667 and 6665, and had received and the photocopies of the papers of the names of others of the other security.

(12). On 19/09/2001, through the contract note no. 6765, 6767, 6763, and 6761, the bank had sold the government security of the face value of Rs. 13 crore 25 lakh to Home Trade Ltd at the selling price of Rs. 14,28,33,236.11 paisa, and the bank had purchased the security of the face value of Rs. 15 crore at the selling price of Rs. 15,14,52,236.12 paisa from Home Trade Ltd through the contract no. 6773, 6775, 6769, and the amount of its difference of Rs. 86,19,000.01 paisa was paid by the bank to Home Trade Ltd vide cheque no. 041939 dated 20/09/2001 of HDFC Bank. Of the said purchased securities, the security of Rs. 75 lakh had got transferred in the name of Navsari People's Bank, and Home Trade Ltd had sent the photocopies of the names of others of the remaining security to the bank.

(13) Thereafter, on 17/10/2001, through the contract note no. 6809, the security of Rs. 5 crore, whose selling price was Rs. 5, 22, 07,416.69 paisa was sold to Home Trade Ltd by the bank. Besides, through the contract note no 2015, the GOI security of the face value of Rs. 5 crore was purchased by the bank from Home Trade Ltd at the price of Rs. 5, 02, 27,361.11 paisa, and the amount of difference of Rs. 19, 80,055.56 paisa was deposited by Home Trade Ltd in the bank account in HDFC Bank-Surat of Navsari People's Bank vide cheque no. 257022 dated 20/10/2001. The bank has not received the physical delivery of the said purchased security.

(14). On 05/11/2001, through the contract note no. 6879, and 6881, and 6877, and 6875 and 6883 of Home Trade Ltd, the government security of the original price of Rs. 21 crore was sold by the bank to Home Trade Ltd at the selling price of Rs. 22,63,83,405.55, and against it, through the contract note no. 6885, 6889, 6887, 6893, and 6891, the government security of the original price of Rs. 19,60,00,000/- was purchased by the bank from Home Trade Ltd at the purchase price of Rs. 22,15,68,317.79 paisa and the amount of its difference of Rs. 48,15,087.76 was deposited by the Home Trade Ltd in the HDFC bank account of Navsari People's Bank at Surat vide the cheque no. 217072 dated 13/11/01 in the HDFC bank. The physical delivery of the securities purchased in this deal has not been received.

(15). On 28/11/2001, through the contract note no. 6899, the government security of the original price of Rs. 5 crore was sold by Navsari People's Bank to Home Trade Ltd at the selling price of Rs. 5,65,15,277.78 and through the contract note no. 6901 of Home Trade Ltd, the GOI security of the original price of Rs. 5, 40, 00, 000/- was purchased by the bank from Home Trade Ltd at the purchase price of Rs. 6,12,56,835/- and the amount

of its difference of Rs. 37,41,557.22 paisa was paid to Home Trade Ltd by Navsari People's Bank, i.e. the amount of Rs. 15 lakh vide cheque no. 573236 dated 05/12/2001 of HDFC Bank, and Rs. 9 lakh and Rs. 9 lakh and Rs. 4,41,557.00 was paid on 15/12/2001 in Punjab National Bank vide draft no. 652749, and 652750, and 652751 respectively. The bank has not received the physical possession of the said purchased security.

(16). On 19/03/2002, through contract note no. 7395, 9397, 7405, 7411 of Home Trade Ltd., the GOI security of the original price of Rs. 20 crore was sold to Home Trade Ltd by the bank at the selling price of Rs. 24,82,12,344.44, and against it, through the contract note no. 7453, 7413, 7455, 7401, 7399 of Home Trade Ltd, the bank had purchased the government security of the original price of Rs. 23,60,00,000/- from Home Trade Ltd at the purchase price of Rs. 24,76,52,925/-, and the amount of its difference of Rs. 5,59,419.44 has been received by the bank vide cheque no. 984100 dated 19/03/2002 of HDFC Bank.

During the said deals, we i.e. Navsari People's Co. Op. Bank Ltd had made the trading of the government security with Home Trade Ltd and in the said deals, the physical possession of the government security was received in some deals and in some deals the physical possession was not received. But the contract notes were received regularly. The assistant manager Mr. Arvindbhai Soni has identified the signatures of the persons of Home Trade Ltd on the said contract notes, and has sent the sheet in this regard to the police station bearing my signature. Besides, regarding the financial transactions made with Home Trade, the sheet with the details of the name and addresses of the banks bearing my signature has been sent to the police station. Besides, Navsari People's Co. Op. Bank Ltd had sold the security and the sheet in this regard bearing my signature has also been sent to the police station. In August 2001, the account of Navsari People's

Bank had opened the SLG account but at that time the bank did not have any physical security and therefore, the bank has not made the trading of the security through it. In the deals of the government security of Home Trade Ltd., there was system of condition but in the deals of the trading of the security, the condition (Illegible) was included. Reserve Bank of India has lodged the complaint in Hon'ble Navsari Court against the directors and chairman of Navsari People's Co. Op. Bank Ltd., which is regarding the breach of the Banking Regulation Act.

The Registrar of the Cooperative Banks, Gandhinagar, and the officers of Reserve Bank conducted the inquiry of Navsari People's Co. Op. Bank Ltd., and have written the comments regarding the fact that the trading of the security has not been made through the SGL account.

The above fact stated by me is true and correct.

Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town PS

Date: 19/08/2002

My name is Bhanuprasad Harishakar Suthar, aged 53, occupation: job, Res. 304, Dhruv Apartment, near Vijay Park Society, Opp. Lunsikui, Navsari, (R) 47785, (O) 57764, 49162, 46131.

On being asked, I state that I have been discharging duty as the Manager in Navsari People's Co. Op. Bank since 03/12/2001 and my monthly salary is Rs. 12,500/-. As the manager in The Navsari People's Co. Op. Bank, my duty is to do the administrative work of the bank and to do the supervision of the financial transactions of the bank and to follow the instructions given by the board of directors and the chairman of the bank and to draw their attention to the facts related to the administration. After I joined the Navsari People's Co. Op. Bank on 03/12/2001, my work was that of the development and the training but on 12/08/2002, my previous manager (general) Dhirubhai Manilal Nayak, Res. Purnima Society, Ghod Dod Road, Surat and I was appointed in his place by the bank and since then I have been discharging my duty on the said post of the manager.

Yesterday on 18/08/2002, I, as the manager of Navsari People's Bank, have lodged my complaint with Navsari Town Police Station against the Home Trade Ltd, Mumbai regarding the embezzlement of money as per the resolution of the Board of Directors of the Bank for necessary legal action, as the directors of Home Trade Ltd., and its employees hatched the criminal conspiracy and committed fraud with the deposits of the bank and

therefore, I have lodged my complaint bearing my signature and seal of my post to register an offence. With the complaint, I produced the necessary document bearing the names and addresses of the accused and based on my application, an offence has been registered with Navsari Town Police Station vide I-CR No. 93/2002 under IPC Section-406,409, 420, 421, 422, 423, 120b, 34, and I have received a copy of the FIR. I had put my signature confirming that I have received a copy of the FIR. Along with my complaint application, I have produced the documents from Mark-A to Mark-I (photocopies), and you sir have shown me the said documents and each of the documents bears my signature and the round seal of the bank. On perusal of the said document, I state that the directors and administrators of Home Trade Ltd., Mumbai have hatched criminal conspiracy and have committed fraud of Rs. 24,76,52,925/- of the deposits of our bank and with the application, I had attached a sheet of the names and addresses of the accused. Besides, on perusal of the sheet of schedule no. 1, I state that it bears the names and addresses of the Home Trade Ltd and its sister concerned officers and their telephone numbers and the names and addresses of the directors, promoters and the officers. It runs into three pages. Each of the pages bears my signature and the round seal of the bank. Besides, the sheet Schedule-2 that I have produced bears the names and addresses of the banks of the brokers, directors, promoters, associates of company. There is no mention regarding the property. The said sheet runs into one page and it bears my signature.

The sheet that has been produced and has been marked as Mark-A is the letter showing the information of the purchased and sold securities and this runs into ten pages and each of the pages bears my signature and the round seal of the bank. Besides, the other sheet marked as Mark-B that I have produced is the copy of the letter written by Navsari People's Co.

Op. Bank Ltd., to Home Trade Ltd asking to make the physical delivery of the securities and it runs into one page. It bears my signature and the seal of the bank. Besides, the sheet marked as Mark-C that I have produced is the sheet of the fact informed to the National Stock Exchange of India Ltd through DR Investors Grievances Service Ltd. It runs into four pages. Each of the pages bears my signature and the round seal of the bank. Besides, Sheet marked as Mark-D produced by me is the letter written to Stock Exchange Division through DR Investors Grievances Service Ltd, and it contains the information regarding the Home Trade Ltd, share and stock broker. It runs into five pages. Each of the pages bears my signature and the round seal of the bank. Besides, the sheet marked as Mark-E that I have produced is the copy of the Resolution No. 4 passed in the meeting of the Board of the Directors of Navsari People's Co. Op. Bank Ltd held on 03/07/2002. It runs into one page. It bears my signature and the round seal of the bank. Besides, the sheet marked as Mark-F that I have produced is the copy of the cheque of HDFC Bank dated 19/03/2002 and it runs into one page. It bears my signature and the seal of the bank. Besides, sheet marked as Mark-G is the copy of the sheet of the information regarding the cheque debited-credited by HDFC bank, and it runs into single page. It bears my signature and the seal of the bank. Besides, the sheet marked as Mark-H is contains the details of the Resolution No. 27(5) passed in the meeting of the board of directors of Navsari People's Co-Op. Bank Ltd held on 09/07/2002 and it runs into single page. It bears my signature and the seal of the bank. The sheet marked as Mark-I bears the information of RBI April 19, 2001 (2001/04/19), and it runs into two pages. They bear my signature and the round seal of the bank. These are the documents that I have produced with my application, and since it is 19:00 o'clock, and as the other employees of the bank are not present, I will produce the other

necessary documents related to the evidences of the offence tomorrow.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

No.: M.AG/Identification Parade/2002
Office of the Executive Magistrate
Navsari City, Navsari
Date: 14/09/2002

To,
The Police Inspector / Police Sub-Inspector,
Navsari City Police Station.

Subject: Identification Parade of the Accused
Ref.: C.R. No. 93/2002, Navsari City Police Station

With regard to your letter dated 14/09/2002 regarding the above subject, it is informed that an identification parade for the case registered under C.R. No. 93/2002 at Navsari City Police Station has been scheduled as detailed below. Please ensure that the accused is presented in a manner that prevents the witnesses from seeing them in advance.

If the accused is in custody at the District Jail, permission from the concerned Judicial Magistrate must be obtained. Necessary correspondence for this should be made through this office in advance.

9. **Date and Time of Identification Parade:** 15/09/2002 at 17:00 hours
10. **Venue of Identification Parade:** Chamber of Mamlatdar, Navsari City
11. **Name of the Accused:** Ketanbhai Kantilal Seth, 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri, Mumbai
12. **Names and Addresses of Complainant/Witnesses:**

1. Shri Thakorbhai Desai, Chairman, Navsari People's Co-operative Bank Ltd., Navsari
2. Arvindbhai Ramabhai Soni, Assistant Manager, Navsari People's Co-operative Bank Ltd., Navsari
3. Bhanuprasad Harishankar Suthar, Manager, Navsari People's Co-operative Bank Ltd., Navsari
4. Mohanbhai Uttambhai Gandhi, Navsari People's Co-operative Bank Ltd., Navsari
5. Dhirubhai Manibhai Nayak, Navsari People's Co-operative Bank Ltd., Navsari
6. Hitendrabhai Desai, Director, Navsari People's Co-operative Bank Ltd., Navsari

Executive Magistrate

Navsari City

Copy forwarded with compliments to:

The Jail Superintendent, Navsari, for information.

Navsari town Police Station

Date: 14/09/2002

To,
The Executive Magistrate,
Navsari Town,
Navsari.

Subject: To conduct the Identification Parade

I, R. S. Patel, Police Sub Inspector, Navsari Town Police Station, kindly report that,

The accused, Ketanbhai Kantilal Sheth, aged 40, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049, was arrested on 13/09/2002 at 19:30 hrs. in connection with the case registered at Navsari Town Police Station under Gujarat Registration No. 93/2002, IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34. He is currently under police custody remand. The accused is a director of Home Trade Ltd., Mumbai, and frequently visited Navsari People's Co-operative Bank Ltd., Navsari. He gained the trust of the bank in financial transactions involving the purchase and sale of government securities and committed fraud, cheating the bank of a substantial amount of Rs. 24,76,52,925/-. Therefore, an identification parade of the accused is required to be conducted promptly with the following witnesses. It is requested to schedule the identification parade at the earliest possible date and issue summons to the witnesses for the same.

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Witnesses:

- (1). Shri Thakorbhai Desai, Chairman, Navsari People's Bank Ltd.,
Navsari.
- (2). Arvindbhai Rambhai Soni, Assistant Manager, Navsari People's
Bank Ltd.
- (3). Bhanuprasad Harishankar Suthar, Manager, Navsari People's Bank
Ltd.
- (4). Mohanbhai Uttambhai
- (5). Dhirubhai Manibhai Nayak
- (6). Hitendrabhai Desai, Director, Navsari People's Bank Ltd.

Date: 14/09/2002

Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Identification Parade**Date: 15/09/2002****Time:****Accused: Ketan Kumar Kantilal Seth, Age: 40****Panch Witnesses:**

1. **Name:** Suresh Bhai Balubhai Chauhan, **Age:** 36, **Occupation:** Rickshaw Driver, **Address:** Sadhkuwa Gate, Nagtalavadi, Navsari.
2. **Name:** Sunil Bhai Shankar Bhai Gole, **Age:** 38, **Occupation:** Pan Stall, **Address:** Rustamvadi Road, Opposite Trupti Apartment, Navsari.

Other Participants:

3. **Name:** Kalesh Bhai Premabhai Timbar, **Age:** 30, **Occupation:** Laborer, **Address:** Bhesvada, Navsari.
4. **Name:** Shankar Bhai Chhanabhai Rathod, **Age:** 30, **Occupation:** Laborer, **Address:** Dashera Tekri, Navsari.
5. **Name:** Chiman Bhai Lallubhai Patel, **Age:** 25, **Occupation:** Casual , Laborer, **Address:** Dashera Tekri, Navsari.
6. **Name:** Dipsinh Sukhiyabhai, **Age:** 18, **Occupation:** Casual Laborer, **Address:** Bhagro, District Jhaluva.
7. **Name:** Jitendrabhai Ratilal Mistry, **Age:** 42, **Occupation:** Business, **Address:** Kabilpor Bazaar, Navsari.
8. **Name:** Pramodbhai Haribhai Patel, **Age:** 49, **Occupation:** Driver, **Address:** Maruti Apartment, Damka Mahollo, Navsari.

9. **Name:** Ayubsha Yusufsha Diwan, **Age:** 35, **Occupation:** Driver,
Address: Langarvadi, Navsari.
10. **Name:** Tahir Mahmad Memon, **Age:** 28, **Occupation:** Driver,
Address: Kagdivad, Memon Colony, Navsari.
11. **Name:** Jagdishbhai Mohanbhai Maharaj, **Age:** 25, **Occupation:** Driver,
Address: Adda, Taluka Navsari, District Navsari.
12. **Name:** Ganibhai Kasimbhai Savan, **Age:** 39, **Occupation:** Rickshaw,
Driver, **Address:** Kagdivad, Navsari.
13. **Name:** Manibhai Dajibhai Patel, **Age:** 30, **Occupation:** Driver,
Address: Near Mazur Mahajan Society, Jamalpore, Navsari.

Proceedings:

- The police did not show the accused to me.
7. The accused was presented at the identification parade venue.
- **Clothing and Hairstyle Change:** Nos. 9 and 10.
 - The accused and witnesses stated they had not been shown to each other previously.
 - The accused was shown for identification.
8. When asked to change clothes:
- Pramodbhai was wearing a yellow shirt.
 - **Position:** Between Nos. 3 and 4.
 - **Witness:** Arvindbhai Ramabhai Soni, Assistant Manager, identified Ketanbhai.
9. When asked to change clothes:
- Jitubhai was wearing a white jersey, and Ketanbhai was wearing a yellow shirt.
 - **Position:** Between Nos. 6 and 7.

Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri, Mumbai

16. Names and Addresses of Complainant/Witnesses:

1. Shri Thakorbhai Desai, Chairman, Navsari People's Co-operative Bank Ltd., Navsari
2. Arvindbhai Ramabhai Soni, Assistant Manager, Navsari People's Co-operative Bank Ltd., Navsari
3. Bhanuprasad Harishankar Suthar, Manager, Navsari People's Co-operative Bank Ltd., Navsari
4. Mohanbhai Uttambhai Gandhi, Navsari People's Co-operative Bank Ltd., Navsari
5. Dhirubhai Manibhai Nayak, Navsari People's Co-operative Bank Ltd., Navsari
6. Hitendrabhai Desai, Director, Navsari People's Co-operative Bank Ltd., Navsari

Executive Magistrate

Navsari City

Copy forwarded with compliments to:

The Jail Superintendent, Navsari, for information.

Proceedings of the Identification Parade conducted in the Supply branch of the office of the Mamlatdar Office, Navsari on 15/09/2002

The Executive Magistrate, Navsari (City) In-Charge, through a letter dated 14/09/2002, requested the Police Sub-Inspector, Navsari Town Police Station, to conduct an identification parade for the accused in connection with Navsari Town Police Station C.R. No. 93/2002 under IPC Sections 406, 409, 420, 421, 422, 423, 467, 468, 120B, and 34. The identification parade was scheduled for 15/09/2002 at 17:00 hours in the Supply Branch of the Mamlatdar, Navsari (City) office. The accused, being under police custody on remand, was to be brought to the identification parade venue in a manner that ensured the complainant/witnesses could not see them beforehand, with a cloth covering their head. Written/oral instructions were given to the Police Sub-Inspector, Navsari Town, to ensure timely presentation. The complainant/witnesses were given written instructions on 14/09/2002 to be present at the specified date, venue, and time.

The details of the accused and complainant/witnesses are as follows:

Accused:

1. **Name:** Ketanbhai Kantilal Seth, **Age:** 40, **Address:** 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai 400049.

Description: Height: 5'5", Complexion: Wheatish, Hair: Black, Eyes: Black, No beard or mustache

Attire: Light blue shirt and black pants

Complainant/Witnesses:

1. Shri Thakorbhai Desai, Chairman, Navsari People's Co-operative Bank Ltd., Navsari
2. Arvindbhai Ramabhai Soni, Assistant Manager, Navsari People's Co-operative Bank Ltd., Navsari
3. Bhanuprasad Harishankar Suthar, Manager, Navsari People's Co-operative Bank Ltd., Navsari
4. Mohanbhai Uttambhai Gandhi, Navsari People's Co-operative Bank Ltd., Navsari
5. Dhirubhai Manibhai Nayak, Navsari People's Co-operative Bank Ltd., Navsari
6. Hitendrabhai Desai, Director, Navsari People's Co-operative Bank Ltd., Navsari

The accused was brought to my chamber at 16:30 hours, handcuffed and with a cloth covering their head, by Police Sub-Inspector, Navsari Town, and Naikhan Pathan, Police Constable (Badge No. 852), Navsari Police Station. The escorting police staff were asked whether the accused had been shown to the complainant/witnesses, to which they replied in the negative. The accused, when asked, also denied being shown to the witnesses. The handcuffs and head covering were completely removed, and the accused was seated in a closed chamber with windows and doors shut.

At 16:55 hours, the complainant/witnesses—(1) Shri Thakorbhai Desai, (2) Arvindbhai Ramabhai Soni, (3) Bhanuprasad Harishankar Suthar, (4) Mohanbhai Uttambhai, (5) Dhirubhai Manibhai Nayak, and (6)

Hitendrabhai Desai—arrived outside my closed chamber in the Supply Branch. Their identities were verified, and they confirmed their presence. When asked if the police had shown them the accused, they confirmed that they had not been shown the accused. They were seated in a closed room at the Mamlatdar Office, Jalalpore, ensuring they could not see the accused, which I personally verified.

The identification parade was conducted in the presence of two panch witnesses:

1. Suresh Bhai Balubhai Chauhan, Age: 36, Occupation: Driving, Address: Sadhkuwa Gate, Nag Talavadi, Navsari
2. Sunil Bhai Shankar Bhai Gole, Age: 38, Occupation: Pan Stall, Address: Rustamvadi Road, Opposite Trupti Apartment, Navsari

The parade was conducted with the assistance of Taluka Deputy Mamlatdar Shri Harishbhai Patel. The identification parade commenced at 17:15 hours.

Considering the accused's facial features, physical appearance, height, complexion, attire, and build, 16 individuals were summoned with the assistance of the Deputy Mamlatdar and peon. Of these, 11 individuals were selected, matching the accused's characteristics, and were asked to remove their footwear and stand in a line in the Supply Branch. Their details are as follows:

12. Shri Kamleshbhai Premabhai Timbar

- **Address:** Bhesvada, Navsari
- **Age:** 38, **Occupation:** Laborer
- **Description:** Height: 5'4", Complexion: Wheatish, Eyes:

Black, No beard/mustache, Build: Sturdy

- Attire: Cream shirt, Brown pants

13. Shri Shankarbhai Chhanabhai Rathod

- Address: Dashera Tekri, Navsari
- Age: 40, Occupation: Job (623)
- Description: Height: 5'5", Complexion: Wheatish, Eyes: Black, No beard/mustache, Build: Sturdy
- Attire: White T-shirt, Black pants

14. Shri Chimabhai Lallubhai Patel

- Address: Dashera Tekri, Navsari
- Age: 39, Occupation: Casual Job
- Description: Height: 5'6", Complexion: Dark, Eyes: Black, No beard/mustache, Build: Sturdy
- Attire: Blue shirt, Green pants

15. Shri Dipsinh Sukhiyabhai Shah

- Address: Tarota Bazaar, Navsari
- Age: 40, Occupation: Casual Laborer
- Description: Height: 5'6", Complexion: Dark, Eyes: Black, No beard/mustache, Build: Sturdy
- Attire: Red checkered shirt, Cream pants

16. Shri Jitendrabhai Ratilal Mistry

- Address: Kabil Por Bazaar, Navsari
- Age: 42, Occupation: Business
- Description: Height: 5'7", Complexion: Wheatish, Eyes: Black, No beard/mustache, Build: Sturdy
- Attire: White shirt, Black pants

17. Pramodbhai Haribhai Patel

- Address: Maruti Apartment, Izka Mahollo, Navsari

- **Age:** 40, **Occupation:** Driver
- **Description:** Height: 5'4", Complexion: Wheatish, Eyes: Black, No beard/mustache, Build: Sturdy
- **Attire:** Yellow shirt, Black pants

18. Shri Ayubsha Yusufya Diwan

- **Address:** Langarvadi, Navsari
- **Age:** 39, **Occupation:** Driver
- **Description:** Height: 5'6", Complexion: Wheatish, Eyes: Black, Has beard/mustache, Build: Sturdy
- **Attire:** Sky blue shirt, Black pants

19. Shri Tahir Mahmud Memon

- **Address:** Kagdivad, Memon Colony, Navsari
- **Age:** 40, **Occupation:** Business
- **Description:** Height: 5'5", Complexion: Wheatish, Eyes: Black, Has beard/mustache, Build: Sturdy
- **Attire:** Yellow shirt, Black pants

20. Shri Jagdishbhai Mohanbhai Maharaj

- **Address:** Adda, Taluka Navsari
- **Age:** 38, **Occupation:** Business
- **Description:** Height: 5'7", Complexion: Dark, Eyes: Black, No beard/mustache, Build: Sturdy
- **Attire:** Cream shirt, Coffee-colored pants

21. Shri Ganibhai Kasimbhai Savan

- **Address:** Kagdivad, Navsari
- **Age:** 39, **Occupation:** Rickshaw Driver
- **Description:** Height: 5'4", Complexion: Wheatish, Eyes: Black, No beard/mustache, Build: Sturdy
- **Attire:** White shirt, Black pants

22. Shri Manibhai Dajibhai Patel

- **Address:** Mazur Mahajan Society, Jamalpore, Navsari
- **Age:** 40, **Occupation:** Job
- **Description:** Height: 5'6", Complexion: Dark, Eyes: Black, Has beard/mustache, Build: Sturdy
- **Attire:** White checkered shirt, Blue pants

All police staff were instructed to leave the identification parade venue, and they left the office premises entirely. The office doors and windows were closed. During the identification parade, only I, Deputy Mamlatdar Shri Harishbhai Patel, the included panch witnesses, and the selected individuals were present; no other person was with me.

The accused was then brought from the closed chamber to the identification parade venue by Deputy Mamlatdar Shri Harishbhai Patel. The accused was explained the identification parade process and informed that they could change their clothes or hairstyle if desired and choose their position in the line. The accused declined to change clothes or hairstyle and removed their footwear.

First Instance: The accused stood between individuals Nos. 9 and 10. The peon, Shri Vipulbhai, stationed outside, was signaled to bring complainant/witness Shri Thakorbbhai Desai from the Mamlatdar Office, Jalalpore, to the identification parade venue. The witness was briefed about the identification parade and asked to identify the accused among the individuals in the line by holding their hand and presenting them before me. Shri Thakorbbhai Desai carefully observed the line, identified the accused, held their hand, and presented them before me. He was then asked to leave, and the peon escorted him outside the office. The Supply Branch

door was closed.

Second Instance: The accused was again offered the opportunity to change clothes or hairstyle. Individual No. 6, Pramodbhai, exchanged his yellow shirt with the accused. The accused chose to stand between individuals Nos. 3 and 4. The peon was instructed to bring witness Shri Arvindbhai Ramabhai Soni, Assistant Manager, from the Mamlatdar Office, Jalalpore. The witness was briefed, observed the line, identified the accused, held their hand, and presented them before me. The peon escorted Shri Arvindbhai Soni outside, and the door was closed.

Third Instance: The accused was offered the chance to change clothes or hairstyle. The accused exchanged shirts with individual No. 5, Jitendrabhai, and chose to stand between individuals Nos. 6 and 7. The peon brought witness Shri Bhanuprasad Harishankar Suthar from the Mamlatdar Office, Jalalpore. The witness was briefed, observed the line, identified the accused, held their hand, and presented them before me. The peon escorted Shri Bhanuprasad Suthar outside, and the door was closed.

Fourth Instance: The accused was offered the chance to change clothes or hairstyle but declined, retaining the previously worn clothes. The accused chose to stand between individuals Nos. 2 and 3. The peon brought witness Shri Mohanbhai Uttambhai from the Mamlatdar Office, Jalalpore. The witness was briefed, observed the line, identified the accused, held their hand, and presented them before me. The peon escorted Shri Mohanbhai Uttambhai outside, and the door was closed.

Fifth Instance: The accused was offered the chance to change clothes or hairstyle and chose to change their shirt. The accused stood between individuals Nos. 10 and 11. The peon brought witness Shri Dhirubhai

Manibhai Nayak from the Mamlatdar Office, Jalalpore. The witness was briefed, observed the line, identified the accused, held their hand, and presented them before me. The peon escorted Shri Dhirubhai Nayak outside, and the door was closed.

Sixth Instance: The accused was offered the chance to change clothes or hairstyle but declined. The accused chose to stand between individuals Nos. 1 and 2. The peon brought witness Shri Hitendrabhai Desai from the Mamlatdar Office, Jalalpore. The witness was briefed, observed the line, identified the accused, held their hand, and presented them before me. The peon escorted Shri Hitendrabhai Desai outside, and the door was closed.

The accused was then handed over to the Police Sub-Inspector. The other individuals were asked to leave and did so. The identification parade concluded at 18:45 hours.

The identification parade was conducted in the presence of the two panch witnesses, (1) Suresh Bhai Babubhai Chauhan and (2) Sunil Bhai Shankar Bhai Gole, with their assistance. Everything that transpired was recorded in their presence, and their signatures were obtained below as proof. The identification parade was conducted fairly without instructing, teaching, or prompting the complainant/witnesses in any manner.

Navsari

Date: 15/09/2002

We have read this report, and the details described therein are true as stated.

Navsari

Date: 15/09/2002

b. Suresh Bhai Balubhai Chauhan

.....
c. Sunil Bhai Shankar Bhai Gole

.....
Before,
Executive Magistrate
Navsari (City)

Date: 21/08/2002

I am Arvindbhai Rambhai Soni, aged 45, occupation: Job, Res. Navsari, Rajmahel Apartment-1, 2nd Floor, Block No. 9, Opp. Vasant Talkies, Ta. & Dist. Navsari, phone no. (R) 48814, (O) 57209.

On being asked, I state that I have been doing job in Navsari People's Co. Op. Bank Ltd since the year 1988. I worked on contract basis for 3.5 years and since date 1-1-1992, I have been discharging my duty as the Assistant Manager. At present, my basic salary is Rs. 15100/-, and the gross salary is Rs. 21,000/-. At present, my duty in the bank is to open the accounts related to NRI and to open the accounts of government executive and to do the work of written communication related to it. During my said duty, I alone do the work related to account. Yesterday on 20/08/2002, I had given the photocopies of the documents that the manager of Navsari People's Co. Op. Bank Ltd Mr. Bhanuprasad Harishankar Suthar had attached with his complaint lodged with Navsari Town Police Station against Ketan Sheth and other 12 persons of Home Trade Ltd, Mumbai who all in connivance with one another committed the fraud and cheating of Rs. 24, 76, 52,925/- with our bank and siphoned off the money of the bank. You sir have shown me the said complaint application and the documents bearing the signature of the manager and the round seal of the bank and I state that they are the same documents. Thereafter, the manager has asked me to prepare the photocopies of the documents and the information related to the complaint but I have been engaged in this work

since yesterday and the work is not completed yet and therefore, once it is completed, I will inform you.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Date: 24/08/2002

I am Arvindbhai Rambhai Soni, aged 45, occupation: Job, Res. Navsari, Rajmahel Apartment-1, 2nd Floor, Block No. 9, Opp. Vasant Talkies.

On being asked, I state that I have been discharging my duty as the assistant manager in Navsari People's Co. Op. Bank and since 01/01/2002, and my duty includes the work of making the entries related to the government securities, the work of maintaining the register, and to make the written communication in this regard and to open the NRI accounts and the written communication in this regard, and in this work related to the government security, there is no other employee of the work who works with me or under me but I alone do the work in this regard as per the

instruction of the manager of the bank.

As decided in the investment committee on 18/03/2002, it consisted of the chairman Mr. Thakorbbhai Desai, and the director Hitendrabhai Desai, Mahendrabhai Gandhi, and the general manager Mr. Dhirubhai Nayak as the member in the committee. Besides, I and the manager Mr. Bhanuprasad Suthar were also present in the committee. As decided in it, through contract note no. 7395, 9397, 7405, 7411 of Home Trade Ltd., the GOI security of the original price of Rs. 20 crore was sold to Home Trade Ltd by the bank at the selling price of Rs. 24,82,12,344.44, and against it, through the contract note no. 7453, 7413, 7455, 7401, 7399 of Home Trade Ltd, the bank had purchased the government security of the original price of Rs. 23,60,00,000/- from Home Trade Ltd at the purchase price of Rs. 24,76,52,925/-, and the amount of its difference of Rs. 5,59,419.44 has been received by the bank vide cheque no. 984100 dated 19/03/2002 of HDFC Bank. But the government security contract notes no. 7453, 7413, 7455, 7401, 7399, purchased from Home Trade Ltd., with a consideration value of ₹24,76,52,925/-, have not been physically received by the bank. Upon investigation, it was found that the bank had been cheated in this matter. So, the manager of Navsari People's Co-operative Bank Ltd., Mr. Bhanuprasad Harishankar Suthar, filed a complaint at Navsari Town Police Station on 18/08/2002 at 22:00 hours against the directors, officers, and related institution officials of Home Trade Ltd., totaling thirteen accused. You sir had shown me the said complaint and the copies of attached documents on 19/08/2002 but since the manager of the bank Mr. Bhanuprasad has given me the work of making the photocopies of the documents regarding the evidences against the accused, I was engaged in the work of making the photocopies of the said documents since the date 19/08/2002 till date and as the said work is over, I state that,

The report that I have produced is the report of the inspection conducted by the manager of Reserve Bank of India Mr. Vinayakbhai Raval and the Assistant Manager Champalbhai Mali in Navsari People's Co. Op. Bank in May 2002. In it, they have made their remarks commenting on the investment committee of the bank regarding the acceptance of the physical delivery of the securities that was sold (on date 20/03/2002) in the deal made with Home Trade Ltd. The remarks are in English. It is marked as Mark X1, and it has been written on page no. 4.

I have produced the audit report in Gujarati provided by Mr. Kikubhai Patel, the officer of the Cooperation Department, Audit Division conducted in May-June 2002 in Navsari People's Co. Op. Bank. There are comments that regarding the deals made with Home Trade Ltd, the same has not been done through SGL. This is written on page no. 6.

I have produced the copies of the resolutions regarding approval of the Resolution related to the investment passed in the meeting of the board of directors of Navsari People's Co. Op. Bank Ltd. In it, the proceedings of the investment committee of dated 18/03/2002 was read and the resolution is regarding the salary which is to be made. This is the true copy of the original one of the Resolution No. 23 (10) dated 29/04/2002 and it has been marked as Mark X-2 and it is on page no. 13.

I have produced the photocopies of the minute book of the investment committee. The meeting of the investment committee was held in the chamber of the chairman of the bank at 04:00 pm on 18/03/2002 Monday. The copy of the noting of the minute book regarding the said meeting is also attached. It is on page no. 19. It is marked as Mark X-4.

I have produced the photocopy of the investment register in which the physical possession of the security purchased from Home Trade Ltd on 20/03/2002 has not been received. This is the copy of the correspondence

register regarding the said security. It has been marked as Mark X-5 and it is on page no. 5.

I have produced the contract note that was received on fax from Home Trade Ltd., and the quotation which is in English and it has been marked as mark X-6 and it is on page no. 10.

I have produced the contract note and the price sheet received from Home Trade Ltd, and the price sheet of Giltedge Ltd and the photocopies of the letters written by Niraj Surati and Associates, chartered accountant to Navsari People's Co. O. Bank which are in English. It has been marked as Mark X-7. It is on page no. 25.

I have produced the photocopy given to us by Kamal Agrawal regarding the website of DR Investors Grievances Services Ltd., showing that Home Trade Ltd is a member of SEBI and is a member of NSE, and it is marked as Mark X-8, and it is on page no. 7 and it is in English.

I have produced the sheet of the government security purchased from Home Trade Ltd on 19/03/2002 and the sheet regarding the government security sold to Home Trade Ltd during the period from date 02/05/2001 and dated 19/03/2002, and with it, the government security which was actually transferred in the name of the bank in the possession of the bank and their photocopies marked as Mark X-9 which is in English and it is up to page no. 20.

I have presented a Xerox copy of the statement showing the details of the investment in government securities by Navsari People's Co. Op. Bank Ltd. During the period from 18/03/1997 to 30/03/2002. It is in English and marked as Exhibit X-10. It is written across six pages.

I have submitted copies of documents, including certificates from HDFC Bank, UTI Bank, and Punjab National Bank regarding cheque clearances. The Xerox copy of these, marked as X-11, is on page eight and

is in English.

I have submitted a document with Home Trade Ltd. regarding transactions of government securities conducted in the year 2001 and 2002. It is marked as X-12. It is written in English. It is on page three.

I have submitted Xerox copies of the adjustment letter for the transaction related to government securities with Home Trade Limited, during the period from 2001 to 2002. These are in English, marked as X-13, and runs into eight pages.

I have presented the photocopies of the cheques received from Home Trade Ltd and the photocopies of the cheques written to Home Trade Ltd and marked as Mark X-14 and they are running into seven pages.

I have presented the sheet showing the transactions of the interest regarding the transactions made with Home Trade Ltd. It also includes the photocopies of the cheques received from Home Trade Ltd. It has been marked as Mark X-15. It runs into five pages.

I have presented the photocopies of the fax letters sent to get the physical delivery of the government securities of the period prior to date 18/03/2002 demanding the physical delivery of the government security from Home Trade Ltd. They have been marked as Mark X-16, and they are in English and is runs into four pages.

I have presented photocopies of the fax messages sent to Home Trade Ltd asking to send the difference of the security as the Navsari People's Co. Op. Bank was in need of money, and it also includes the photocopies of the information, and the said copies have been marked as Mark X-17 and it is written in English and it runs into seven pages.

I have presented photocopies of the written communication made with Home Trade Ltd regarding the sending of the money of the difference of the selling of the securities as Navsari People's Co. O. Bank was in

requirement of the money as it was not as decided with Navsari People's Co. O. Bank Ltd., so the fax message was sent in this regard. This is the photocopy of it and the photocopies of the letters of Home Trade Ltd, which are written in English, and it has been marked as Mark X-16 and it runs into four pages.

I have presented the photocopies of a letter regarding the purchase and sale of securities by Navsari People's Co. Op. Bank Ltd. with Home Trade Ltd. In response, Home Trade Ltd. sent a letter along with a quotation that was approved by Navsari People's Co. Op. Bank, as well as the photocopies of the quotation marked as X-19, written in English, consisting of four pages.

I have presented the copy of the cheque of HDFC bank regarding the amount of difference of the interest given by Navsari People's Co. Op. Bank Ltd to Home Trade Ltd., and the sheet showing the fact regarding the difference of the interest and it is written in English, and it has been marked as Mark x-20, and it runs into four pages.

I have presented the photocopies of the communication dated 12/10/2001 of Navsari People's Co. Op. Bank Ltd made with Home Trade Ltd which are in English, and marked as Mark X-21 and it runs into 03 pages.

I have presented the photocopies of the written communication made by Navsari People's Co. O. Bank Ltd with Home Trade Ltd regarding the securities, including the photocopies of the documents and the cheques which are written in English, and marked as Mark X-11 and it runs into 15 pages.

I have presented the photocopies of the written communication made by Navsari People's Co. Op. Bank Ltd regarding the registration with Reserve Bank, including the information related to it and the letter in

English and it has been marked as Mark X-23 and it runs into 16 pages.

I have presented the photocopies of the information regarding the Euro Asian Securities Ltd that was established out of Home Trade Ltd and it is in English and marked as Mark X-24, and it runs into four pages.

I have presented the sheet showing the information of the financial transactions made by Navsari People's Co. Op. Bank Ltd with Home Trade Ltd including the photocopies of the contract notes of the government security written in English, and marked as Mark x-25 and it runs into 90 pages.

I have presented the photocopies of the sheets showing the information regarding the transactions (Financial) regarding the government securities of Navsari People's Co. Op. Bank Ltd with Giltedge Management, Ketan Sheth, and Euro Asian Securities, including the photocopies of the contract notes and the photocopies of the government securities which are written in English, and marked as Mark X-26 and they runs into 48 pages.

I have presented photocopies of the written communication made with Niraj, Surati and Associates, Chartered Accountant, who was earlier the advisor of the bank and during the period during which he was the advisor, the said written communication had taken place, and the photocopies of the documents of the selling and purchasing of the securities which are written in English, and marked as Mark x-27 and they run into 48 pages.

All above mentioned photocopies of the documents bear the signature of the general manager of the bank Bhanuprasad Harishankar and the round seal of the bank. I will give my further statement tomorrow.

The above fact stated by me is true and correct.

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Before,
Sd/- Illegible
Police Sub Inspector
Navsari Town Police Station

Navsari Town Police Station I-CR No. 93/2002 IPC Section 406, 420, 421, 422 etc.

Date: 02/09/2002

My name is Arvinbhai Rambhai Soni, aged 45, occupation: Job, Res. Navsari, Rajmahel Apartment No. 1, 2nd Floor, Room No. 9, Opp. Vasant Talkies, Ta. & Dist. Navsari.

On being asked further, I state that today you sir have read over to me my statements given earlier and the fact stated by me in the said statements are true and correct and on being asked further, I state that the manager of Navsari People's Co. Op. Bank Ltd had asked me to prepare the photocopies of the documents deal wise regarding the seals of the purchase and selling made by Navsari People's Co. Op. Bank Ltd with Home Trade Ltd., and as the photocopies have become ready today, I state in this regard that,

- (1). First, Navsari People's Co. Op. Bank had purchased the government securities of Rs. 26,49,145.83 paisa of the original price of Rs. 25 lakh through the Contract Note No. 6224 from Home Trade Ltd on 30/12/1999 and had paid its amount vide Cheque No. 383514 dated 06/01/2000 of Maharashtra State Co. O. Bank, and its physical delivery has been received, and it has been registered in the name of Navsari People's Co. O. Bank, and its security no is AD 0032 Ahmedabad.
- (2). On 16/02/2000, through the contract note no. 6237, the bond of Rs. 2,15,82,876.71 of Maharashtra Krishna Valley Development Corporation (MKVDC) of the original price of Rs. 2 crore that were sold to Home Trade and in return, Navsari People's Co. O. bank purchased the government securities of the price of Rs. 2,02,3,2777.78 of the original price of Rs. 2 crore through contract note no. 6230 from Home Trade Ltd and the amount

of difference of Rs. 1350099.93 got deposited in the bank account of Navsari People's Bank of State Bank of India, Navsari on 19/12/2000 vide DD No. SB/1/3992-94 dated 17/02/2000 of Bank of Hyderabad of the amount of Rs. 10 lakh, and the DD No. SB/1/65245.4 dated 17/12/2000 of Rs. 350098.93.

(3). On 22/02/2002, As per the contract note no. 6243 and 6241, the government securities of Rs. 4,31,25,833.33 whose face value is Rs. 4 crore were sold to Home Trade Ltd. Both the securities were in the name of Navsari People's Co. O. Bank. Against the said selling, Navsari People's Bank had purchased the government security of Rs. 4053388.59 of the face value of Rs. 4 crore vide contract note no. 6245 from Home Trade Ltd. The total amount of difference of Rs. 2591944.44 paisa was received from Home Trade vide the DD No. 399297 dated 24/02/2000 of State Bank of Hyderabad, Fort Branch, Mumbai, and the bank had received the said amount. Besides, a letter was written to the Reserve Bank regarding the transfer of the said purchased security and a receipt has been received from the Reserve Bank in this regard. It was given to Reserve Bank of India, Ahmedabad vide receipt no. 1305 dated 16/08/2000 for the transfer in the name of the bank.

(4). On 14/03/2000, through the contract note no. 6287, the government securities of Rs. 21,21,777.68 paisa of the face value of Rs. 2 crore were sold to Home Trade Ltd by the bank. Against the said consideration amount, the bank purchased the government securities of Rs. 20318000/- of the face value of Rs. 2 crore vide the contract note no. 6289 from Home Trade Ltd. The total amount of Rs. 889777.78 of the difference was received by the bank from Home Trade vide the DD No. 652639 dated 15/03/2000 of State Bank of Hyderabad, Fort Branch, Mumbai. The securities sold in this deal had got transferred in the name of Navsari

People's Co. O. Bank, and in order to transfer the purchased securities in the name of Navsari People's Bank, Navsari, the receipt no. 7345 dated 17/08/2000 of the Public Dept office of Reserve Bank of India, Ahmedabad branch has been received.

(5). Thereafter, on 20/09/2000, vide contract note no. 10391, the securities (GOI) of the face value of Rs. 2 crore and vide contract note no. 10689, the securities of total Rs. 81,72,31,166.67 of the face value of Rs. 6 crore were sold to Home Trade Ltd by the bank. Against the consideration amount of said selling by the bank, as per the contract no. no. 10403, 10410 and 10393, the securities (GOI) of Rs. 83276333.33 of the face value of Rs. 8 crore were purchased by the bank from Home Trade Ltd, and the bank had sent the cheque no. 84401 of Rs. 1553166.66 of the amount of difference of HDFC Bank to Home Trade Ltd and the said purchased GOI securities had got transferred in the name of Navsari People's Co. O. Bank.

(6). On 01/12/2000, vide contract note no. 11153 and 11159, the bond of Sardar Sarovar Narmada Ltd of the face value of Rs. 5 crore and the bond of Maharashtra Krishna Valley Development Corporation of Rs. 25 lakh, and the bond of Rs. 55178328.77 were sold to Home Trade Ltd. Besides, as per the contract note no. 11151, the GOI Security of Rs.33463543.75 of the original price (Face Value) of Rs. 3, 25, 00,000/- were purchased by the bank from Home Trade Ltd, and the total amount of the difference of Rs. 21714785.02 was directly deposited in the current account of Navsari People's Co. Op. Bank in HDFC Bank through cheque on 07/12/2000.

(7). On 20/02/2001, vide contract note no. 12091, the GOI securities of the face value of Rs. 1 crore was sold by the bank to Home Trade Ltd at the price of Rs. 1,06,21,875/- and the amount of the difference of Rs. 10621875/- was directly deposited in the HDFC Bank Surat of the account of the bank by the bank through the cheque no. 901918 dated 22/02/2001

of Mumbai Fort Branch, and the said amount got deposited in the account of the Bank.

(8). Thereafter, on 12/04/2001, through contract note no. 12753, the GOI securities of Rs. 1,33,15312.50 of the face value of Rs. 1 crore 25 lakh was purchased by the bank from Home Trade Ltd and had paid its amount vide cheque no. 009295 dated 16/04/2001 of UTI Bank, Valsad Branch, and the bank has not received its physical delivery, but Home Trade Ltd has sent only the transfer form and the photocopies of the security to the bank.

(9). Then, on 02/05/2001, vide contract note no. 12883 and 12881, Home Trade Ltd sold the security of Rs. 8243284.33 paisa of the face value of Rs. 75 lakh to Navsari People's Bank Ltd and against it, vide contract note no. 12745, the bank purchased the securities of Rs. 7681237.50 of the original price of Rs. 75 lakh from Home Trade Ltd and the amount of the difference of Rs. 562047.23 paisa was deposited in the account of the bank vide cheque no. 111446 in HDFC Bank. Its physical delivery has not been received.

(10). On 25/05/2001, vide contract note no. 13113 and 13115 and 13117 and 13119, the GOI security of Rs. 11,75,00,000/- was sold by the bank to Home Trade at the selling price of Rs. 12,98,38,077.09 and against it, as per contract note no. 13121, 13123, and 13125, the security of the original price of Rs. 12 crore 50 lakh was purchased by the bank from Home Trade Ltd at the price of Rs. 128592333.33 and the amount of the difference of Rs. 1245703.76 was deposited in the bank account of Navsari People's Co. Op. Bank at HDFC Bank, Surat through the cheque dated 25/05/2001 vide cheque no. 923001 of Janata Sahakari Bank, Pune, and in it, the purchased securities have not got transferred in the name of Navsari People's Bank, and the photocopies of the papers of the names of others were received from Home Trade Ltd.

(11). On 14/08/2001, through contract note no. 6669, 6667, 6665, and 6671, the GOI security whose original price was Rs. 2.5 crore was sold to Home Trade Ltd by the bank at the price of Rs. 2,79,71,844.40. Against it, the bank had purchased the security of Rs. 6, 10, 57,675/- of the face value of Rs. 6 crore from Home Trade Ltd as per the contract note no. 6675, 6673. The amount of difference was paid by the bank to Home Trade Ltd and the amount of Rs. 25 lakh was paid to Home Trade Ltd through the draft no. 383102, 382108 and 303104 written at Punjab National Bank, Mumbai and through the cheque no. 047853 written at UTI Bank, Mumbai, the amount of Rs. 30985830.57 was paid through the bank account of Navsari People's Co. Op. Bank in Valsad UTI. In it, the bank had received physical delivery of Rs. 50 lakh as per the contract note no. 6667 and 6665, and had received and the photocopies of the papers of the names of others of the other security.

(12). On 19/09/2001, through the contract note no. 6765, 6767, 6763, and 6761, the bank had sold the government security of the face value of Rs. 13 crore 25 lakh to Home Trade Ltd at the selling price of Rs. 14,28,33,236.11 paisa, and the bank had purchased the security of the face value of Rs. 15 crore at the selling price of Rs. 15,14,52,236.12 paisa from Home Trade Ltd through the contract no. 6773, 6775, 6769, and the amount of its difference of Rs. 86,19,000.01 paisa was paid by the bank to Home Trade Ltd vide cheque no. 041939 dated 20/09/2001 of HDFC Bank. Of the said purchased securities, the security of Rs. 75 lakh had got transferred in the name of Navsari People's Bank, and Home Trade Ltd had sent the photocopies of the names of others of the remaining security to the bank.

(13) Thereafter, on 17/10/2001, through the contract note no. 6809, the security of Rs. 5 crore, whose selling price was Rs. 5, 22, 07,416.69 paisa was sold to Home Trade Ltd by the bank. Besides, through the contract

note no 2015, the GOI security of the face value of Rs. 5 crore was purchased by the bank from Home Trade Ltd at the price of Rs. 5, 02, 27,361.11 paisa, and the amount of difference of Rs. 19, 80,055.56 paisa was deposited by Home Trade Ltd in the bank account in HDFC Bank-Surat of Navsari People's Bank vide cheque no. 257022 dated 20/10/2001. The bank has not received the physical delivery of the said purchased security.

(14). On 05/11/2001, through the contract note no. 6879, and 6881, and 6877, and 6875 and 6883 of Home Trade Ltd, the government security of the original price of Rs. 21 crore was sold by the bank to Home Trade Ltd at the selling price of Rs. 22,63,83,405.55, and against it, through the contract note no. 6885, 6889, 6887, 6893, and 6891, the government security of the original price of Rs. 19,60,00,000/- was purchased by the bank from Home Trade Ltd at the purchase price of Rs. 22,15,68,317.79 paisa and the amount of its difference of Rs. 48,15,087.76 was deposited by the Home Trade Ltd in the HDFC bank account of Navsari People's Bank at Surat vide the cheque no. 217072 dated 13/11/01 in the HDFC bank. The physical delivery of the securities purchased in this deal has not been received.

(15). On 28/11/2001, through the contract note no. 6899, the government security of the original price of Rs. 5 crore was sold by Navsari People's Bank to Home Trade Ltd at the selling price of Rs. 5,65,15,277.78 and through the contract note no. 6901 of Home Trade Ltd, the GOI security of the original price of Rs. 5, 40, 00, 000/- was purchased by the bank from Home Trade Ltd at the purchase price of Rs. 6,12,56,835/- and the amount of its difference of Rs. 37,41,557.22 paisa was paid to Home Trade Ltd by Navsari People's Bank, i.e. the amount of Rs. 15 lakh vide cheque no. 573236 dated 05/12/2001 of HDFC Bank, and Rs. 9 lakh and Rs. 9 lakh

and Rs. 4,41,557.00 was paid on 15/12/2001 in Punjab National Bank vide draft no. 652749, and 652750, and 652751 respectively. The bank has not received the physical possession of the said purchased security.

(16). On 19/03/2002, through contract note no. 7395, 9397, 7405, 7411 of Home Trade Ltd., the GOI security of the original price of Rs. 20 crore was sold to Home Trade Ltd by the bank at the selling price of Rs. 24,82,12,344.44, and against it, through the contract note no. 7453, 7413, 7455, 7401, 7399 of Home Trade Ltd, the bank had purchased the government security of the original price of Rs. 23,60,00,000/- from Home Trade Ltd at the purchase price of Rs. 24,76,52,925/-, and the amount of its difference of Rs. 5,59,419.44 has been received by the bank vide cheque no. 984100 dated 19/03/2002 of HDFC Bank.

The above sixteen deals of the purchase and selling of the government securities were made by Navsari People's Co. Op. Bank Ltd with Home Trade Ltd Company. The photocopies of the contract notes of the said deals / transactions and the photocopies of the government securities received from Home Trade Ltd company and the photocopies transaction wise which were available marked from Mark (Illegible-unreadable) to Mark (Illegible – unreadable – as the top first line of source language is not readable /not printed), have been produced before you. As per the rules of the Reserve Bank of India regarding the Government securities, and as per the resolution passed by the Board of Directors of Navsari People's Co. Op. Bank Ltd and as decided by the Investment committee appointed by the board of directors of the bank, I am doing the work of keeping and maintaining the record of the registers of the procedure regarding the investment in government securities, and the record of the written communication and I alone do this work as per the instruction of the general manager of the bank. As per my knowledge, the

SGL account in Navsari People's Co. Op. Bank Ltd as per the Rules of the Reserve Bank of India, the SGL account no. AD SL 0092 is in HDFC Bank, Ahmedabad, and as per Mumbai Account No. BY SL 0727, it was opened vide the letter dated 18/08/2001. But Navsari People's Co. Op. Bank Ltd has not made the trading (purchasing and selling) of the government securities through the said account number because its process takes long time. Therefore, the process has not been done through SGL account, I believe. After the inspection conducted by the officers of Reserve Bank in Navsari People's Co. Op. Bank Ltd, the officers of RBI have lodged complaint against Navsari People's Co. Op. Bank Ltd in Navsari Court registered vide C. C. No. 3088/2002 under the Banking Regulation act, 1949 and IPC Section 34. A photocopy of it marked as Mark X-31 of 12 pages is being produced by me. Besides, since the bank had trust on Home Trade Ltd, Mumbai, it did not make serious and repeated attempts to get the physical delivery of the government securities because the amount of the difference of the purchase and selling was regularly received from Home Trade Ltd.

The above fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town Police Station

Date: 06/09/2002

My name is Arvindbhai Rambhai Soni, Res. Navsari, Rajmahel Apartment-1, 2nd Floor, Room No. 9, Opp. Vasant Talkies, Ta. & Dist. Navsari.

Today, you sir have read over to me my statements recorded earlier and they are true and correct as stated by me and as Home Trade Ltd. Mumbai has committed fraud of huge amount with Navsari People's Co. Op. Bank Ltd, and on being asked in this regard, I state that as per the rule of the reserve bank regarding the trading of the government security, the system of the bank is that first a resolution is passed in the investment committee and then the transactions / deals are made. At the time of the said deals of the purchase and selling of the government securities, I was doing the work of the accounts of the purchase and selling of the securities, written communication, and the maintenance of the registers as per the instruction of the then manager. At the time of the said deals of the trading (purchasing / selling) of the securities, first there was Govindbhai E. Doshi as the manager of Navsari People's Co. Op. Bank Ltd., and then there was Yashwantbhai Gulabbhai Desai and then there was Dhirubhai Nayak as the manager on duty and I was doing the said work as per their instruction. The investment committee was taking the decision regarding the purchase and selling of the government security. Besides, till the government security is not registered in the name of Navsari People's Co. Op. Bank Ltd., it cannot be sold. That is, till the physical possession of the security is not received, it cannot be sold as per the rule about which I am not aware.

As per the rules of the Reserve Bank, the Navsari People's Co. Op.

Bank Ltd has not made the purchasing and selling of the government securities through SGL (Subsidiary General Ledger) account because it is a lengthy process and as per the said rule, Navsari People's Co. Op. Bank Ltd opened the SGL account in August 2001, and as this rule is not compulsory, therefore, the purchasing and selling of the security has not been made through SGL account. When Navsari People's Co. Op. Bank Ltd opened the SGL account, the bank had not received any physical delivery.

As Home Trade Ltd was a broker, it is natural that there will be the transactions of the commission but in the transactions of Navsari People's Co. Op. Bank Ltd with Home Trade Ltd, I have not found or seen anything like commission.

Reserve Bank of India has lodged a complaint with Hon'ble Navsari Court against the directors and the chairman of Navsari People's Co. Op. Bank Ltd. I have no idea whether there in breach of Banking Regulation Act in it but it is a fact that the complaint has been lodged by the Reserve Bank of India.

I have no idea regarding the fact that the Registrar of the Cooperative Banks, Gandhinagar, and the officers of Reserve Bank conducted the inquiry of Navsari People's Co. Op. Bank Ltd., and have written the comments regarding the fact that the trading of the security.

I the deal made by Navsari People's Co. Op. Bank Ltd. With Home Trade Ltd regarding the securities, the bank has not received the physical possession of the securities of Rs. 24, 76, 52925/-. In this regard, I have no responsibility because I had attempted to get the physical possession of the securities as per the instruction of the manager of the bank. Besides, due to the trust on the said Home Trade Ltd., the Home Trade Ltd has committed fraud and cheating with the bank.

The above further fact stated by me is true and correct.

Before,

Sd/- Illegible

Police Sub Inspector

Navsari Town PS

Transaction No. 1

- **Date:** 30/12/1999
- **Contract No.:** 6224
- **Details:** Purchased Government of India (GOI) securities with a face value of Rs. 25 lakh at a total cost of Rs. 26,49,145.83 (12.30% GOI 2016) from Home Trade Ltd.
- **Payment:** Paid Rs. 26, 49,145.83 via Maharashtra State Co-operative Bank (MSC Bank) cheque no. 383514 dated 06/01/2000.
- **Status:** Contract note and physical security received.

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Transaction No. 2

- **Date:** 16/02/2000
- **Details:**
 - **Contract No.:** 6237: Sold securities of Rs. 2 crore face value for Rs. 2,15,82,876.71 (14.35% MKVDC 2005) to Home Trade Ltd.
 - **Contract No.:** 6239: Purchased GOI securities of Rs. 2 crore face value for Rs. 2,02,32,777.78 (10.25% GOI 2012) from Home Trade Ltd.
 - **Difference Amount:** Rs. 13, 50,098.93 received from Home Trade Ltd. via Bank of Hyderabad demand drafts (DD) nos. SB/1/399284 (Rs. 10 lakh) and SB/1/652454 (Rs. 3, 50,098.93) dated 17/02/2000, credited to State Bank of India, Navsari, through clearing on 19/02/2000.
- **Status:** Contract note available; no zerox of physical security.

Page No.: 441

Transaction No. 3

- **Date:** 22/02/2000
 - **Details:**
 - **a)** Contract No. 6243: Sold GOI securities of Rs. 3 crore face value for Rs. 3,20,55,000.00 (11.25% GOI 2005) to Home Trade Ltd.
 - **b)** Contract No. 6241: Sold GOI securities of Rs. 1 crore face value for Rs. 1,10,70,833.33 (11.50% GOI 2005) to Home Trade Ltd.
 - **Total Sale Amount:** Rs. 4,31,25,833.33
 - **Contract No.:** 6245: Purchased GOI securities of Rs. 4 crore face value for Rs. 4,05,33,888.89 (10.25% GOI 2012) from Home Trade Ltd.
 - **Difference Amount:** Rs. 25, 91,944.44 received from Home Trade Ltd. via State Bank of Hyderabad DD no. 399297 dated 24/02/2000.
 - **Status:** Contract note for purchase and sale available; zero of physical security for sale available, none for purchase.
- Page No.:** 442

Transaction No. 4

- **Date:** 14/03/2000
 - **Details:**
 - **Contract No.:** 6287: Sold GOI securities of Rs. 2 crore face value for Rs. 2,12,17,777.78 (11.00% GOI 2002) to Home Trade Ltd.
 - **Contract No.:** 6289: Purchased GOI securities of Rs. 2 crore face value for Rs. 2,03,18,000.00 (10.80% GOI 2008) from Home Trade Ltd.
 - **Difference Amount:** Rs. 8, 99,777.78 received from Home Trade Ltd. via State Bank of Hyderabad DD no. 652639 dated 15/03/2000.
 - **Status:** Contract note for purchase and sale available; zerox of physical security for sale available, none for purchase.
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Transaction No. 5

- **Date:** 20/09/2000
 - **Details:**
 - **a)** Contract No. 10391: Sold GOI securities of Rs. 2 crore face value for Rs. 2,03,84,000.00 (10.80% GOI 2008) to Home Trade Ltd.
 - **b)** Contract No. 10389: Sold GOI securities of Rs. 6 crore face value for Rs. 6,13,39,166.67 (10.25% GOI 2008) to Home Trade Ltd.
 - **Total Sale Amount:** Rs. 8,17,23,166.67
 - **Contract No. 10403:** Purchased GOI securities of Rs. 2 crore face value for Rs. 2,01,93,000.00 (11.40% GOI 2008) from Home Trade Ltd.
 - **Contract No. 10410:** Purchased GOI securities of Rs. 3 crore face value for Rs. 3,14,83,333.33 (11.50% GOI 2010) from Home Trade Ltd.
 - **Contract No. 10393:** Purchased GOI securities of Rs. 3 crore face value for Rs. 3,16,00,000.00 (11.50% GOI 2015) from Home Trade Ltd.
 - **Total Purchase Amount:** Rs. 8,32,76,333.33
 - **Difference Amount:** Rs. 15, 53,166.66 paid to Home Trade Ltd. via HDFC Bank cheque no. 84401.
 - **Status:** Contract note for purchase and sale available; zerox of physical security for purchase available, none for sale.
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Transaction No. 6

- **Date:** 01/12/2000
- **Details:**
 - a) Contract No. 11153: Sold bonds of Rs. 5 crore face value for Rs. 5,26,48,287.67 (13.90% SSNL 2009) to Home Trade Ltd.
 - b) Contract No. 11159: Sold bonds of Rs. 25 lakh face value for Rs. 25,30,071.10 (12.90% MKVDC 2005) to Home Trade Ltd.
 - **Total Sale Amount:** Rs. 5,51,78,328.77
 - **Contract No. 11151:** Purchased GOI securities of Rs. 3.25 crore face value for Rs. 3,34,63,543.75 (11.43% GOI 2015) from Home Trade Ltd.
 - **Difference Amount:** Rs. 2, 17, 14,785.02 credited to Navsari People's Co-operative Bank Ltd.'s current account at HDFC Bank on 07/12/2000.
- **Status:** Physical securities of Rs. 2.50 crore face value in the bank's name; Rs. 75 lakh face value in Home Trade's name; contract note for Rs. 3.25 crore available.

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Transaction No. 7

- **Date:** 20/02/2001
- **Contract No.:** 12091
- **Details:** Sold GOI securities of Rs. 1 crore face value for Rs. 1,06,21,875 (11.25% GOI 2005) to Home Trade Ltd.
- **Payment:** Rs. 1, 06, 21,875 credited to Navsari People's Co-operative Bank Ltd.'s current account at HDFC Bank, Surat, via HDFC Bank, Mumbai Fort, cheque no. 901918 on 22/02/2001.
- **Status:** Contract note for sale available; no zerox of physical security.

Transaction No. 8

- **Date:** 12/04/2001
- **Contract No.:** 12753
- **Details:** Purchased GOI securities of Rs. 1.25 crore face value for Rs. 1,33,15,312.50 (11.43% GOI 2015) from Home Trade Ltd.
- **Payment:** Paid Rs. 1, 33, 15,312.50 via UTI Bank cheque no. 009295 dated 16/04/2001.
- **Status:** Contract note for Rs. 1.25 crore available; zerox of physical security in Home Trade's name; zerox of UTI Bank cheque paid to Home Trade available.

Transaction No. 9

- **Date:** 02/05/2001
- **Details:**
 - a) Contract No. 12883: Sold GOI securities of Rs. 50 lakh face value for Rs. 54,08,680.56 (11.90% GOI 2007) to Home Trade Ltd.
 - b) Contract No. 12881: Sold GOI securities of Rs. 25 lakh face value for Rs. 28,34,604.17 (12.30% GOI 2016) to Home Trade Ltd.
 - **Total Sale Amount:** Rs. 82,43,284.73
 - **Contract No. 12885:** Purchased GOI securities of Rs. 75 lakh face value for Rs. 76,81,237.50 (10.71% GOI 2016) from Home Trade Ltd.
 - **Difference Amount:** Rs. 5, 62,047.23 credited to Navsari People's Co-operative Bank Ltd.'s current account at HDFC Bank via cheque no. 111446 on 03/05/2001.
- **Status:** Contract note for purchase and sale available; no zerox of physical security; zerox of Home Trade's adjustment letter and bank certificate for deposit available.

Transaction No. 10

- **Date:** 25/05/2001
- **Details:**
 - **a)** Contract No. 13113: Sold GOI securities of Rs. 3 crore face value for Rs. 3,24,92,916.67 (11.50% GOI 2015) to Home Trade Ltd.
 - **b)** Contract No. 13115: Sold GOI securities of Rs. 3 crore face value for Rs. 3,28,41,250.00 (11.50% GOI 2010) to Home Trade Ltd.
 - **c)** Contract No. 13117: Sold GOI securities of Rs. 2.50 crore face value for Rs. 2,80,84,166.67 (11.40% GOI 2008) to Home Trade Ltd.
 - **d)** Contract No. 13119: Sold GOI securities of Rs. 3.25 crore face value for Rs. 3,64,19,743.75 (11.43% GOI 2015) to Home Trade Ltd.
 - **Contract No. 13121:** Purchased GOI securities of Rs. 2.50 crore face value for Rs. 2,56,27,638.89 (10.70% GOI 2020) from Home Trade Ltd.
 - **Contract No. 13123:** Purchased GOI securities of Rs. 5 crore face value for Rs. 5,06,77,391.11 (10.45% GOI 2018) from Home Trade Ltd.
 - **Contract No. 13125:** Purchased GOI securities of Rs. 5 crore face value for Rs. 5,22,87,333.33 (10.47% GOI 2015) from

Home Trade Ltd.

- **Difference Amount:** Rs. 12, 45,743.76 received from Home Trade Ltd. via Janata Sahakari Bank, Pune, and cheque no. 923001 dated 25/05/2001, credited to Navsari People's Co-operative Bank Ltd.'s account at HDFC Bank.
- **Status:** Contract note for purchase and sale available; zerox of physical security for purchase in Home Trade's name; zerox of physical security for sale available (11.43% GOI 2015, Rs. 2.50 crore face value in bank's name; Rs. 75 lakh in Home Trade's name); zerox of adjustment letter, cheque of the net difference of consideration, and bank certificate of clearing of the cheque available.

Transaction No. 11

- **Date:** 14/08/2001
- **Details:**
 - a) Contract No. 6699: Sold GOI securities of Rs. 1.25 crore face value for Rs. 1,39,85,718.75 (11.43% GOI 2015) to Home Trade Ltd.
 - b) Contract No. 6667: Sold GOI securities of Rs. 25 lakh face value for Rs. 28,83,784.72 (11.50% GOI 2011) to Home Trade Ltd.
 - c) Contract No. 6665: Sold GOI securities of Rs. 25 lakh face value for Rs. 28,83,784.72 (11.50% GOI 2011) to Home Trade Ltd.
 - d) Contract No. 6671: Sold GOI securities of Rs. 75 lakh face value for Rs. 82,18,556.25 (10.71% GOI 2016) to Home Trade Ltd.
 - **Contract No. 6675:** Purchased GOI securities of Rs. 3 crore face value for Rs. 3,11,74,166.60 (10.25% GOI 2021) from Home Trade Ltd.
 - **Contract No. 6673:** Purchased GOI securities of Rs. 3 crore face value for Rs. 3,02,83,508.33 (10.03% GOI 2019) from Home Trade Ltd.
 - **Difference Amount:** Paid Rs. 3,34,85,830.56 to Home Trade Ltd. via Punjab National Bank drafts nos. 383102, 383103, 383104 (Rs. 9 lakh, 9 lakh, 7 lakh) and UTI Bank cheque no. 040853 (Rs. 3,09,85,830.56).
- **Status:** Contract note for purchase and sale available; zerox of

physical security for 11.50% GOI 2011 (Rs. 25 lakh) available; zerox of physical security for 11.43% GOI 2015 (Rs. 1.25 crore) in Home Trade's name; no zerox for 10.71% GOI 2016 (Rs. 75 lakh); zerox of adjustment letter, cheque/draft, and bank certificate available.

Transaction No. 12

- **Date:** 19/09/2001
- **Details:**
 - **a)** Contract No. 6795: Sold GOI securities of Rs. 5 crore face value for Rs. 5,41,96,458.33 (10.45% GOI 2018) to Home Trade Ltd.
 - **b)** Contract No. 6767: Sold GOI securities of Rs. 75 lakh face value for Rs. 86,50,000.00 (11.50% GOI 2015) to Home Trade Ltd.
 - **c)** Contract No. 6763: Sold GOI securities of Rs. 5 crore face value for Rs. 5,26,92,125.00 (11.47% GOI 2015) to Home Trade Ltd.
 - **d)** Contract No. 6761: Sold GOI securities of Rs. 2.50 crore face value for Rs. 2,72,94,652.78 (11.70% GOI 2020) to Home Trade Ltd.
 - **Contract No. 6773:** Purchased GOI securities of Rs. 5 crore face value for Rs. 5,10,80,291.67 (9.39% GOI 2011) from Home Trade Ltd.
 - **Contract No. 6771:** Purchased GOI securities of Rs. 5 crore face value for Rs. 5,01,80,555.56 (9.40% GOI 2012) from Home Trade Ltd.
 - **Contract No. 6769:** Purchased GOI securities of Rs. 5 crore face value for Rs. 5,01,91,388.89 (10.18% GOI 2026) from Home Trade Ltd.

- **Difference Amount:** Paid Rs. 86, 19,000.01 to Home Trade Ltd. via HDFC Bank cheque no. 041939 dated 20/09/2001.
- **Status:** Contract note for purchase and sale available; zerox of physical security for 11.50% GOI 2015 (Rs. 75 lakh) available; zerox of physical securities for other three coupons in Home Trade's name; zerox of adjustment letter, cheque, and bank certificate available.

Transaction No. 13

- **Date:** 17/10/2001
- **Details:**
 - **Contract No. 6809:** Sold GOI securities of Rs. 5 crore face value for Rs. 5,22,07,416.67 (9.39% GOI 2011) to Home Trade Ltd.
 - **Contract No. 2015:** Purchased GOI securities of Rs. 5 crore face value for Rs. 5,02,27,361.11 (9.85% GOI 2015) from Home Trade Ltd.
 - **Difference Amount:** Rs. 19,80,055.56 received from Home Trade Ltd. via HDFC Bank cheque no. 257022 dated 23/10/2001, credited to Navsari People's Co-operative Bank Ltd.'s account at HDFC Bank.
- **Status:** Contract note for purchase and sale available; no zerox of physical security; zerox of adjustment letter, cheque, and bank certificate available.