

IN THE HIGH COURT OF JUDICATURE AT BOMBAY;
NAGPUR BENCH, NAGPUR

CRIMINAL REVISION APPLICATION NO. _____ OF 2026

DISTRICT : NAGPUR

Sanjay Hariram Agarwal.

...APPLICANT

(Original Accused)

Versus

State of Maharashtra

...RESPONDENTS

(Org. Applicant)

INDEX

Sr. No.	Ann e.	Particulars	Date	Page No.
1	-	Synopsis	09.02.2026	I-IV
2	-	Criminal Revision U/s 397 & 401 of Criminal Procedure Code.	09.02.2026	1-52
3	-	List of Annexures	09.02.2026	53-54
4	A	True copy of Application, Exh. No. 3666 filed before the 2 nd Addl. Chief Judicial Magistrate Nagpur.	09.01.2025	55-78
5	B	True copy of order passed by	11.11.2025	55-78

		the 2 nd Chief Judicial Magistrate (Spl. Court for S. 138 N.I. Act) Nagpur.		79-90
6	C	True copy of order passed by the 2 nd Addl. Chief Judicial Magistrate, Nagpur.	26.11.2025	91-95
6	D	True copy of Contract Note.	08.01.2026	96-111
7	E	True copy of Balance Sheet for 2000-2001.	-	112-151

NAGPUR


COUNSEL FOR APPLICANT

DATED: 09.02.2026 (ADV. SAGAR KISHOR LAMBAT)

I

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

BENCH AT NAGPUR

CRIMINAL REVISION APPLICATION NO. OF 2026

DISTRICT : NAGPUR

Sanjay Hariram Agarwal.

...APPLICANT

(Original Accused)

Versus

State of Maharashtra

...RESPONDENTS

(Org. Applicant)

SYNOPSIS

SR. NO.	DATE	PARTICULARS
1	2002	NDCC Bank entered into Government Securities transactions with Home Trade Ltd. (HTL) on principal-to-principal basis. Payments made in ordinary commercial course
2	2002	FIR registered at Ganesh Peth Police Station alleging offences under Sections 406, 409,

		468, 471, 120-B IPC against HTL and its Directors including the present Applicant.
3	2002	Charge-sheet filed and Regular Criminal Case No.147/2002 (earlier RCC No.573/2002) registered before Ld. A.C.J.M., Nagpur.
4		Applicant filed proceedings before Hon'ble High Court for clubbing of cases. Trial against Applicant remained stayed.
5	22.12.23	Co-accused tried separately and convicted. Applicant was not party to said trial and had no opportunity to cross-examine witnesses.
6	2025	Proceedings against Applicant revived. Separate trial directed to proceed.
7		Applicant filed application for discharge under Section 239 Cr.P.C. below Exh. 3666 contending absence of ingredients of offences and lack of personal role.
8	11.11.25	Ld. 2nd Addl. Chief Judicial Magistrate, Nagpur rejected discharge application relying upon findings recorded in judgment against

		co-accused and without independent evaluation of material.
9	26.11.25	Ld. Magistrate framed charges under Sections 120-B, 406, 409, 468, 471 r/w 34 IPC against Applicant mechanically.
10		Hence, the present Criminal Revision under Sections 397 & 401 Cr.P.C. challenging orders dated 11.11.2025 and 26.11.2025.
<u>POINTS TO BE HEARD :-</u>		<p>1] Whether discharge under Section 239 Cr.P.C. ought to have been granted when the charge-sheet does not disclose ingredients of the alleged offences?</p> <p>2] Whether findings recorded in a separate trial of co-accused can be relied upon against the Applicant?</p> <p>3] Whether principal-to-principal commercial transactions constitute "entrustment" so as to attract Sections 406/409 IPC?</p>

IV

	<p>4] Whether absence of a "false document" attracts offences under Sections 468/471 IPC?</p> <p>5] Whether mere designation as Director creates criminal or vicarious liability under IPC?</p> <p>6] Whether continuation of criminal prosecution in a purely commercial dispute amounts to abuse of process of law?</p>
<p><u>ACTS</u> & <u>RULES :-</u></p>	<p>1. Code of Criminal Procedure, 1973 2. Indian Penal Code, 1860</p>
<p><u>AUTHORITIES:-</u></p>	<p>At present nil.</p>

NAGPUR


COUNSEL FOR APPLICANT

DATED: 09.02.2026 (ADV. SAGAR KISHOR LAMBAT)

1

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT NAGPUR.

CRIMINAL REVISION APPLICATION NO. OF
2026.

DISTRICT : NAGPUR.

ACT CODE: 09, Sub-code - 19

IN THE MATTER OF UNDER
SECTION 397 & 401 OF
CRIMINAL PROCEDURE CODE.

AND

IN THE MATTER OF ORDER
DATED 11.11.2025 PASSED BY
THE LD. 2ND ADDL. CHIEF
JUDICIAL MAGISTRATE,
NAGPUR R.C.C. NO. 573/2002
BELOW EXH. 3666.

Sanjay Hariram Agarwal,

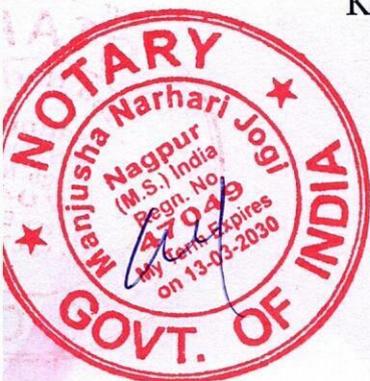
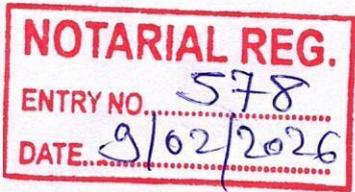
Age: 60 Years, Occu, : Business,

R/o 7 Hari Sava Street, Kidderpore,

Kolkata-700023, West Bengal.

....APPLICANT

(Original Accused)



VERSUS

1] The State Of Maharashtra,

Through Ganesh Peth Police Station, Nagpur,

Tq. & Dist. : Nagpur.

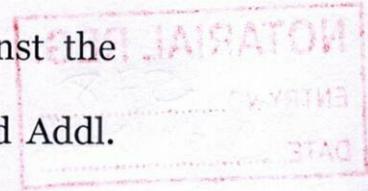
...RESPONDENT

(Org. Applicant)

**CRIMINAL REVISION UNDER SECTION 397 & 401 OF
CRIMINAL PROCEDURE CODE**

MOST RESPECTFULLY SHOWETH AS UNDER:-

1. The present Criminal Revision is filed against the order dated 11.11.2025 passed by the Ld. 2nd Addl. Chief Judicial Magistrate, Nagpur, whereby the application for discharge filed under Section 239 CrPC by the Applicant(Accused No.3) has been rejected and against the order of Framing charge dated 26.11.2025 passed by the Ld. 2nd Addl. Chief Judicial Magistrate, Nagpur whereby charges under sections 120B, 406 r/w 120B or 406 r/w 34, 409 r/w 120B or 409 r/w 34, 468 r/w 120B or 468 r/s 34, 471



r/w 120B or 471 r/w 34 have been framed against the applicant.

2. FACTUAL ALLEGATIONS:

- A. That the prosecution case, as reflected from the charge-sheet and materials referred in the impugned order, pertains to a series of investment transactions undertaken by Nagpur District Central Co-operative Bank (hereinafter “NDCC Bank”) in the course of its investment operations in Government Securities. For this purpose, NDCC Bank entered into transactions with Home Trade Limited (hereinafter “HTL”), a registered entity engaged in the business of securities-related transactions. HTL is registered with the Reserve Bank of India (hereinafter “RBI”) for dealing in Government Securities vide Registration no. 6-H/82.
- B. As part of these dealings, NDCC Bank is alleged to have placed purchase orders for Government of India Securities with HTL. Payments



corresponding to such purchase transactions were made by the Bank to HTL over a period of time, These payments were credited to corporate bank accounts of HTL maintained in the ordinary course of business.

- C. The Applicant herein was one of the Directors of HTL at the relevant time and, as per the prosecution, was authorised to operate company accounts and sign routine corporate communications arising out of the dealings between HTL and NDCC Bank.
- D. The prosecution alleges that the securities forming the subject matter of the transactions were not ultimately delivered by HTL to NDCC Bank, and that photocopies of securities forwarded in the meantime were later opined by the Reserve Bank of India to be in the name of other companies.
- E. It is further stated in the charge-sheet that the monies received from NDCC Bank were utilised

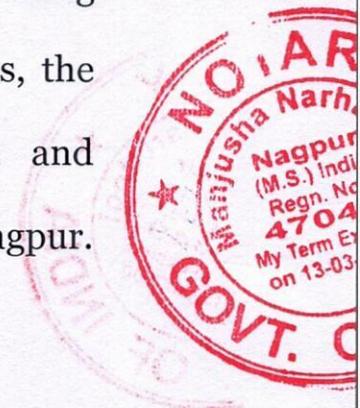


by HTL towards business operations, administrative expenditure, acquisition of office infrastructure and equipment.

- F. According to the prosecution, the total value of the securities transaction was around Rs. 241.73 Crores, out of which an amount of Rs. 124.21 Crores was subsequently reflected as returned to NDCC Bank. The remaining amount of approximately Rs. 117.51 Crores is alleged to have remained outstanding and unadjusted.
- G. The prosecution further states that since the securities were not ultimately transferred to NDCC Bank, and since the funds released for the purchase of such securities were utilised by HTL for other corporate purposes, the present Applicant and other individuals connected with the company and the bank officials acted in concert, resulting in the filing of the present charge-sheet under Sections 406, 409, 468, 471 and 120-B read with Section 34 IPC.



3. That pursuant to the above chargesheet, case has been registered as Regular Criminal Case No.147 of 2002. Pending the trial, Applicant filed Criminal Application No.628 of 2014 before the Principal Seat of the High Court of Bombay for clubbing of all the FIRs registered against him and other co-accused and for a joint trial, wherein the Principal Seat of the High Court of Bombay stayed the trial against petitioner. Pending the said criminal application, Public Interest Litigation No.25 of 2014 came to be filed before the Hon'ble High Court for directing the learned A.C.J.M., Nagpur to expedite the trial of Regular Criminal Case No.147 of 2002. Since there was a stay to the trial against Applicant in Criminal Application No.628 of 2014, in Civil Application No.1701 of 2019 in Public Interest Litigation No.25 of 2014, the Division Bench of the High Court directed that the trial shall proceed against the remaining accused except the petitioner. Pursuant to this, the trial against other co-accused was started and concluded by the learned A.C.J.M., Nagpur.



Meanwhile, Criminal Application No.628 of 2014 filed by the Applicant was dismissed by the Court vide order dated 09.07.2021 directing the learned A.C.J.M., Nagpur to complete the trial expeditiously.

4. The Applicant filed an application in Regular Criminal Case No.147 of 2002 pending before the learned A.C.J.M, Nagpur for seeking direction to the police to file a split-up chargesheet; give a separate case number to his case; and comply with Section 207 of the Cr.P.C. The application came to be dismissed by the learned A.C.J.M. by its impugned order. An unsuccessful attempt was subsequently made before the learned Additional Sessions Judge, Nagpur in revision. Subsequently Criminal Writ Petition No.1009 Of 2024 was filed before the High Court, wherein while the prayer for separate number was rejected, the Hon'ble court observed that the learned A.C.J.M. is competent to understand the meaning of a separate trial and will not treat all the



exhibited documents as proved documents in the case against the present applicant.

5. In view of this background, the proceedings against the present Applicant started and the Applicant filed an application under Section 239 of the Code of Criminal Procedure, below Exh. 3666 in RCC No. 147/2002, before the Learned Chief Judicial Magistrate, Nagpur seeking discharge on the ground that the material relied upon by the prosecution, even if accepted in its entirety, does not disclose the ingredients necessary to constitute the offences alleged against the Applicant. The copy of the application filed below Exh. 3666 in RCC No. 147/2002, before the Learned Chief Judicial Magistrate, Nagpur, is annexed herewith and marked as **Annexure-A.**

6. The Learned Chief Judicial Magistrate, Nagpur, however, by order dated 11.11.2025, rejected the discharge application filed below Exh. 3666. the application submit that, the copy of order dated



11.11.2025, passed by the Chief Judicial Magistrate, Nagpur below Exh. 3666, in RCC No. 147/2023 and by order dated 26.11.2025 framed charges against the Applicant in in RCC No. 147/2023, is annexed herewith and marked as **Annexure-B & C** The Applicant therefore prefers the present Criminal Revision Application challenging the orders dated 11.11.2025 and 26.11.2025, passed by Learned Chief Judicial Magistrate, Nagpur below Exh. 3666 in RCC No. 147/2002, under section 397 of Criminal Procedure Code, inter alia on the following grounds, which are without prejudice to one another :-

GROUND

- A. The Learned Trial Court Committed a Grave Error in Relying Upon Findings Recorded in a Separate Judgment Against Co-Accused.

It is submitted that paragraph 19 of the impugned order, reads as follows:

“There are statements of several witnesses and voluminous documentary evidence prima facie in support



of the aforesaid conclusion drawn by the Investigating Officer against accused No.3. Accused Nos.1, 2, 4, 7, 8 and 9 have been convicted for offences punishable under Section 406, 409, 471, 468 read with 120B of the IPC vide Judgment dated 22.12.2023. No doubt, the observations and findings in the judgment of conviction dated 22.12.2023 can not be used for convicting present accused. However, the observations and findings in para Nos.39, 42, 43, 57, 63, 74, 77, 138, 139, 141, 146 and 147 are relevant for the consideration of present application. The said observations and findings go to show the role of accused No.3 in the commission of alleged offences.”

B. The very observation by the Learned Trial Court that such observations cannot be used for conviction amounts to acknowledgment that these findings are not evidence against the Applicant. Despite this, the Court has proceeded to rely upon them for rejecting discharge. This approach is legally untenable.

B.i. The law is well settled that findings recorded in a judgment against co-accused in a separate trial are



neither admissible nor relevant against another accused who was not party to that trial. The Applicant had no opportunity to cross-examine witnesses, challenge evidence or participate in the proceedings forming the basis of such findings. Reliance upon such material violates the principles of natural justice and fair trial.

B.ii. Section 239 of CrPC reads as follows:

“239. When accused shall be discharged.—If, upon considering the police report and the documents sent with it under section 173 and making such examination, if any, of the accused as the Magistrate thinks necessary and after giving the prosecution and the accused an opportunity of being heard, the Magistrate considers the charge against the accused to be groundless, he shall discharge the accused, and record his reasons for so doing.”

It is humbly submitted that under Section 239 CrPC, the Court must assess only:

- i. the charge-sheet, and
- ii. documents submitted under Section 173,
and



- B.iii. Any material outside the prosecution record, including judicial findings from another proceeding, particularly those not forming part of evidence in the present case, cannot be imported to decide discharge.
- B.iv. By treating findings from another judgment as indicative of the Petitioner's alleged role, the Learned Magistrate has effectively lowered the statutory threshold and replaced the legal test of whether the material discloses an offence.
- B.v. Such reliance is also contrary to Section 273 CrPC, which mandates that evidence may be used only if recorded in the presence of the accused and also the constitutional guarantee under Articles 14 and 21, requiring fairness, individual liability, and adjudication strictly on materials legally admissible against the accused.
- B.vi. The Supreme Court has repeatedly held that criminal findings do not travel beyond the proceedings in which they are rendered, unless the accused participated and had full rights to defend. No Court can use judicial



conclusions as a substitute for evidence or as a presumption of guilt at the stage of framing charges or considering discharge.

B.vii. The impugned reasoning therefore suffers from illegality in consideration of impermissible material, and material irregularity in reliance on findings not part of record.

B.viii. The rejection of discharge on the strength of extraneous material is thus vitiated, and the impugned order is liable to be set aside on this ground alone.

C. That the impugned orders are vitiated by prejudice arising from the trial of Co-Accused and reflects non-application of Judicial Mind, rendering the statutory right of discharge illusory.

C.i. The impugned order rejecting the petitioner's discharge application is manifestly vitiated by the Learned Magistrate's reliance on, and influence from, the judgment rendered in the trial of the co-accused, coupled with a complete failure to independently



examine whether the charge-sheet material discloses sufficient grounds to frame charges against the petitioner. The order, read as a whole, demonstrates a pre-determined approach rather than a neutral adjudication as mandated under Section 239 CrPC.

- C.ii. As already noted, in paragraph 19 of the impugned order, there is express reliance upon specific paragraphs of the judgment of conviction passed against the co-accused, and observes that such findings “go to show the role of accused No.3”. Having done so, the Court thereafter proceeds to reject discharge without undertaking an independent evaluation of the material on record qua the petitioner.
- C.iii. Beyond this reliance on findings from another trial, the impugned order does not disclose any independent reasoning as to what material contained in the charge-sheet, or documents satisfies the statutory ingredients of the offences alleged. The rejection of discharge is thus not founded on the prosecution record, but on the shadow cast by the concluded trial of other accused.



C.iv. The prejudicial approach becomes even more evident from paragraph 20 of the impugned order, which states:

“Thus, even assuming that, the HTL was not either a broker or an agent, yet, due to the charge of criminal conspiracy, the offences punishable under Sections 406 and 409 of the IPC would be prima facie attracted against accused No.3.”

C.v. The above reasoning is legally untenable and logically flawed. The order treats the mere existence of a charge of conspiracy as sufficient to attract offences under Sections 406 and 409 IPC, without identifying what material on record supports the allegation of conspiracy, what act or agreement is attributed to the petitioner, or how the essential ingredient of entrustment which is mandatory for Sections 406 and 409 stands satisfied.

C.vi. At the stage of discharge, the Court is not required to see whether allegations are made, but whether the material on record, if unrebutted, is capable of



sustaining the charge in law. By holding that offences are attracted “due to the charge of criminal conspiracy”, the order has inverted the statutory test, that is instead of examining whether material supports the charge, the Court has proceeded as though the presence of a charge itself forecloses discharge.

- C.vii. If such an approach were to be accepted, Section 239 CrPC would be rendered wholly otiose, for any complaint or charge-sheet could simply allege conspiracy or breach of trust, and the Court would be bound to proceed to trial without examining whether the record supports such allegations. This would defeat the very purpose of a discharge provision, which exists to prevent unnecessary and unjustified criminal trials.
- C.viii. The same infirmity is visible in paragraph 21 of the impugned order, wherein it is observed that:

“As regard to the offence of forgery, there are allegations in respect of presentation of photocopies of GOI Securities which were found to be forged. Thus, it can not be said that, there is no material for



framing charge against accused No.3 for offences punishable under Section 468 and 471 of the IPC.”

- C.ix. Once again, the Learned Magistrate has equated the existence of allegations with the existence of material, without identifying what specific document is alleged to be forged, who is alleged to have forged it, how the Applicant is connected to the making or use of such document, or whether the statutory definition of a “false document” under Section 464 IPC is even prima facie satisfied.
- C.x. The prejudice is further compounded by the fact that the order framing charges against the Applicant is, in substance and language, a copy-paste reproduction of the charge-framing order passed earlier against the co-accused, without any independent discussion, or analysis of the Applicant’s role. The charge-framing exercise, which is required to be accused-specific, has thus been reduced to a mechanical replication of conclusions reached in another case.



- C.xi. The impugned order framing charge does not disclose what act the Applicant is required to defend himself against, nor does it delineate the nature of the alleged forgery or the role attributed to him. Proceeding to trial in such circumstances would deprive the Applicant of the ability to meaningfully defend himself and would violate the requirement of a fair and informed trial, which is an integral facet of Article 21 of the Constitution.
- C.xii. The cumulative reading of paragraphs 19, 20 and 21 of the impugned order thus reveals that the Learned Magistrate has allowed the outcome of the co-accused's trial to colour his assessment and rejected discharge on the premise that "charges exist", rather than on an analysis of whether they are legally sustainable on the material on record.
- C.xiii. Such an approach amounts to non-exercise of jurisdiction vested under Section 239 CrPC, and reflects a prejudiced and mechanical rejection of the petitioner's statutory right to seek discharge. The



impugned orders, therefore, stands vitiated on this ground alone and warrants interference by this Hon'ble Court.

D. That there is nothing on record to attract the charge of Criminal Breach of Trust.

D.i. The Learned Trial Court has failed to appreciate that the allegation of foundational ingredient of offences under Sections 406 and 409 IPC, namely entrustment of property or dominion over property, is entirely absent from the prosecution record. As per the charge-sheet itself, the transactions between NDCC Bank and HTL were carried out through formal contract notes in the ordinary course of business. The prosecution does not allege that the funds were entrusted for safe custody, held in a fiduciary capacity.

D.ii. As delineated by the Hon'ble Supreme Court in **Delhi Race Club Ltd. v. State of U.P. [(2024) 10 SCC 690]** the following are the ingredients of Section 406 IPC:



*“In order to constitute a criminal breach of trust
(Section 406 IPC): -*

*1) There must be entrustment with person for
property or dominion over the property, and*

2) The person entrusted: -

*a) dishonestly misappropriated or converted
property to his own use, or*

*b) dishonestly used or disposed of the property or
willfully suffers any other person so to do in
violation of:*

*i. any direction of law prescribing the method in
which the trust is discharged; or*

ii. legal contract touching the discharge of trust”

D.iii. The very foundation of the offence of criminal breach of trust lies in entrustment of property or dominion over property. Unless such entrustment exists, no offence under Sections 406 or 409 IPC can arise.

D.iv. The contract notes forming part of the charge-sheet, issued by Home Trade Ltd. to NDCC Bank,



categorically show that the transactions were carried out on a Principal-to-Principal basis. True Copy of the Contract Note forming part of the chargesheet is annexed herewith as **Annexure-D**.

- D.v. These contract notes clearly show that HTL's name is written as Counter Party Participant Name (CPN) and not Counter Party Broker Name (CBN). They also show that no brokerage or commission was charged by HTL in respect of the said dealings.
- D.vi. This documentary evidence, emanating from the very record of the prosecution, conclusively establishes that:
- i. The transaction between HTL and NDCC Bank was a commercial sale and purchase, and
 - ii. The relationship was not that of principal and agent or of trustee and beneficiary, but strictly between two independent contracting parties.
- D.vii. Further, the Balance Sheet of the HTL shows that there is no income reported under the head of Income from Brokerage and there is income under the head of



Investments. This shows that HTL didn't make any transactions in the capacity of a broker. True Copy of the balance sheet of HTL as available from the chargesheet is annexed herewith and marked as **Annexure-E.**

D.viii. The legal consequence of a principal-to-principal contract is that each party acts in its own right, assumes its own commercial risk, and owes no fiduciary obligation to the other. Once the Bank made payment to HTL as the contracting counterparty, the property in that consideration passed to HTL; it cannot be said that HTL or its directors were "entrusted" with the Bank's property.

D.ix. As held by the Hon'ble Supreme Court in **Delhi Race Club Ltd. v. State of U.P., (2024) 10 SCC 690**, the concept of entrustment does not extend to ordinary commercial transactions. The Court has lucidly held:

"From the aforesaid, there is no manner of any doubt whatsoever that in case of sale of goods, the property



passes to the purchaser from the seller when the goods are delivered. Once the property in the goods passes to the purchaser, it cannot be said that the purchaser was entrusted with the property of the seller. Without entrustment of property, there cannot be any criminal breach of trust. Thus, prosecution of cases on charge of criminal breach of trust, for failure to pay the consideration amount in case of sale of goods is flawed to the core. There can be civil remedy for the non-payment of the consideration amount, but no criminal case will be maintainable for it."

D.x. The Hon'ble Supreme Court in ***M/s Shikhar Chemicals v. State of U.P., 2025 SCC OnLine SC 1643***, has emphatically reiterated that a commercial or sale transaction cannot amount to entrustment so as to attract criminal breach of trust.

The Court observed:

"It was expected of the Additional CJM to know that in a case of sale transaction where is the question of any entrustment of goods so as to bring the case within the



ambit of criminal breach of trust punishable under Section 406 IPC. This position of law came to be explained by this Court almost six decades back in the landmark decision titled 'State of Gujarat v. Jaswantlal Nathalal', 1968 (2) SCR 408, wherein this Court stated that a mere transaction of sale cannot amount to an entrustment."

D.xi. In absence of such entrustment or dominion, the first and indispensable ingredient of Sections 406 and 409 IPC collapses. Without a fiduciary relationship or personal custody of another's property, no offence of criminal breach of trust can arise in law.

D.xii. It is further submitted that once consideration for a sale transaction is paid, the payer ceases to retain any proprietary interest or control over such funds. The recipient is free to utilise the consideration in any manner it deems fit as part of its business operations. It cannot be contended that the recipient is bound to use the amount exclusively for a particular purpose or transaction, unless expressly agreed by contract or law. The utilisation of sale proceeds is a matter of



commercial discretion and internal management of the company, and any alleged non-application of such funds cannot, in law, be construed as misappropriation or breach of trust.

D.xiii. There is nothing on record to suggest that the principal-to-principal transaction between NDCC Bank and Home Trade Ltd. was impermissible under any law or regulatory direction. The prosecution has not pointed out from record any circular, notification, or statutory provision which prohibits such sale transactions being undertaken on a principal-to-principal basis between a cooperative bank and a registered entity. On the contrary, the communication of the Reserve Bank of India, forming part of the charge-sheet, indicates that Home Trade Ltd. was duly registered with the RBI and authorised to deal in Government Securities.

D.xiv. Further, Section 409 IPC specifically requires that the accused be a banker, merchant, factor, broker, attorney or agent and that the property be entrusted in



such capacity. The existence of a principal-to-principal relationship, expressly recorded in the contract notes, negate the existence of any agency between NDCC Bank and HTL or its directors.

D.xv. Without prejudice to the above, even if it were assumed arguendo that entrustment existed vis-à-vis the company, there is no allegation or material whatsoever demonstrating entrustment to the Applicant personally. The charge-sheet does not allege that the funds were credited to him, entrusted to him, or held under his personal dominion.

D.xvi. It is submitted that the Learned Magistrate rejected the petitioner's submissions on criminal breach of trust without examining whether the prosecution material satisfied the foundational ingredient of entrustment, which is mandatory under Sections 406 and 409 IPC.

D.xvii. It is, therefore, submitted that:

- i. There was no fiduciary relationship between NDCC Bank and HTL and in any case there cant be any



fiduciary relationship between NDCC Bank and Accused No. 3;

- ii. The payment was made to HTL as a contracting counterparty, not to the Accused personally; and
- iii. The transaction was conducted in the nature of a sale, whereupon the ownership of funds passed to HTL, leaving no scope for the concept of "entrustment" under Section 405 IPC.

D.xviii. In light of the above, the essential and mandatory element of entrustment is absent both in relation to HTL and to the Applicant individually. Without such element, the very substratum of Sections 406 and 409 IPC collapses. The continuation of proceedings on these charges is therefore legally unsustainable, and the impugned rejection of discharge on this count is liable to be set aside.

E. That there is nothing on record to attract the charge of Forgery.

E.i. It is submitted that in order to prove allegations under Sections 468 and 471 of the Indian Penal Code, the



ingredients of the offence of forgery as defined under Sections 463 and 464 IPC must first be satisfied. These foundational provisions delineate when a document can be said to be “false” and when its making amounts to “forgery.”

E.ii. Section 463 IPC defines forgery as follows:

“Whoever makes any false document or false electronic record or part of a document or electronic record, with intent to cause damage or injury, to the public or to any person, or to support any claim or title, or to cause any person to part with property, or to enter into any express or implied contract, or with intent to commit fraud or that fraud may be committed, commits forgery.”

E.iii. Section 464 IPC explains when a person is said to make a false document or electronic record. Broadly, a false document is made when a person:

- i. Dishonestly or fraudulently makes, signs, seals or executes a document, intending it to be believed that it was made or signed by another person; or



- ii. Alters or tampers with an existing document without lawful authority; or
- iii. Causes another to sign or execute a document knowing that such person does not know the contents or the nature of what he is signing.

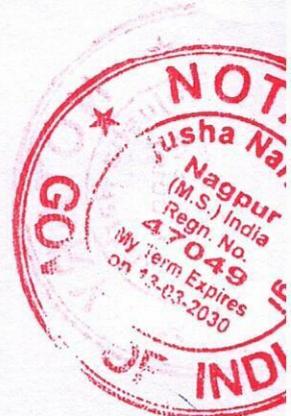
E.iv. From these provisions, it is clear that forgery is the act of making a document that purports to be made by someone else or under false authority. Merely writing false recitals, or including incorrect or misleading contents in a document, even if later found to be untrue, does not by itself amount to forgery unless it is shown that the accused made the document pretending it was made or signed by another person.

E.v. The Hon'ble Supreme Court in ***Mohd. Ibrahim v. State of Bihar, (2009) 8 SCC 751***, has clarified the true import of Sections 463 and 464 IPC. It was held that forgery involves the making of a document which is intended to be believed as having been made by someone else. The Court observed that:



“16. There is a fundamental difference between a person executing a sale deed claiming that the property conveyed is his property, and a person executing a sale deed by impersonating the owner or falsely claiming to be authorised or empowered by the owner, to execute the deed on owner's behalf. When a person executes a document conveying a property describing it as his, there are two possibilities. The first is that he bona fide believes that the property actually belongs to him. The second is that he may be dishonestly or fraudulently claiming it to be his even though he knows that it is not his property. But to fall under first category of “false documents”, it is not sufficient that a document has been made or executed dishonestly or fraudulently. There is a further requirement that it should have been made with the intention of causing it to be believed that such document was made or executed by, or by the authority of a person, by whom or by whose authority he knows that it was not made or executed.

17. When a document is executed by a person claiming a property which is not his, he is not claiming that he is



someone else nor is he claiming that he is authorised by someone else. Therefore, execution of such document (purporting to convey some property of which he is not the owner) is not execution of a false document as defined under Section 464 of the Code. If what is executed is not a false document, there is no forgery. If there is no forgery, then neither Section 467 nor Section 471 of the Code are attracted.”

E.vi. Thus, Section 464 fails to attract in the current case. It is submitted that if Section 464 fails, 468 and 471 automatically fail to apply.

E.vii. Even otherwise, to constitute an offence under Section 468 IPC, the following ingredients must be established:

- i. The accused made a false document or electronic record as defined in Section 464; and
- ii. The making of such document was with the intent that it be used for the purpose of cheating.

E.viii. The offence of Cheating is defined under Section 415 of IPC. There is no allegation that Accused No. 3 induced NDCC Bank or any other person to part with property,



nor any material indicating intent to deceive or cause wrongful loss or gain. The requisite mens rea of "intent to cheat" is wholly missing. In the absence of the allegation that the accused no. 3 acted with an intent to cheat, the necessary ingredients of Section 468 IPC are not satisfied even prima facie.

E.ix. It is further submitted that offences of Cheating and Criminal Breach of Trust are antithetical and can not co-exist in the same offence. Cheating as defined under Section 415 IPC and punishable under Section 420 IPC requires proof of dishonest intention at the inception of the transaction, i.e., when inducing the delivery of property through deceit. Conversely, Section 406 IPC applies when property is lawfully entrusted to the accused, who subsequently develops a dishonest intention and misappropriates it. These two offences cannot arise from the same act or transaction.

E.x. The Supreme Court, in ***Delhi Race Club (supra)***, explicitly clarified this distinction, holding:



“38. In our view, the plain reading of the complaint fails to spell out any of the aforesaid ingredients noted above. We may only say, with a view to clear a serious misconception of law in the mind of the police as well as the courts below, that if it is a case of the complainant that offence of criminal breach of trust as defined under Section 405IPC, punishable under Section 406IPC, is committed by the accused, then in the same breath it cannot be said that the accused has also committed the offence of cheating as defined and explained in Section 415 IPC, punishable under Section 420 IPC.

41. The distinction between mere breach of contract and the offence of criminal breach of trust and cheating is a fine one. In case of cheating, the intention of the accused at the time of inducement should be looked into which may be judged by a subsequent conduct, but for this, the subsequent conduct is not the sole test. Mere breach of contract cannot give rise to a criminal prosecution for cheating unless fraudulent or dishonest intention is shown right from the beginning of the transaction i.e. the time when the offence



is said to have been committed. Therefore, it is this intention, which is the gist of the offence.

42. Whereas, for the criminal breach of trust, the property must have been entrusted to the accused or he must have dominion over it. The property in respect of which the offence of breach of trust has been committed must be either the property of some person other than the accused or the beneficial interest in or ownership of it must be of some other person. The accused must hold that property on trust of such other person. Although the offence i.e. the offence of breach of trust and cheating involve dishonest intention, yet they are mutually exclusive and different in basic concept.

43. There is a distinction between criminal breach of trust and cheating. For cheating, criminal intention is necessary at the time of making a false or misleading representation i.e. since inception. In criminal breach of trust, mere proof of entrustment is sufficient. Thus, in case of criminal breach of trust, the offender is lawfully entrusted with the property, and he dishonestly misappropriated the same. Whereas, in



case of cheating, the offender fraudulently or dishonestly induces a person by deceiving him to deliver any property. In such a situation, both the offences cannot co-exist simultaneously.”

E.xi. The Court further observed that

“55. It is high time that the police officers across the country are imparted proper training in law so as to understand the fine distinction between the offence of cheating viz-a-viz criminal breach of trust. Both offences are independent and distinct. The two offences cannot coexist simultaneously in the same set of facts. They are antithetical to each other. The two provisions of the IPC (now BNS, 2023) are not twins that they cannot survive without each other.”

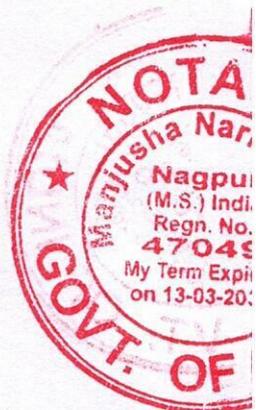
E.xii. This proposition of law has been furthered in ***Arshad Neyaz Khan v. State of Jharkhand, 2025 SCC OnLine SC 2058***. It is thus submitted that if cheating and criminal breach of trust are fundamentally antithetical, then the offence of forgery for the purpose of cheating is as well antithetical to Criminal breach of Trust.



E.xiii. It is further submitted that none of the essential elements of 471 are attracted in the present case. Even assuming arguendo that Accused No. 3 was a signatory to certain routine communications or documents in the ordinary course of the company's business, such acts do not constitute "use of a forged document."

E.xiv. To attract Section 471 IPC, it must be shown that the accused used a document which was made to appear as if it were executed by another person, thereby inducing others to believe that it originated from someone else. There is no such allegation or material in the present case. None of the documents relied upon by the prosecution purport to have been made on behalf of any other person, nor do they falsely represent any authority not possessed by the maker.

E.xv. Since the prosecution material does not disclose the essential elements of making or using a forged document, the charges under Sections 468 and 471 IPC are completely unsustainable. The Learned Magistrate's failure to apply this analysis reflects non-



application of judicial mind, warranting interference by this Hon'ble Court.

F. That there is nothing on record to attract the charge of Criminal Conspiracy.

F.i. It is submitted that in order to bring home an allegation of criminal conspiracy under Section 120-B of the Indian Penal Code, the prosecution must satisfy the essential elements of Section 120-A IPC, which defines the offence. Section 120-A IPC reads:

“When two or more persons agree to do, or cause to be done —

(a) an illegal act, or

(b) a legal act by illegal means, such an agreement is designated a criminal conspiracy:

Provided that no agreement except an agreement to commit an offence shall amount to a criminal conspiracy unless some act besides the agreement is done by one or more parties to such agreement in pursuance thereof.”



- F.ii. The settled law, therefore, is that the essence of conspiracy is the agreement itself. Mere knowledge, discussion, or association with others is insufficient. Unless there is clear evidence of a meeting of minds to commit an illegal act, the offence is not constituted.
- F.iii. There is no material on record suggesting that Accused No. 3 entered into any agreement or understanding with any of the other accused persons for committing any illegal act or for achieving a lawful act through illegal means.
- F.iv. The charge-sheet and accompanying documents do not disclose:
- i. any meeting or communication where Accused No. 3 allegedly participated in planning or decision-making;
 - ii. any correspondence evidencing a shared illegal objective; or
 - iii. any instruction or act showing that he was aware of or agreed to any purported scheme.



- F.v. Mere participation in the company's ordinary business activities, or the existence of professional or commercial association with co-accused, cannot by itself amount to conspiracy. The prosecution must show intentional concurrence of purpose, which is absent here.
- F.vi. The entire prosecution narrative proceeds on the basis that Home Trade Ltd. entered into commercial transactions with NDCC Bank. At best, these are acts of the company in the course of business. To stretch such dealings into a criminal conspiracy would offend the principle that criminal liability must be founded on intention and participation.
- F.vii. For conspiracy, the prosecution must also show the requisite mens rea, a conscious decision to commit an offence or to aid others in its commission. The record is silent on any such state of mind attributable to Accused No. 3.
- F.viii. The Learned Magistrate has fallen into error by merely stating that there are "allegations of criminal



conspiracy” without identifying what those allegations are, where in the record such allegations exist, or against whom such allegations are specifically directed. The impugned order contains no reference to communication, meeting, overt act, or circumstance from the record indicating a meeting of minds involving the petitioner. Consequently, the charge of criminal conspiracy u/s 120-B IPC is wholly unfounded.

G. THAT THERE CAN'T BE VICARIOUS LIABILITY UNDER IPC.

- G.i. It is respectfully submitted that the entire set of allegations contained in the charge-sheet pertains to the acts and transactions of HTL, the company through which the dealings with NDCC Bank were undertaken. Every document, correspondence, and transaction on record is in the name of HTL, and not in the personal name of Accused No. 3.
- G.ii. The prosecution has not alleged that the said funds were paid to or retained by Accused No. 3 in his



personal capacity. On the contrary, all payments were made to HTL's official accounts, and all documents emanated from or were executed on behalf of the company. The company, being a distinct legal entity, is alone answerable for its acts done in the ordinary course of business.

G.iii. Though the company itself has not been arrayed as an accused, the prosecution seeks to fix criminal liability solely upon Accused No. 3, merely by virtue of his position as one of its directors. Such prosecution is impermissible in law and contrary to settled principles governing corporate criminal liability.

G.iv. The Indian Penal Code does not create or recognise the concept of vicarious criminal liability except where specifically provided by statute. In absence of a statutory mandate, a director cannot be held criminally liable for acts allegedly committed by the company unless there is evidence of his personal role and mens rea.



- G.v. In ***Sunil Bharti Mittal v. CBI, (2015) 4 SCC 609***, the Hon'ble Supreme Court authoritatively held that a director or officer of a company cannot automatically be held liable for offences committed by the company unless there is sufficient evidence of his active role coupled with criminal intent, or the statutory provision itself specifically provides for vicarious liability.
- G.vi. In ***GHCL Employees Stock Option Trust v. India Infoline Ltd., (2013) 4 SCC 505***, it was held that a director cannot be proceeded against merely on the basis of his designation or position in the company. Specific acts and intent must be alleged and established against him individually.
- G.vii. In ***Delhi Race club (Supra)***, it is observed that
“When Appellant 1 is the Company and it is alleged that the company has committed the offence then there is no question of attributing vicarious liability to the office-bearers of the Company so far as the offence of cheating or criminal breach of trust is concerned. The office-bearers could be arrayed as accused only if direct allegations are



levelled against them. In other words, the complainant has to demonstrate that he has been cheated on account of criminal breach of trust or cheating or deception practised by the office-bearers.”

G.viii. The prosecution case, even if accepted at its highest, relates entirely to the conduct of HTL in its dealings with NDCC Bank. The alleged acts of omission or commission are all in the name and on behalf of the company. In such circumstances, the company is the primary offender, and no liability can be fastened on a director in isolation.

G.ix. In ***Sunil Bharti (supra)***, the Supreme Court further clarified that where the company is not made an accused, the directors cannot be prosecuted for the same offence.

G.x. Therefore, in the absence of charge against HTL, continuation of criminal proceedings against Accused No. 3 would be contrary to law and amounts to a fundamental legal infirmity vitiating the prosecution.



G.xi. Even otherwise, the charge-sheet does not attribute any specific act, instruction, or decision to Accused No. 3 that constitutes the commission of any offence. The allegations, at best, refer to the company's transactions or its internal decisions, without any evidence of individual participation, knowledge, or intent.

G.xii. The prosecution has also not alleged that Accused No. 3 derived any personal benefit or acted outside the scope of his official role as a director. In such circumstances, continuation of proceedings against the Applicant would amount to penalising corporate office per se, which is impermissible under the criminal law.

G.xiii. It is further submitted that the Ld. Magistrate has failed to appreciate the true sense of the judgments cited and differentiated them on irrelevant considerations. It is thus submitted that in view of absence of charge against the company, no charge against the current Applicant can lie.

H. It is respectfully submitted that the allegations contained in the charge-sheet, even if taken at their



face value, disclose at best a civil dispute arising from a commercial transaction, and do not constitute any criminal offence under the Indian Penal Code. The invocation of criminal law in such circumstances is impermissible and amounts to abuse of process.

H.i. The Hon'ble Supreme Court, in a recent and strong disapproval of the growing tendency to criminalise civil and commercial disputes, observed in ***M/s Shikhar Chemicals v. State of U.P., 2025 SCC OnLine SC 1643***, as under:

“The Magistrate unfortunately remained unmindful of the fact that even as per the complainant’s own say the case is one of sale of goods and recovery of some balance amount... It was expected of the Additional CJM to know that in a case of sale transaction where is the question of any entrustment of goods so as to bring the case within the ambit of criminal breach of trust punishable under Section 406 of the IPC. ... We are not taken by surprise with the Magistrate exhibiting complete ignorance of law...



However, we expected at least the High Court to understand the fine distinction between the two offences... It was expected of the High Court to know the well-settled position of law that in cases of civil dispute a complainant cannot be permitted to resort to criminal proceedings as the same would amount to abuse of process of law."

- H.ii. The Court emphatically reiterated the settled principle that where the dispute arises from a commercial contract, such as sale, supply, or investment transactions, the remedy lies in civil law for recovery or damages, not in criminal prosecution. The criminal law cannot be used to enforce contractual obligations or to pressurise parties in commercial dealings.
- H.iii. In the present case, the admitted position from the charge-sheet and the documentary evidence is that the transactions between NDCC Bank and Home Trade Ltd. were commercial in nature, sale and purchase of Government Securities conducted on a principal-to-principal basis. The alleged failure to deliver securities or honour payment, at the highest, gives rise to a civil



[Handwritten signature]

liability. The allegations do not disclose dishonest intention, deception, or any act done with criminal mens rea.

H.iv. The recourse to criminal prosecution in respect of such transactions, especially where documentary evidence establishes the existence of valid contractual terms, arbitration clauses, and corporate records, is a clear attempt to give a civil dispute a criminal colour. Permitting such prosecution to continue would be contrary to the well-settled distinction between civil breach and criminal wrongdoing and would result in grave miscarriage of justice.

H.v. In view of the foregoing, it is submitted that the dispute between the parties is purely civil in nature, arising from a contractual transaction, and does not attract the ingredients of any of the penal provisions alleged. The continuation of criminal proceedings in such a matter is manifestly abusive and contrary to settled law, and the same deserves to be quashed.



7. In view of the facts emerging from the record, and for the reasons set out in the foregoing grounds, it is submitted that the impugned order dated 11.11.2025 has been passed without proper appreciation of the legal requirements under Sections 406, 409, 468, 471, 120-B read with Section 34 IPC, and without applying the standard of judicial scrutiny contemplated under Section 239 of the Code of Criminal Procedure.
8. The Learned Magistrate has rejected the petitioner's discharge not on the basis of the statutory ingredients of the alleged offences or the material placed on record, but on presumptions, assumptions, and inadmissible considerations. The rejection order therefore suffers from illegality, material irregularity, and non-application of judicial mind, thereby calling for intervention by this Hon'ble Court in exercise of its revisional jurisdiction.
9. The continuation of criminal proceedings against the Applicant in absence of the essential legal ingredients of the offences alleged would amount to abuse of the



process of law and result in grave prejudice, hardship, and injustice to the petitioner. The present case is therefore a fit one where this Hon'ble Court may be pleased to exercise its supervisory and corrective jurisdiction to secure the ends of justice.

10. The impugned orders are dated 11/11/2025 and 26/11/2025. The revision is therefore filed within period of limitation. The Hon'ble High Court directed that, trial against Applicant be commenced by conducting the same expeditiously and preferably on day to day basis and the same be completed within a period of four months after commencement of trial against present Applicant.
11. The applicant undertakes to give the English translation of Marathi documents as and when directed by this Hon'ble Court.
12. The applicant seeks liberty to add, amend, modify or delete any of the paragraphs or ground of the present Criminal Revision as and when it is necessary.



13. The applicant has not filed any other application before any other court, touching to the subject matter of this Criminal revision.
14. The applicant has not filed any other application before any other court, touching to the subject matter of this Criminal revision Application.
15. The applicant undertakes to remove the office objections, if any, as and when required.

PRAYER:-

- A] That, Criminal Revision Application may kindly be allowed
- B] Call for the records and proceedings pertaining to R.C.C. No.573/2002 pending before the Court of the Learned 2nd Additional Chief Judicial Magistrate, Nagpur;
- C] Quash and set aside the impugned order dated 11.11.2025 passed by the Learned 2nd Additional Chief Judicial Magistrate, Nagpur in R.C.C. No.147/2002, on the Applicant's application under Section 239 CrPC below exh 3666.;
- D] Quash and set aside the impugned order dated 26.11.2025 passed by the Learned 2nd Additional Chief Judicial Magistrate,



Nagpur framing charges against the applicant; and Discharge the Applicant from the proceedings in R.C.C. No. 147/2002;

E] Pending hearing and final disposal of this Criminal Revision Application, stay further proceedings in R.C.C. No. 147/2002 insofar as they concern the present applicant;

F] And/ or to grant any other relief to which Applicant is found entitle to in the fact of the present case and law.

AND FOR THIS ACT OF KINDNESS THE APPLICANT, AS IN DUTY BOUND, SHALL EVER PRAY.

AND FOR THIS ACT OF KINDNESS THE PETITIONER, AS IN DUTY BOUND, SHALL EVER PRAY.

NAGPUR

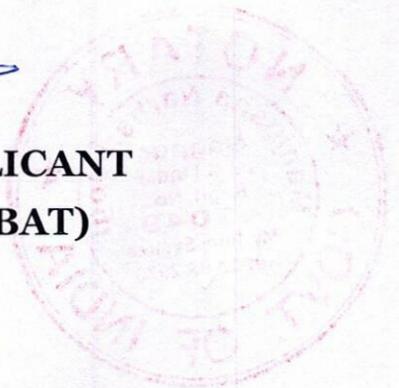
DATE: 09.02.2026



**COUNSEL FOR APPLICANT
(ADV. SAGAR LAMBAT)**

SOLEMN AFFIRMATION

I, Sanjay Hariram Agrawal, Aged about 60 years, Occ. Business, R/o. 7, Hari Seva Street, Kidderpore, Kolkata, do hereby take an oath and state on the solemn affirmation that the contents of above all Para's 1 to 15 of the application



including grounds are drafted by my counsel wholly as per my instructions and the same are read over and explained to me in my vernacular language which I have understood and I say and submit:-

Hence verified and signed on this 09th day of February 2026 at Nagpur.

NAGPUR

DATE: 09.02.2026

S. Anuradha

DEPONENT

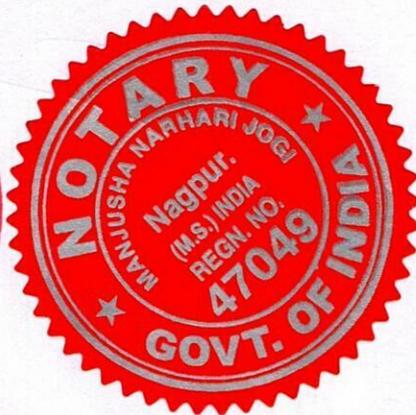
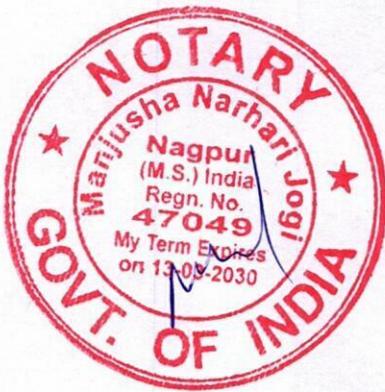
I know and identify the deponent

[Signature]
Advocate

(Adv. Sagar K. Lambat)

Sworn before me on this *9th* *dt.*
day of *Feb.* *2026* at Nagpur by
Shri/Smt./Ku. *Sanyal Harekrishna Aggarwal*
R/o. *Do. Dutt* who has been identified
by Shri/Smt. *Adv. Sagar K. Lambat*
Advocate, Nagpur.

[Signature]
**NOTARY
NAGPUR (M.S.) INDIA**



IN THE HIGH COURT OF JUDICATURE AT BOMBAY;
NAGPUR BENCH, NAGPUR

CRIMINAL REVISION APPLICATION NO. _____ OF 2026

DISTRICT : NAGPUR

Sanjay Hariram Agarwal.

...APPLICANT

(Original Accused)

Versus

State of Maharashtra

...RESPONDENTS

(Org. Applicant)

LIST OF ANNEXURES

Sr. No.	Anne .	Particulars	Date	Page No.
1	A	True copy of Application, Exh. No. 3666 filed before the 2 nd Addl. Chief Judicial Magistrate Nagpur.	09.01.2025	55-78
2	B	True copy of order passed by the 2 nd Chief Judicial Magistrate (Spl. Court for S. 138 N.I. Act) Nagpur.	15.11.2025	79-90
3	C	True copy of order passed by	26.11.2025	91-95

54

		the 2 nd Addl. Chief Judicial Magistrate, Nagpur.		
4	D	True copy of Contract Note.	08.01.2026	96-111
5	E	True copy of Balance Sheet for 2000-2001.	-	112-151



NAGPUR

COUNSEL FOR APPLICANT

DATED: 09.02.2026 (ADV. SAGAR KISHOR LAMBAT)

Private use only

Exp. C.A. No. 703/26



Annexure-A

55

**IN THE COURT OF HON'BLE 2nd ADD. CHIEF JUDICIAL
MAGISTRATE NAGPUR**

Reg. Cri. Case No. 147/2002

STATE OF MAHARASHTRA

//VERSUS//

SUNIL KEDAR & OTHERS

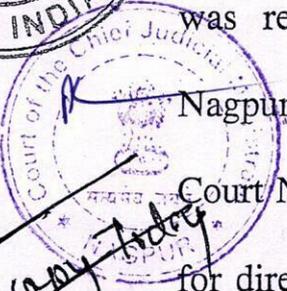
Eth - 3666

**APPLICATION UNDER SECTION 239 OF CODE OF CRIMINAL
PROCEDURE FOR DISCHARGE OF ACCUSED NO.3 (
**SANJAY HARIRAM AGRAWAL) FOR OFFENCE PUNISHABLE
**UNDER SECTION 406, 409, 467, 471, 34 120 B OF INDIAN
**PENAL CODE. IN CRIME NO.101 /2002 REGISTERED IN
GANESHPETH POLICE STATION.********

APP to SCJ
2nd ACJM
Nagpur

The Applicant /Accused No.3 name above most respectfully submit as under:-

A The Accused herein is facing trial under section 406, 409, 467, 471 34, of Indian Penal Code R/W section 120 B Indian Penal Code which was registered vide crime No. 101/2002 in PSO Ganeshpeth Nagpur. The accused has filed criminal Writ Petition before the Hon High Court Nagpur Bench for challenging the impugned order dated 19.11.24 for directing the prosecution to place on Record the Split Charge . The matter will be heard within two weeks in the High court . The accused has filed this application without any prejudice to his right of the final



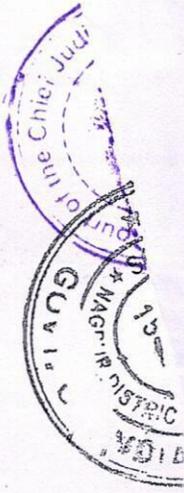
A.P.P
Received copy today
Chhabra
15/12/25

A.P.P
Copy of Application not applied
Chhabra
15/12/25

order in Writ Petition no 1009/24 –Sanjay Vs State of Maharashtra

B. The prosecution alleged case is Nagpur District Central Cooperative Bank Ltd. (in short “the NDCC bank”) is a Co-operative bank having its head office at Gandhisagar, Naik Chowk, Mahal, Nagpur. Its area of operation is Nagpur district. It has separate board of directors. It is governed by the provisions of the Maharashtra Co-operative Societies Act, 1960 (in short “the MCS Act”), Maharashtra Co-operative Societies Rules, 1961 (in short “the MCS Rules”), its own bye-laws, Banking laws and directives issued by the Reserve Bank of India (in short “the RBI”) and National Bank for Agriculture and Rural Development (in short “NABARD”) from time to time vide their circulars. Funds of the NDCC bank are required to be invested in accordance with above laws.

C. Accused No.1 is the then Chairman of the NDCC bank where as accused No.2 and 11 are the then General Manager and Chief Accountant respectively. The then employees of NABARD namely Deshmukh and Das carried out statutory audit of NDCC bank covering period from 01/04/1999 to 31/03/2001. This inspection/audit was done from 04/02/2002 to 26/02/2002 as per guidelines issued by the RBI and NABARD. During inspection, they found that investment port-folio of the NDCC bank was increased notably. From 05/02/2001 to 28/03/2001



NDCC bank had done various transactions of sale and purchase of physical securities. As on 31/03/2001 physical securities of Rs.124.76 crore were due to the NDCC bank. It was also found that there were many irregularities and violations of legal provisions and also that of the circulars issued by the RBI from time to time. On being asked to produce physical securities for inspection only Xerox copies were put up before them and those were also in the name of Home trade Limited (in short "HTL") and not of the NDCC bank.

D. It was also revealed that till 31/03/2001 NDCC bank had entered into transactions of government of India (in short "GOI") securities only through HTL, but thereafter transactions were also done through other brokers like Indramani Merchants Private Limited, Calcutta, Syndicate Management Services Private Limited, Ahmedabad, Century Dealers Private Limited, Calcutta and Giltedge Management Services Limited, Mumbai (hereinafter these four companies will be individually referred to by their first name only i.e. "Indramani", "Syndicate", "Century Dealers" and "Giltedge" as the case may be and whenever their collective reference will be necessary, they will be referred as "4 broker companies"). Accused No.3 to 10 were the directors/employees of HTL



and these 4 broker companies and were directly handling the transactions in question.

E. As on reference date of inspection about Rs.149.83 crore were due to the NDCC bank towards GOI securities. Original GOI securities were not produced before the inspection team till 26/02/2002. Accordingly, detail inspection report was sent to the NDCC bank, RBI, Registrar of Co-operative Societies and Maharashtra State Co-operative Bank (inshort "MSCB").

F. Meanwhile as per directions given by Co-operative Commissioner and Registrar, Co-operative Societies, State of Maharashtra, Pune vide letter dated 20/04/2002, Divisional Joint Registrar, Co-operative Societies, Nagpur vide letter dated 24/04/2002 directed the Special Auditor – Class I (Bank) of Co- operative Societies, Nagpur, namely Bhaurao Vishwanath Aswar i.e. the informant to carry out inspection of sale and purchase transactions of government securities in NDCC bank and some other banks.

G. Accordingly, the informant carried the inspection. He found that on approval of accused No.1 and 2 GOI security transactions were carried out through HTL and 4 broker companies. Out of them, only HTL was the authorized dealer of Security and Exchange Board of India (in short



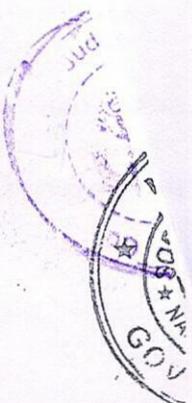
“SEBI”). 4 other broker companies were not the authorized dealers of SEBI.

It was revealed in the inspection that during 25/01/2002 to 05/02/2002 total amount of about Rs.153.04 crores including premium and interest was invested on behalf of NDCC bank towards purchase of government (physical) securities through HTL and 4 other broker companies. Transactions about sale and purchase of government securities in physical form were never brought to the notice of the board of directors and their approval was never sought. Original government securities, bonds, holding certificates, receipts about investment of money etc. were also not available in the head office of the NDCC bank. Therefore, it was doubtful whether the government securities were actually purchased or not. All these transactions were done at the instance of and with the approval of accused No.1 and I. Accused No.1 and 2 being Chairman and General Manager respectively, and in turn, being the bankers were entrusted to manage the funds of share holders and depositors. They were morally as well legally responsible to strictly adhere to banking rules and regulations while managing the financial affairs of the NDCC bank. However, they illegally invested these amounts through unauthorized dealers without following prescribed legal mandate. These transactions

were causing loss to the depositors and share holders. Hence, the informant lodged report on 29/04/2002 in Ganeshpeth police station, Nagpur against accused persons.

SEPARATION OF TRIAL OF ACCUSED NO.3

i. It is submitted Sanjay Hariram Agarwal (Accused No.3) filed 9 criminal applications under section 407 read with section 482 of Cr. P. C. before Hon'ble Bombay High Court, Bombay for transfer of 9 criminal cases pending before various courts in state of Maharashtra to one court in the city of Mumbai. That the 9 Criminal Applications were placed before the Ld. Single Judge of Hon'ble Bombay High Court, Bombay wherein on 25.11.2014 the Ld. single judge was pleased to issue notice in five applications which related to cases registered in Mumbai and Pune and for four other cases which related to Wardha, Nagpur, Amravati and Osmanabad an order was passed to seek appropriate directions from the Chief Justice for continuance of the said Applications at Principal Seat at Bombay as they fall within the jurisdiction of other benches of the High Court. That Criminal Application No. 628 of 2014 for transfer of RCC number 147 of 2002 from Nagpur to Bombay came up for hearing on 19.12.2014 before the Ld. Single Judge of Hon'ble Bombay High Court, at Mumbai



pursuant to permission/ liberty granted by Hon'ble Chief Justice. The Ld. Single Judge vide order dated 19 December 2014 issued notice and granted ad interim relief as prayed in prayer clause (b) which was for stay of the trial in RCC number 147 of 2002. That although the PIL 25/2014 was disposed of an application again came to be filed by the petitioner therein in which the Hon'ble Bombay High Court, Nagpur Bench vide order dated 06.04.2018 was pleased to order that the grant of interim order in favor of petitioner (Accused No 3 herein) and Ordered that the transfer case of Accused No 3 , shall not come in the way of learned trial judge to conduct the trial, except against the person [Sanjay Hariram Agarwal] in whose case the order is passed by the learned Single judge of the Hon'ble Bombay High court. The relevant para is quoted herein below: - "CORAM: B.R. GAVAI AND

M.G GIRATKAR,

JJ

Date:6/4/2018

1....

2....

3.

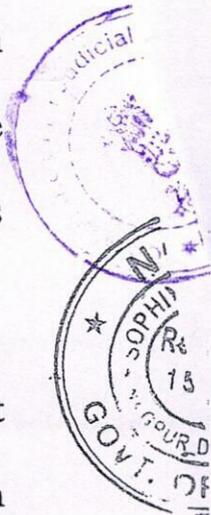
Para 4. We therefore clarify that the said order would not come in the way of learned trial judge to conduct the trial, except against the



person in whose case the order is passed by the learned Single Judge of this Court at Bombay."

I .It is submitted that there after that the trial of other accused will continue expect accused No. 3 (Sanjay H. Agrawal) and Accused No.10 Kanan Mewala . Also Hon'ble 2nd ACJM Nagpur then continued that Trial for all the above accused except Accused No 3 and 10 and then after completing the Trial passed Judgment and Order dated 23/12/2023 .Thereafter the present Applicant (Accused No 3) was called to start the Trail . After go through the entire charge sheet and evidence recorded during trail it prime facie appears that no case made out against the present applicant . It may be noted that investigation officer failed to understand the exact nature of the several transactions between Accused and NDCC bank .Also specially investigation officer and all his record are based on faulty and incomplete investigation and inadequate documents and facts which do the not pass the muster of judicial scrutiny

J. It is submitted that, the investigation officer, investigated the present case in an improper way and his conclusions about the transaction between accused and NDCC to Hometrade as an agent while on the



contrary the situation of the transaction was between NDCC and Hometrade as a Buyer and Seller. Hometrade never acted as a broker with NDCC . Hometrade always acted in the capacity of a Purchaser or Seller and never in the capacity of an Agent. The IO has in the entire charge has investigated Hometrade as an Agent which is absolutely Incorrect . Hometrade was always a trader doing the business buying and selling of securities .

K. It is evident from Exhibit no. 1964 i.e. Annual Report of HTL for Financial Year 2000-2001, that HTL has not reported any income from "Broking" activity during the year 2000-2001. Whereas HTL had made a gain of Rs. 66.80 Crores on sale of investment/securities. Thus HTL, as a part of business decision stopped its broking business and fully engaged in proprietary trading/investment of shares and securities. It is further submitted that the As per Exhibit No. 1273,1274,1275,1276,1277, 1278,1279,1280 and all other contract notes exhibited in the evidence, the transactions in questions were executed between NDCCB and HTL on "PRINCIPAL-TO-PRINCIPAL" basis therefore question of the physical allotment of the GOI does not arise. In the aforesaid contract notes, as mentioned and printed on the Contract Notes , Counter Party Participant (CPN) BOX in the contract note is "Home Trade" and Brokerage (BR) column in the contract note is "Blank". Thus, HTL had



acted as "Proprietary Trader" and not as "Agent/Broker". It is evident from the contract notes that "NO BROKERAGE" had been charged. In the given case of all transactions between Hometrade and NDCC, the relationship between both the parties were of "Principal Buyer" and "Principal Seller". Hence, the settlement of the transactions was a relationship of "Debtor" and "Creditor" between the parties. Thus, recipient (HTL) of the amount did not receive the amount from NDCCB in "Fiduciary Capacity" i.e. as Broker or agent of NDCCB, but towards settlement of payment for purchase of securities for which it was obliged to deliver the Government Securities only.

The beneficial ownership in the money so paid was intended to be transferred to HTL. In the given case as per well settled legal position the question of "ENTRUSTMENT" does not arise and therefore, the required ingredient to constitute an offence under S. 405, 406, 409 of IPC were completely missing. Hence, the present matter was a civil case and ought to have been adjudicated for "Breach of Contract" under Arbitration Act and not under criminal law for "Criminal Breach of Trust". Reliance is placed on "State v. Tirath Das" AIR 1954 ALLAHBAD 583 (Vol 41, C N 227), AND "The State v. Jage Ram" AIR (38) 1951 PUNJAB 103".

There is nothing on record to show that HTL was not a member of The National Stock Exchange Of India (herein after referred as "NSE")



and therefore was not authorized to issue such contract notes. There is nothing on record to suggest that the contract notes issued by HTL were legally not enforceable and hence invalid.

On the contrary SEBI vide, its letter dated 9.8.2002 being Exhibit 1831 had confirmed that HTL was SEBI registered member of NSE. The Reserve Bank of India (herein after referred as "RBI") vide its letter dated 7th October, 2002 (being Exhibit no.1583/1) had confirmed that HTL was registered in their books for its dealing in Government Securities vide registration No. 6-H/83. Thus, there was no restriction either from NSE or RBI on "Off Market Principal to Principal trades" executed by HTL with NDCCB. There is nothing on record to show that HTL being a member of NSE was not allowed to do "Off Market Trades" on "Principal to Principal" basis or there was any limit restrictions for such transactions.

N. PW-51: Dr. Golak Chandra Nath in his deposition has deposed that the trades which are settled outside NSE are off market trade. HTL was not enabled for trading on their platform. He deposed that he does not know whether these companies were authorized to deal with government securities out of WDM platform. Therefore, he had only forwarded the information of transactions pertaining to WDM platform.



It is pertinent to mention that the platform referred in the above para means the "NSE online portal", which was merely a facility, availed to its members for doing online trading with unknown buyers/sellers/members. "Off market trades" were done outside NSE online portal by and between the member of NSE and the buyer/seller already known to each other and who wanted to deal in securities on the mutually acceptable delivery/payment terms.

As evident there is nothing on record to suggest that HTL being a member of NSE was restricted from undertaking "Off market trades" on "Principal to Principal" basis. It is pertinent to note that "HTL" being a member of multiple stock exchanges and in particular being a member of NSE was entitled to do Arbitrage, jobbing, proprietary trading, Investment in shares and securities, Brokering in secondary and primary market etc.

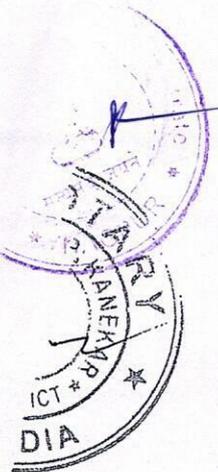
Thus, Broking activity was just a one of the business options available to HTL being a member of NSE. The entire investigation and Audit by the Original Complainant (P.W.-1) had been conducted and based on the presumption that HTL had acted as "broker" in its dealing with NDCCB.



Since, the presumption and conclusion drawn by I.O. are BASED ON WRONG SET OF ASSUMPTIONS , the entire proceeding in the present criminal case trail is vitiated.

As per the FIR no. 97/02 dated 25.04.2002 filed by the Ex-Chairman of NDCCB, five companies were named in the said FIR as accused. On the same cause of action, the second FIR no. 101/02 was filed on 29.04.2002 by Mr. Bhaurav Vishwamant Aswar. As per the second FIR along with the Chairman & General Manager of NDCCB, the five companies named in the FIR dated 25.04.2002 were also named in the second FIR. However, for inexplicable reasons no charge sheet has been filed against these five companies by the I.O. Non-filing of charge sheet against all these Companies has made the entire criminal proceedings sensitively vulnerable and non-tenable against the other accused No.3 .

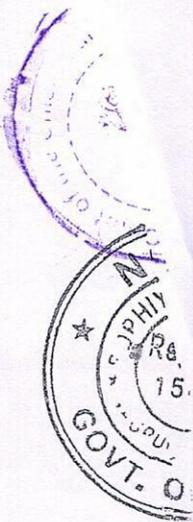
P.3. As per the charges in the Charge Sheet the main offence alleged to had been committed is of "Criminal Breach of Trust" and for which the charge had been framed u/s 406, 409, r/w 34 & 120-B of IPC. It is pertinent to note that as per the facts placed on record the amounts alleged to had been misappropriated by the accused were entrusted by the Depositors and Shareholders of NDCCB, to NDCCB. It is undisputed that NDCCB is a registered "Legal entity" and a "juristic person" having an independent legal identity. In other words there was no entrustment to the



accused directors and office bearer of the NDCCB. Similarly, NDCCB issued cheques/transferred amounts directly to HTL's Bank account for purchase of Government Securities. It is undisputed that HTL is a registered "Legal entity" and a "juristic person" having an independent legal identity. In other words, there was no entrustment to the accused directors and office bearer of the HTL. It is pertinent to note that all the Contract Notes were issued and executed on behalf of HTL to NDCCB. Thus, the privity of Contract was between HTL and NDCCB.

Q. As per well settled law the alleged entrustment was to NDCCB and from NDCCB to HTL. As per the facts recorded in the evidence the alleged "**Principal Offenders**" in the present case were NDCCB and HTL to whom the amounts were allegedly entrusted and who allegedly misappropriated the entrusted amount.

However, for the inexplicable reasons neither NDCCB nor HTL had been Charge Sheeted nor any Charge has been framed against them. Non consideration of this very vital fact made the criminal proceedings sensitively vulnerable. Hence, as per the ratio laid down by the Hon'ble Apex Court in "*Sharad Kumar Sanghi Vs. Sangita Rane*" (2015) 12 SCC 781 Para 9, 11 & 13. AND "*R.Kalyani Vs. Janak C. Mehta and Others*" (2009) 1 SCC 516 Para 41 AND Judgement of High Court of Jammu & Kashmir And Ladakh Pronounced on 21.5.2022 in CRM(M)



No. 263/2020 in the matter of *Sandeep Singh & Ors Vs. Nisar Ahmad Dar*, arranging NDCCB and HTL as main accused was mandatory to proceed with the trial.

U. Non consideration of this very vital facts has vitiated the entire proceedings. The Hon'ble Supreme Court in the matter of "*S.K. Alagh v State of U.P. & others, (2008) 5 SCC 662*" in Para 13, 14, 16, 17, 18 & 19 has held that:

"As, admitted, drafts were drawn in the name of the Company, even, if the appellant was its Managing Director, he cannot be said to have committed an offence u/s 406 of IPC. If and when a statute contemplates creation of such a legal fiction, it provides specifically therefor. In absence of any provision laid down under the statute, a director of a company or an employee cannot be held to be vicariously liable for any offence committed by the Company itself."

Thus, I.O. completely misconstrued the well settled law and filed the charge sheet in gross contravention of the ratio laid down by the Hon'ble Supreme Court in the above judgement. That in the entire evidence there is no unanimity about what exact amount was allegedly misappropriated by the accused.

R. Different P.W.s had given completely different amounts of misappropriation. The I.O. in his deposition has admitted that he himself

has not studied the transactions and bank statement details but he had completely relied on outsourced CA firm and accepted their finding as gospel truth without application of his own independent mind. The main crux of the investigation was to bring on record the exact authentic amount of alleged misappropriation which I.O. completely failed to achieve.

5. It is pertinent to mention that during the investigation the I.O. had sought some clarification vide his letter dated 28.05.2002 (being Exhibit no. 1577) from the RBI about whether the securities mentioned in his letter had been purchased for NDCCB by HTL. In response, the RBI in its letter dated 16.10.2002 being Exhibit 1578-1 to 1587-3 in Para (a) had categorically mentioned that:

“....In view of this, a possibility that the companies mentioned by you in your letter, are holding investments as gilt account holders in the books of some CSGL account cannot be ruled out. It would therefore be appropriate to approach such of the banks/institution which may be maintaining the Gilt accounts of these companies, for further information relating to transactions mentioned by you in your letter. Incidentally, from a secondary sources of information we are aware that M/s. Home Trade Ltd. and Giltedge Management Services Ltd. are maintaining the Gilt Accounts with HDFC Bank Ltd. and Federal



Bank Ltd. As already indicated more accounts being maintained by all of these companies elsewhere with the banks/institutions cannot be ruled out."

From the above para it is clear that RBI had advised the I.O. to approach HDFC Bank Ltd and Federal Bank Ltd where HTL was maintaining "Gilt Accounts" (D-mat account of Government securities) and also investigate in this direction to find HTL's other accounts maintained elsewhere with banks and institutions. The I.O. in **Para 236** of his deposition has admitted that he has not seized Gilt Account statements from HDFC and Federal Bank. Thus, despite the specific information and advice given by RBI, the I.O. did not do any investigation to bring correct facts on records about HTL's complete holding of Government Securities. Thus, the conclusion arrived at by I.O. is based upon incomplete facts, would he conducted his thorough investigation based on the inputs given by RBI he would have come to completely different conclusion about total purchase and holding of government securities of HTL with respect to the securities sold to NDCCB from time to time. The prosecution has utterly failed to bring on record the Gilt Transactions done by HTL through its CSGL (D-mat) account with Federal and HDFC Bank before this Hon'ble Court



deliberately & benefit of the same needs to be given to the accused and A-9 deserves to be acquitted. Thus, the conclusion arrived at by I.O. that HTL never purchased any securities for NDCCB is based upon incomplete investigation. The evidence of I.O. based on incomplete investigation, thus vitiated the entire proceedings.

T. It is an admitted fact that the contract notes issued by HTL had an "Arbitration Clause" in it. It is further admitted by I.O. in his deposition in Para 221 that as per contract notes, in case of any dispute including any question relating to the validity and enforceability of the contract notes the reference to NSE arbitration for adjudication of dispute was mandatory. However, for inexplicable reasons NDCCB has refrained from filing any Arbitration Application before the agreed forum at Mumbai for adjudication of the disputed transactions forming part of the Criminal Complaint filed in the police station. It is pertinent to note that from the evidence on record this matter is not a case of criminal breach of trust but predominantly it is a matter of breach of contract which is a civil wrong and thus it ought to have been adjudicated before the arbitrator of the NSE.

U. The Act of signing contract notes, letters and cheques for and on behalf of HTL (Employer) while discharging official duty does not fall

within the ambit of any of the section under IPC. The act of signing documents such as contract notes, letters and cheques for and on behalf of the employer company being an employee as "Authorised Signature" does not fall within the ambit of S. 464 of IPC which defines meaning of false documents. Making of any false document, in view of the definition of "forgery" is the sine qua non thereof.

✓ What would amount to making of a false document is specified in S. 464 of IPC. What is, therefore, necessary is to execute a document with the intention of causing it to be believed that such document inter alia was made by the authority of a person by whom or by whose authority he knows that is not made. It is pertinent to note that mere preparation of document under ones own signature and writing by making false averments therein does not fall within definition of forgery. The condition precedent for an offence under Sections 467 and 471 is forgery. The condition precedent for forgery is making a false document (or false electronic record or part thereof. This case does not relate to any false electronic record). In short, a person is said to have made a "false document", if (i) he made or executed a document claiming to be someone else or authorised by someone else; or (ii) he altered or tampered a document; or (iii) he obtained a document by practicing



74

deception, or from a person not in control of his senses. But to fall under first category of "false documents", it is not sufficient that a document has been made or executed dishonestly or fraudulently. There is a further requirement that it should have been made with the intention of causing it to be believed that such document was made or executed by, or by the authority of a person, by whom or by whose authority he knows that it was not made or executed. If there is no forgery, then neither Section 468 nor Section 471 of the Code are attracted. To constitute an offence under section 471 of IPC, first an offence u/s 468 of IPC has to be established.

The I.O. in Para 132 of his deposition has stated about xerox copies of the forged documents being prepared by Kanan Mevawala of HTL. The I.O. in Para 211, 212 & 213 has stated about the role of Kanan Mevawala and he categorically stated that he did not investigate how the xerox copies of the forged documents reached to NDCCB at Nagpur.

W. He further stated that he did not investigate to know how these copies reached at NDCCB as he felt that it was not important for him to do so. It pertinent to note that during the trial none of the PW's working in NDCCB have deposed of having ever seen xerox copies of the alleged forged documents referred by the I.O. Thus, how all of a sudden these copies surfaced is unsolved mystery, which speak volumes. Thus, it



shows that investigation carried out by I.O. was incomplete and hence conclusion based upon such investigation is unreliable.

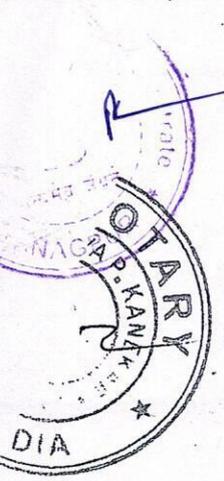
X. It is pertinent to mention that the whole investigation done by I.O. is misleading and devoid of facts because it is suffering from the following serious flaws and infirmities :

The I.O. has investigated the matter on the belief that HTL had acted as "Broker" in its dealing with NDCCB. Whereas I.O. in Para 239 of his deposition has admitted that the transactions between HTL & NDCCB were on "Principal to Principal" basis.

During the Investigation the I.O. had seized one statement furnished by NDCCB being Exhibit no. 1475. The Title of this statement is Details of the cheques received in the matter of Physical Securities.

The I.O. had also seized copies of the cheques mentioned in this statement and all these cheques have been marked as Exhibit nos. 1281,1282,1283,1284, 1285, 1286, 1287, 1288, 1289, 1290,1291. These cheques were dated 24.04.2002 issued by all the accused companies to NDCCB, the total value of all these cheques was more than Rs.124.29 Crores.

The I.O. in Para 238 of his deposition has admitted that for what purpose these cheques were issued to NDCCB that he has not



investigated. Thus, once again I.O failed to investigate on the very important evidence seized by him during the investigation. However, I.O. admitted in Para 49 of his deposition that all these cheques were deposited by NDCCB and the same were returned unpaid by the respective drawers' banks. The I.O. further mentioned that NDCCB had filed 10 cases against the issuer companies under The Negotiable Instruments Act.

Thus, I.O. was duty bound to enquire and investigate what was the underlying consideration for which all these cheques were issued to and accepted by NDCCB. However, I.O. did not find it necessary to investigate in this direction and to bring correct facts on record as to why all these cheques were accepted and deposited by NDCCB. The facts as appear from the statement and cheques referred above, the NDCCB had sold its entire portfolio of investment in Government Securities purchased from the respective companies (Principal to Principal transactions) at the current market price and got the cheques towards the sale consideration.

Y. Thus, after acceptance of all these cheques the NDCCB had only money claim against all the drawers of the cheques. Had the I.O. investigated in this direction his conclusion about the case would have been totally different..The I.O. in Para 221 of his deposition has admitted



that all the contract notes issued by HTL to NDCCB were subject to "MANDATORY ARBITRATION CLAUSE", which means reference to Arbitrator of NSE at Mumbai for adjudication of disputed issues was one of the pre-requisites to initiate any further proceedings against the accused person. It is an admitted fact that the transaction between Euro Discover India Ltd and NDCCB was of loan against shares. It is also an admitted fact that the said loan was fully repaid along with agreed interest. The **PW-18 Sheshrao Shamrav Gonde** stated that the Loan transactions and Government Securities transactions were totally different. From the Adjustment letters issued by HTL to NDCCB it is clearly evident that NDCCB was having a running account with HTL. Which means settlement of amount was not done on per contract basis but after taking into consideration all the Purchase and sales transactions entered on a particular date only differential amount determined as per the adjustment letter was paid by the respective party.

Z. Thus, I.O. failed to understand and appreciate the meaning of running account and its functionality. It submitted that the Applicant/Accused is peace loving and law abiding citizen and belong to respected family. There is no direct evidence as well as no prima facie case made out against the Applicant in entire charge sheet and evidence on record.

Therefore in the view of the above facts and circumstance and evidence on record the accused no 3 needs to be DISCHARGED FROM THIS PRESENT CASE

Hence this application

PRAYER : It is therefore most respectfully Prayed that Discharge

Allow this application and Accused No 3 from the present case .

Any other reliefs needs to be granted as per facts and circumstanced of this case



P. A. Tamboli

S. Agarwal
APPLICANT

9/1/25

SOLEMN AFFIRMATION

Sanjay Hariram Agarwal Age 59 , occupation business R/O Kolkata do

hereby affirm that the contents of the above para are true and correct as

per my personal knowledge and belief

The same is read over to me and found to be correct .

Hence verified on 9th January 2025

SWORN/SOLEMNL AFFIRMED

BY Sanjay Hariram Agarwal Deponent

Agarwal

9/1/25

I know and identify the DEPONENT PERSONALLY/KNOWN

TO ME / IDENTIFIED BY Adv

P. A. Tamboli

BEFORE ME THIS THE 9th

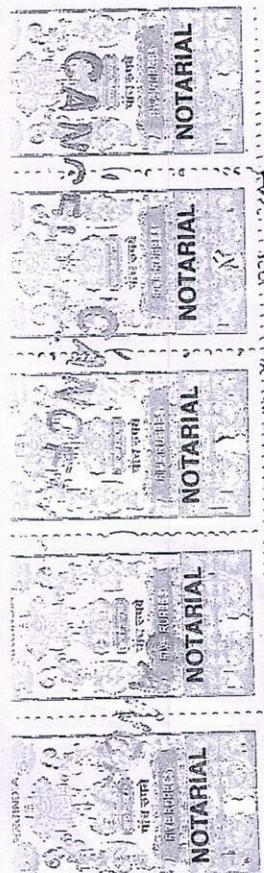
DAY OF Jan 25 AT NAGPUR

PANKAJ A. TAMBOLI

(ADVOCATE)

Sophiya P. Kanek
9/1/25
SOPHIYA PRAKASH KANEKA^S

NOTARY
TAH. NAGPUR,
NAGPUR (M.S.) INDIA



TS
Adv. S. K. Jadhav

24 | NOTARIA, REG
ENTRY NO. 722
DATE 9/1/25

MHNG030023772002

RCC No. 3030147/2002
State -- Vs -- Sunil & OrsORDER BELOW EXH.3666

This is an application made by accused No.3 for discharge under Section 239 of the Code of Criminal Procedure (for short '*the Cr.PC.*').

2. The application is running into 24 pages. The sum and substance thereof is to the effect that, no case is made out against accused No.3 for framing of charge. The Investigating Officer has failed to understand the exact nature of several transactions between the accused and the Nagpur District Central Co-operative Bank (for short "*the NDCC Bank*"). The transactions between the NDCC Bank and M/s. Home Trade Limited (for short "*HTL*") are in the capacity of buyer and seller, respectively and not as a broker (agent). HTL has never derived any income from "broking" activity during the year 2000-2001.

3. It is further contended that, the contract notes between NDCC Bank and the HTL were executed on "Principal to Principal" basis, therefore, the question of physical allotment of Government of India Securities (for short '*GOI securities*') would not arise. Thus, the settlement of transactions between the NDCC Bank and the HTL were the relationship of "Debtor" and "Creditor". In short, according to accused No.3, the dispute between the NDCC Bank and the HTL is of



W

civil nature.

4. It is further contended that, the amount alleged to have been misappropriated by the accused persons was entrusted by the depositors and share holders of the NDCC Bank to the NDCC Bank and not the HTL. In short, according to accused No.3, there was no entrustment to the directors and office bearers of the HTL. The NDCC bank and the HTL have not been arraigned as accused in the present case. According to accused No.3, it was mandatory to arraign the NDCC bank and the HTL as accused.

5. It is further contended that, the Investigating Officer has not conducted investigation in respect of the complete holdings of Government Securities by the HTL as per the advice of the Reserve Bank of India. Thus, the conclusion arrived by the Investigating Officer is based upon incomplete facts. The contract notes issued by the HTL had an 'Arbitration Clause'. The NDCC Bank has refrained from initiating arbitration proceedings for inexplicable reasons. The dispute between the NDCC Bank and the HTL is not case of criminal breach of trust, but, predominantly it is the matter of breach of contract which is a civil wrong and thus, it ought to have been adjudicated before the Arbitrator of the National Stock Exchange.

6. It is further contended that, the act of signing contract notes, letters and cheques for and behalf of HTL while discharging official duty does not fall within the ambit of any offence under the Indian Penal Code (for short '**the IPC**'). In other words, according to accused No.3, the signing of contract notes, letters and cheques by



W

him on behalf of HTL would not amount to making false documents. Thus, according to accused No.3, the offences punishable under Section 467 and 471 of the IPC in respect of the alleged forgery would not be attracted against him. None of the prosecution witnesses working with the NDCC bank have deposed of having ever seen photocopies of the alleged forged documents referred by the investigating officer. Thus, investigation carried out by the Investigating officer was incomplete and thus, the conclusion based upon such investigation is unreliable. On these grounds, accused No.3 has prayed for allowing the application.

7. The Ld. Special APP has filed reply at Exh.3690. It is submitted that, the charge-sheet was filed in the year 2002 after carrying out a detailed investigation. The accused had received copy of charge-sheet. However, he did not choose file an application for discharge at the earliest. He has not raised any objection in respect of the investigation till the date of filing present application, i.e., from the year 2002 to the year 2023. One of the partner of the HTL has been convicted by this Court on the basis of same charge-sheet.

8. It is further submitted that, the accused can not seek discharge by relying upon the evidence recorded in the course of trial of other accused persons. The application has been made only in order to protract the trial. On these major grounds, the Special APP has prayed for rejection of the application.

9. Heard Shri P.A.Tamboli and Smt. Kamana Divya Sree, the Ld. Advocates for accused No.3. Heard Ld. Special APP for the State.

W

Accused No.3 has also filed written notes of arguments at Exh.3717. The oral submissions made by the Ld. Advocates for accused No.3 are nothing but repetition of submissions in the written notes of arguments. The said submissions would be referred at appropriate places hereinafter. In support of his submissions, accused No.3 has relied upon the following decisions.

- i) *Delhi Race Club (1940) Ltd. & Ors. Vs. State of Uttar Pradesh & Anr 2024 INSC 626,*
- ii) *Shikhar Chemicals Vs. State of Uttar Pradesh and Another 2025 SCC OnLine SC 1643*
- iii) *Mohdmmmed Ibrahim and Others Vs. State of Bihar and Another (2009) 8 Supreme Court Cases 751*
- iv) *Sunil Bharti Mittal Vs. Central Bureau of Investigation (2015) 4 Supreme Court Cases 609*
- v) *GHCL Employees Stock Option Trust Vs. India Infoline Limited (2013) 4 Supreme Court Cases 505*

10. In the application under consideration, accused No.3 has referred following decisions. However, he has not produced copies of the said decisions.

- 1. *State Vs. Tirath Das, AIR 1954 ALLAHBAD 583 (Vol 41, CN227)*
- 2. *The State Vs. Jage Ram, AIR (38) 1951 PUNJAB 103*
- 3. *Sharad Kumar Sanghi Vs. Sangita Rane (2015) 12 SCC 781 Para 9, 11 & 13.*
- 4. *R.Kalyani Vs. Janak C. Mehta and Others (2009) 1 SCC 516 Para 41*
- 5. *Sandeep Singh & Ors Vs. Nisar Ahmad Dar. in GRM(M) No.263/2020 decided on 21.05.2022 by the Hon'ble Jammu and Kashmir High Court.*
- 6. *S.K.Alagh Vs. State of U.P & Others, (2008) 5 SCC 662.*

11. Following points arise for my consideration to which I



W

have recorded my findings with reasons thereunder.

S.NO.	POINTS	FINDINGS
1.	Whether the charge against accused No.3 is groundless ?	No
2.	What order ?	Application is rejected.

: REASONS :

As to Point No.1 :

12. The Ld. Advocate for accused No.3 submitted that, the contract notes do not mention that, the HTL is a broker. The balance sheets of HTL do not show any income from the alleged broking activity. In short, according to the Ld. Advocates, the transactions between the NDCC Bank and the HTL were on 'principal to principal' basis, thus, the HTL or accused No.3 can not be held to be broker or an agent as regard to application of Section 409 of the IPC.

13. The Ld. Advocate for accused No.3 further submitted that, the relationship between the NDCC Bank and the HTL is of buyer and seller, thus, the question of entrustment of property would no arise. In fine, according to the Ld. Advocate, the ingredients of Section 405 of the IPC are not made out against accused No.3. In support of said submissions, the Ld. Advocate has placed reliance upon the decisions in *Delhi Race Club(1940) Ltd. and Ors. (Supra)* and *Shikhar Chemicals (Supra)*.

14. The Ld. Advocate for accused No.3 further submitted

that, the dispute between the NDCC Bank and the HTL is purely of civil nature. It was further submitted that, the NDCC Bank was required to initiate Arbitration proceedings as per the Arbitration clause in the contract notes.

15. The Ld. Advocate for accused No.3 further submitted that, the letters issued on behalf of the HTL under signatures of accused No.3 can not be termed as false documents. It was further submitted that, even if the contents of said letters are assumed to be false, the said letters can not be termed as forged documents. In support of said submissions, the Ld. Advocate has placed reliance upon the decision in ***Mohammed Ibrahim and Ors (Supra)***.

16. The Ld. Advocate for accused No.3 further submitted that, accused No.3 being director of the HTL can not be prosecuted unless the HTL is made an accused in the present case. It was submitted that, the transactions in question were between the NDCC Bank and the HTL, thus, accused No.3 can not be held vicariously liable. In support of said submissions the Ld. Advocate has relied upon the decisions in ***Sunil Bharti Mittal (Supra)*** and ***GHCL Employees Stock Option Trust (Supra)***.

17. The Ld. Spl APP submitted that, accused No.4 who is director of the HTL has been convicted vide Judgment dated 22.12.2023 on the same set of facts. It was further submitted that, there is sufficient material on record for framing charge against accused No.3. It was lastly submitted that, the decisions cited on behalf of accused No.3 can not be made applicable to the case at



W

hand owing to non-identical facts and circumstances.

18. The charge-sheet has been filed for offences punishable under Section 406, 409, 468, 471, 120B r/w 34 of the IPC. After carrying out investigation, the Investigating Officer has arrived at the following conclusion in respect of accused No.3.

वरिल कालावधीत होम ट्रेड लिमि. कंपनीकडून कधीही मुळ शासकिय प्रतिभूति बँकेकडे पाठविण्यात आल्या नाही. नागपूर जिल्हा मध्यवर्ती सहकारी बँकेतर्फे मुळ शासकिय प्रतिभूति प्राप्त करणे बाबत काहीही प्रयत्न केले असल्याचे निष्पन्न झाले नाही.

होम ट्रेड लि.कंपनीने नागपूर जिल्हा मध्यवर्ती सहकारी बँकेला आपून दिलेल्या शासकिय प्रतिभूतिच्या छायांकित प्रति या आर.बी.आय मुंबई कडे तपासणीस व पुष्टीकरीता पाठविल्या असता छायांकित प्रति या बनावट तयार करण्यात आल्या असून छायांकित प्रतितील शासकिय प्रतिभूति या दुस-या कंपनीचे नावावर असून त्या कधीही होम ट्रेड कंपनीचे नावावर ट्रान्सफर झाल्या नसल्याचे आर.बी.आय.मुंबई ने लेखी कळविलेले आहे.

संजय अग्रवाल (आरोपी क्रमांक ३) हा होम ट्रेड लिमि.कंपनीचा कार्यकारी संचालक असून मुख्य कार्यपालन अधिकारी आहे. सदर आरोपी हा युरो डिस्कव्हर इंडिया लिमि. चा सुध्दा संचालक आहे. त्यांनी शासकिय प्रतिभूति विकत घेणेकामी नागपूर जिल्हा मध्यवर्ती सहकारी बँकेकडे लेखी करारपत्रे पाठविलीत. नागपूर जिल्हा मध्यवर्ती सहकारी बँकेकडून शासकिय प्रतिभूति खरेदी करीता सुमारे १८५.७० कोटी रूपये सन २००१ दरम्यान प्राप्त केलीत. सदर रकम होम ट्रेड लिमि. कंपनीचे महाराष्ट्र राज्य सहाकारी बँक मुंबई येथील खाते क्रमांक १७०३१ व जनता सहकारी बँक मुंबई येथील होम ट्रेडचे खाते क्रमांक २३६४, १३६४ येथे जमा करण्यात आले आहेत. वरिल तिनही खाते चालविणेकरीता आरोपी क्र. ३ हा प्राधिकृत आहे. सदर आरोपीने नागपूर जिल्हा मध्यवर्ती बँकेतून शासकिय प्रतिभूति करीता रकमा स्विकारल्यात परंतु कधीही शासकिय प्रतिभूति विकत घेतल्या नाहीत व शासकिय प्रतिभूतिच्या मुळ प्रति नागपूर जिल्हा मध्यवर्ती बँकेकडे पाठविल्या नाही. दिनांक ११/५/२००२ रोजी सदर आरोपी हुजूर कोर्टाचे समक्ष समर्पित झाला व त्यावेळेस दिलेल्या अर्जात त्याने मान्य केले आहे की, नागपूर जिल्हा मध्यवर्ती सहकारी बँकेला शासकिय प्रतिभूति त्यांनी पुरविलेल्या नाहीत. त्याचेकडे थकित आहेत.

होम ट्रेड लिमि.चे संचालक आरोपी संजय अग्रवाल (२) एन.एस.त्रीवेदी, (३) केतन शेठ, व (४) सुबोध भंडारी इत्यादींनी नागपूर

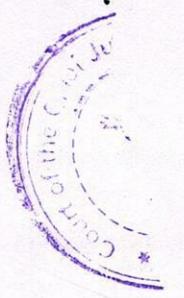
जिल्हा मध्यवर्ती सहकारी बँकेकडून प्राप्त केलेल्या रकमेतून कधीही नागपूर जिल्हा मध्यवर्ती सहकारी बँकेकरीता शासकिय प्रतिभूति विकत घेतल्या नाही. होम ट्रेड कंपनीचा शासकिय प्रतिभूतीचा खरेदी-विक्री व्यवहार आर.बी.आय. मुंबई, एच.डी.एफ.सी.बँक मुंबई, फेडरल बँक मुंबई, इन्डसिंड बँक मुंबई व जनता सहकारी बँक मुंबई मार्फत करण्यात येत होता असे तपासात निष्पन्न झालेले असून वरील बँकेने पुरविलेल्या माहितीवरून स्पष्ट झालेले आहे.

नागपूर जिल्हा मध्यवर्ती सहकारी बँकेकडून प्राप्त केलेल्या रकमेतून होम ट्रेड कंपनीचे संबंधीत आरोपीतांना तो पैसा कंपनीचे दैनंदिन व्यवहार व विकासाकरीता वापरल्याचे तपासात निष्पन्न झालेले आहे. अपहारीत रकमेतून होम ट्रेड कंपनीशी संबंधीत आरोपीतांनी तांत्रिक उपकरणे (कॉम्प्यूटर्स, लॅपटॉप, सन सिस्टीम, पामटॉप, मोबाईल फोन्स, टेलीफोन, एअर-कंडीशनर्स, इत्यादी) खरेदी करणेकामी काही रक्कम वारलेली आहे. सदर आरोपीतांनी लॅपटॉप, पामटॉप व मोबाईल फोन हे कंपनीचे कामकाजाकरीता कंपनीचे कर्मचा-यांना पुरविली होती. त्यातील काही उपकरणे जप्त करण्यात आलेली आहे.

होम ट्रेड कंपनीचे संबंधीत आरोपीतांनी मुंबई आरोपीतांनी मुंबई स्थित विविध बँकात सुमारे १०५ बँक खाती उघडलेली होती व त्या खात्यातून कंपनीचा आर्थिक व्यवहार करण्यात येत होता. संबंधीत बँकाना कलम ९१ सीआरपीसी अन्वये मागणीपत्र तामील करून संबंधित खात्यावरील जमा/खर्चाचे विवरणपत्रे हस्तगत करण्यात आली. तसेच होम ट्रेड कंपनीचे अर्थिक व्यवहाराबाबत, कंपनीने कॉम्प्यूटर मध्ये रेकॉर्ड करून ठेवलेले डाटा डाउनलोड करून त्यांच्या प्रती तयार करून हस्तगत करण्यात आल्या. वरील दस्तऐवज शासनाने नियुक्त केलेले ऑडीटर मेसर्स वा.सी.दलाल असोसिएट्स, चार्टर्ड अकाउन्टंट, मुंबई यांचेकडे तपासण्यास सोपविण्यात आली. श्री. केतन चौकसे, चार्टर्ड अकाउन्टंट, मुंबई यांनी वरील दस्तऐवजाचे ऑडीट करून अहवाल दिला की, होम ट्रेड कंपनीचे संचालकांनी नागपूर जिल्हा सहकारी बँके कडून प्राप्त केलेल्या रकमेतून शासकीय प्रतिभूती खरेदी केलेल्या नसून ती रक्कम त्यांनी कंपनीचे दैनंदिन आर्थिक व्यवहार पार पाडण्याकरिता खर्च केलेली आहे.

होम ट्रेड कंपनीचे आरोपी संचालकांनी अपहारीत रकमेतून काही रक्कम त्यांचे कर्मचा-यांना कर्ज रूपात वाटप केलेली आहे. तसेच काही इतर कंपन्यांना इन्टर कार्पोरेट डिपाझीट (कर्ज) दिलेले आहेत असे तपासात निष्पन्न झालेले असून सदर रक्कम संबंधितांकडून जप्त करणे सुरू आहे.

एकंदरीत तपासावरून आरोपी क्रमांक १ ते ११ यांनी गुन्हेगारी स्वरूपाचा कट रचून नागपूर जिल्हा मध्यवर्ती सहाकारी बँकेतील २४१.७३ कोटी रूपये शासकिय प्रतिभूति खरेदी-विक्रीचे व्यवहारात बेकायदेशिररित्या गुंतविल्याचे दर्शविले. त्यातील १२४.२१ कोटी रूपये नागपूर जिल्हा मध्यवर्ती सहाकारी बँकेकडे होम ट्रेड कंपनीकडून परत करण्यात आले असे



W

दाखविण्यात आले. उर्वरीत ११७.५१ कोटी रूपयाचा अपहार वरिल आरोपीतांनी केला असल्याचे तपसात निष्पन्न झालेले आहेत. सर्व आरोपी यांनी गुन्हेगारी स्वरूपाचा कट रचून व संगनमत करून केला असल्याचे उपलब्ध पुराव्यावरून स्पष्ट दिसून येत आहे. सर्व आरोपीतांविरुद्ध सबळ पुरावा उपलब्ध असल्याने दोषारोपत्र न्यायार्थ सादर आहे.

19. There are statements of several witnesses and voluminous documentary evidence *prima facie* in support of the aforesaid conclusion drawn by the Investigating Officer against accused No.3. Accused Nos.1, 2, 4, 7, 8 and 9 have been convicted for offences punishable under Section 406, 409, 471, 468 read with 120B of the IPC vide Judgment dated 22.12.2023. No doubt, the observations and findings in the judgment of conviction dated 22.12.2023 can not be used for convicting present accused. However, the observations and findings in para Nos.39, 42, 43, 57, 63, 74, 77, 138, 139, 141, 146 and 147 are relevant for the consideration of present application. The said observations and findings go to show the role of accused No.3 in the commission of alleged offences.

20. It is significant to note that, there are allegations of criminal conspiracy between all the accused persons for the purpose of committing the alleged illegal acts. Thus, even assuming that, the HTL was not either a broker or an agent, yet, due to the charge of criminal conspiracy, the offences punishable under Sections 406 and 409 of the IPC would be *prima facie* attracted against accused No.3.

21. As regard to the offence of forgery, there are allegations in respect of presentation of photocopies of GOI Securities which were found to be forged. Thus, it can not be said that, there is no

al

material for framing charge against accused No.3 for offences punishable under Section 468 and 471 of the IPC.

22. I have carefully gone through the decisions cited on behalf of accused No.3. In the cases of **Delhi Race Club (1940) Ltd. and Ors.** and **Shikhar Chemicals**, the transactions in questions were in respect of sale of goods and failure to make payment thereof. However, that is not the position in the case at hand. As discussed above, the allegations against accused No.3 are in respect of hatching of a criminal conspiracy for the purpose of misappropriation of public money and also forgery. As such, it can not be said that, the dispute between the NDCC Bank and accused No.3 or the HTL is purely civil in nature. Thus, the aforesaid decisions and the decisions referred by accused No.3 in para 'E' (page No.10) can not be made squarely applicable to the case at hand owing to non identical facts and circumstances.

23. In the case of **Mohammed Ibrahim and Ors.**, it was held that, the sale deed executed by the first appellant can not be termed as a false document. In the present case, as discussed above, there are allegations in respect of preparing false GOI Securities and presenting photocopies thereof. Thus, it can not be said that, the charge of forgery against accused No.3 is groundless. At the cost of repetition, it is necessary to mention that, there are allegations of criminal conspiracy against accused No.3 as well. Thus, the aforesaid decision can not be made squarely applicable to the case at hand owing to non identical facts and circumstances.

WJ

24. In the case of ***Sunil Bharti Mittal (Supra)***, the principle of “alter ego” was applied in reverse scenario. In the said case, the company was an accused and the directors were made accused by applying the principle of alter ego. However, that is not the position in the case at hand. In the present case, there are allegations of criminal conspiracy against accused No.3 who is director of the HTL. Under the facts and circumstances of present case, it can not be said that, accused No.3 can not be prosecuted unless the HTL is made an accused in the present case. Thus, the decisions in ***Sunil Bharti Mittal (Supra)***, ***GHCL Employees Stock Option Trust (Supra)*** and the decisions referred by accused No.3 in para ‘Q’ (page No.14 & 15) can not be made squarely applicable to the case at hand owing to non identical facts and circumstances.

25. It is significant to note that, by order below Exh.1 dated 30.04.2024, my Ld. Predecessor has come to a conclusion that, there is sufficient material to frame charge against accused No.3 under Section 406, 409, 468, 471 read with Section 120B of the IPC in alternative read with Section 34 of the IPC. It was further observed that, accused No.3 along with other co-accused had *mens rea* to form a criminal conspiracy of withdrawing the money of the NDCC Bank by obtaining sanction by withdrawal of such amount by using illegal means obtained the same from the headquarter of the bank at Nagpur. It was lastly held that, this is a fit case for framing charge against accused No.3 and to proceed with trial. It is noteworthy that, accused No.3 has not challenged the said order. Instead, he has made the present application. Be that as it may. Suffice is to say that, there



W

Page = 1021

90

is sufficient material on record in order to frame charge against accused No.3.

26. In view of the above, it can not be said that, the charge against accused No.3 is groundless. Hence, point No.1 is answered in the negative.

As to Point No.2.

27. In view of the negative finding on point No.1, the application is liable to be rejected. Hence, order.

ORDER

Application Exh.3666 is rejected.

Nagpur.
Date : 11.11.2025

(Signature)
11/11/2025

(M.V. Phade)
2nd Addl Chief Judicial Magistrate
(Spl. Court for S.138 N.I. Act),
Nagpur.



Handwritten: 22/11/2025
Asstt. Supdt
C.J.M. Court

Copying Charges	Rs.	360
Comparing Charges	Rs.	20
Paper Charges	Rs.	10
Surcharges	Rs.	5
Express Charges	Rs.	
Total	Rs.	395

The date on which copy applied for... 31/11/26 ...the date on which the application is completed in all respect... 21/12/26 ...the date given to the applicant for taking delivery... 21/12/26 ...the date on which the copy was ready for delivery... 21/12/26 ...the date on which it was delivered... 21/12/26

Asst. Supdt./Record Keeper
C.J.M. Court, Nagpur

(Signature)
Adv. S. C. Subit

IN THE COURT OF 2nd ADDITIONAL CHIEF JUDICIAL MAGISTRATE
NAGPUR AT NAGPUR.

R.C.C.No.3030147/2002

Exh.3737

C H A R G E

I, M. V. Phade, 2nd Additional Chief Judicial Magistrate, Nagpur
do hereby charge you-

Accused No.3 :- **Sanjay Hariramji Agrawal,**
Aged about 61 years,
Occupation : Business
Resident of : 7, Hari Seva Street, Kidderpore,
Kolkata.

as follows :

1] **That,** you accused No.3 alongwith convicted accused Nos.1, 2, 4, 7 to 9 and accused No.10 Kanan Vasant Mewawala, on or about 14.09.2000, 05.02.2000 to 12.06.2001 and during the intervening period at Nagpur agreed to do (or cause to be done) an illegal act i.e. misappropriation of funds(money) of ₹241.73 Crore of the Nagpur District Central Co-operative Bank by illegal means i.e. under the guise of purchasing Government Securities on the basis of illegal resolutions and forged documents and you being party to the said criminal conspiracy have thereby committed an offence punishable under Section 120B of the Indian Penal Code, 1860 and within my cognizance.

2] **Secondly,** during the aforesaid period and place, you accused No.3, convicted accused Nos.4, 7 to 9 and accused No.10 Kanan Vasant Mewawala being the brokers and acting in the capacity of brokers alongwith convicted accused Nos.1 and 2 being Chairman and General

Manager, respectively, of the Nagpur District Central Co-operative Bank being entrusted with the property, namely, the money (₹241.73 Crore) of the Nagpur District Central Co-operative Bank for investing it in the Government Securities, entered into criminal conspiracy and committed criminal breach of trust pertaining to the said money and thus, you have thereby committed an offence punishable under Section 406 read with Section 120B of the Indian Penal Code, 1860 and within my cognizance.

IN ALTERNATIVE

Secondly, during the aforesaid period and place, you accused No.3, convicted accused Nos.4, 7 to 9 and accused No.10 Kanan Vasant Mewawala being the brokers and acting in the capacity of brokers alongwith convicted accused Nos.1 and 2 being Chairman and General Manager, respectively, of the Nagpur District Central Co-operative Bank being entrusted with the property, namely, the money (₹241.73 Crore) of the Nagpur District Central Co-operative Bank for investing it in the Government Securities, in furtherance of your common intention committed criminal breach of trust pertaining to the said money and thus, you have thereby committed an offence punishable under Section 406 read with Section 34 of the Indian Penal Code, 1860 and within my cognizance.

3] **Thirdly**, during the aforesaid period and place, you accused No.3, convicted accused Nos.4, 7 to 9 and accused No.10 Kanan Vasant Mewawala being the brokers and acting in the capacity of brokers alongwith convicted accused Nos.1 and 2 being Chairman and General Manager, respectively, of the Nagpur District Central Co-operative Bank, entered into criminal conspiracy and committed criminal breach of trust

pertaining to the money (₹241.73 Crore) of the Nagpur District Central Co-operative Bank, and thus, you have thereby committed an offence punishable under Section 409 read with Section 120B of the Indian Penal Code, 1860 and within my cognizance.

IN ALTERNATIVE

Thirdly, during the aforesaid period and place, you accused No.3, convicted accused Nos.4, 7 to 9 and accused No.10 Kanan Vasant Mewawala being the brokers and acting in the capacity of brokers alongwith convicted accused Nos.1 and 2 being Chairman and General Manager, respectively, of the Nagpur District Central Co-operative Bank, in furtherance of your common intention committed criminal breach of trust pertaining to the money (₹241.73 Crore) of the Nagpur District Central Co-operative Bank, and thus, you have thereby committed an offence punishable under Section 409 read with Section 34 of the Indian Penal Code, 1860 and within my cognizance.

4] **Fourthly**, during the aforesaid period and place, you accused No.3 alongwith convicted accused Nos.1, 2, 4, 7 to 9 and accused No.10 Kanan Vasant Mewawala, entered into criminal conspiracy and prepared forged Government Securities and had placed the same before the inspection team of the National Bank for Agriculture and Rural Development (NABARD) during the inspection period, i.e. 06.02.2002 to 24.02.2002 and thus, you have thereby committed an offence punishable under Section 468 read with Section 120B of the Indian Penal Code, 1860 and within my cognizance.

IN ALTERNATIVE

Fourthly, during the aforesaid period and place, you accused No.3 alongwith convicted accused Nos.1, 2, 4, 7 to 9 and

accused No.10 Kanan Vasant Mewawala, in furtherance of your common intention prepared forged Government Securities and had placed the same before the inspection team of the National Bank for Agriculture and Rural Development (NABARD) during the inspection period, i.e. 06.02.2002 to 24.02.2002 and thus, you have thereby committed an offence punishable under Section 468 read with Section 34 of the Indian Penal Code, 1860 and within my cognizance.

5] **Fifthly**, during the aforesaid period and place, you accused No.3 alongwith convicted accused Nos.1, 2, 4, 7 to 9 and accused No.10 Kanan Vasant Mewawala, entered into criminal conspiracy and had fraudulently and dishonestly used as genuine photocopies of Government Securities which you had knowledge or had reason to believe to be forged by placing the same before the inspection team of the National Bank for Agriculture and Rural Development (NABARD) during the inspection period, i.e. 06.02.2002 to 24.02.2002 and thus, you have thereby committed an offence punishable under Section 471 read with Section 120B of the Indian Penal Code, 1860 and within my cognizance.

IN ALTERNATIVE

Fifthly, during the aforesaid period and place, you accused No.3 alongwith convicted accused Nos.1, 2, 4, 7 to 9 and accused No.10 Kanan Vasant Mewawala, in furtherance of your common intention had fraudulently and dishonestly used as genuine photocopies of Government Securities which you had knowledge or had reason to believe to be forged by placing the same before the inspection team of the National Bank for Agriculture and Rural Development (NABARD) during the inspection period, i.e. 06.02.2002 to 24.02.2002 and thus, you have

thereby committed an offence punishable under Section 471 read with Section 34 of the Indian Penal Code, 1860 and within my cognizance.

And, I hereby direct that you be tried before me on the aforesaid charges.

Nagpur
Date: 26.11.2025

Sd/-
(M.V. Phade)
2nd Addl. Chief Judicial Magistrate,
Nagpur.

CERTIFICATE

The charge was read over and explained to the accused in English through video conferencing to which he pleaded not guilty and claimed to be tried. Advocate Shri.Pankaj Tamboli representing the accused and the Ld. Spl.APP were present before the Court physically. The accused has been directed to remain present on next date for signing the plea.

Nagpur
Date: 26.11.2025

MAHESH
VIJAYKUMAR
PHADE
Digitally signed by
MAHESH
VIJAYKUMAR
PHADE
Date: 2025.11.26
17:08:45 +0530
(M.V. Phade)
2nd Addl. Chief Judicial Magistrate,
Nagpur.


(Adv. S.K. Jambhale)

FPO C.A. No. 730/12

CONTRACT NOTE
(Regulation 3.5)

Subject to the jurisdiction of the courts in India

Contract note issued by members action for constituents as Brokers & Agents or principals



Home Trade
for trade i...
Tower 3/5th Floor, International
Jalgaon Park, Navi Mumbai - 400 703
Tel: 22 781 244, 781 2550, Fax: 91 22 781 2548

Exh-1273

To,
NAGPUR DISTRICT CENTRAL CO-OPERATIVE BANK LTD.
RUIKAR ROAD
GANDHI SAGAR
NAGPUR
Pin Code :

CONTRACT NO. LBL/NSE/2001 - 2,000/000 6,472
Constituent Order Ref. No.

Stamp as required under Article 43(I) OR Article 5(b) of schedule 1 to the Bombay Stamp Act, 1958.

Date: 11.03.01
Approved by: [Signature]
Exh. No. 1273

HOME TRADE LIMITED

Authorized Signatory/Director 17/5/2001

I/We have this day done by your order and to your account the following transactions :

SECURITY DETAILS

Order Number	ST	Security Name	Issue	TT	Repo Period	Value (In Rs. Lacs)	Price (In Rs.)	Repo Rate (%)	OA (in Lacs)
000302001011	GS	CG 2012	11.03		NA	2,500.00	102.68		NA

ST - Security Type TT - Trade type OA - Order Attributes (RE/NR - REPO/NON REPO)

TRANSACTION DETAILS

Trade Date 03/02/2001 Settlement Date 05/02/2001

B/S	ON	TN	TT	CBN	CPN	LIP	PV/SV (Rs.)	BR (Rs.)	AI	TDS	TC
B	000302001011	4,07	11:15:11		HOME TRADE	18/01/2001	256,700,000.00		1,302,152.78	0.00	258,002,152.78

CODES

B/S - Buy/Sell TT - Trade Time CPN - Counter Party Participant Name PV - Purchase Value TDS - Tax Deducted
ON - Order No. TD - Trade Date SD - Settlement Date SV - Sale Value AI - Accrued Interest
TN - Trade No. CBN - Counter Party Broker Name LIP - Last Interest Payment Date BR - Brokerage TC - Total Consideration

Private use only

[Handwritten signatures and initials]



Asstt. Supdt
C.J.M. Court
Nagpur

[Handwritten signature]

This contract is made subject to the Rules, Bye-Laws and Regulations, and usages of the National Stock Exchange of India Limited, Bombay and other Government/Regulatory bodies as applicable.

Brokerage has been charged as stated and has been at rates not exceeding the official scale of brokerage and indicated separately.

This contract is subject to the jurisdiction of the courts in Bombay.

In the event of any claim (whether admitted or not) difference or dispute arising between you and me/us out of these transactions the matter shall be referred to arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay

This contract constitutes and shall be deemed to constitute as provided overleaf an agreement between you and me/us that all claims (whether admitted or not), differences and dispute in respect of any dealings, transactions and contracts of a date prior or subsequent to the date of this contract (including any question whether such dealings, transactions or contracts of a date been entered into or not) shall be submitted to and decided by Arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay.

[Handwritten notes and signatures]
Companing Charges
Super Charges
Expence Charges
Total

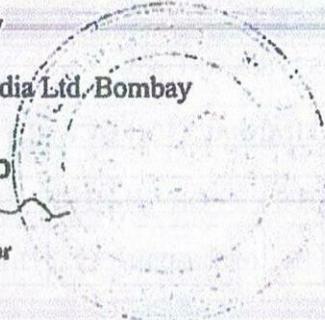
BOMBAY

Yours Faithfully

Member of National Stock Exchange of India Ltd, Bombay

HOME TRADE LIMITED

Authorised Signatory/Director



[Handwritten notes and dates]
Date on which copy received
for... the one on
which the application is completed
In all respect... 28/12/12
the date given to the applicant
for taking delivery... 28/12/12
the date on which the copy was
ready for delivery 29/12/12
the date on which it was delivered
29/12/12

Asst. Supdt. Record Keeper
C.J.M. Court, Nagpur





This contract is made subject to the Rules, Bye-Laws and Regulations, and usages of the National Stock Exchange of India Limited, Bombay and other Government/Regulatory bodies as applicable.

Brokerage has been charged as stated and has been at rates not exceeding the official scale of brokerage and indicated separately.

This contract is subject to the jurisdiction of the courts in Bombay.

In the event of any claim (whether admitted or not) difference or dispute arising between you and me/us out of these transactions the matter shall be referred to arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay

This contract constitutes and shall be deemed to constitute as provided overleaf an agreement between you and me/us that all claims (whether admitted or not), differences and dispute in respect of any dealings, transactions and contracts of a date prior or subsequent to the date of this contract (including any question whether such dealings, transactions or contracts of a date been entered into or not) shall be submitted to and decided by Arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay.

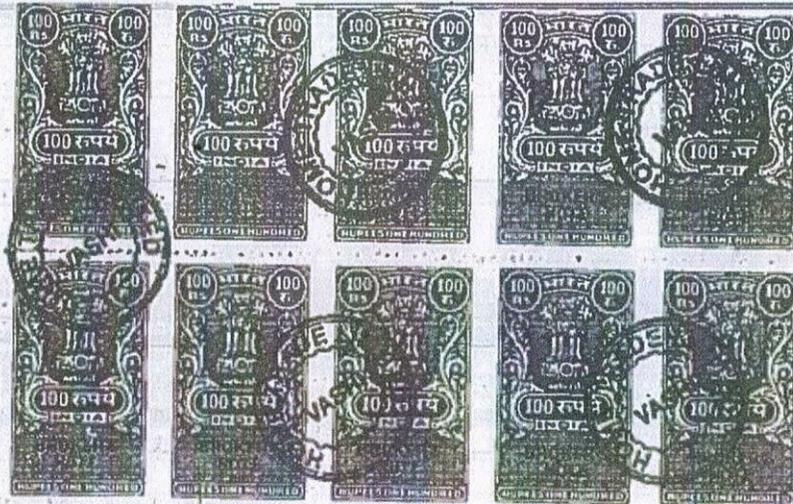
Asst. Supdt
C.J.M. Court
Magpur

Owner's Charges
Comprising Charges
Spot Charges
Surcharges
Service Charges

BOMBAY

Yours Faithfully

Member of National Stock Exchange of India Ltd. Bombay

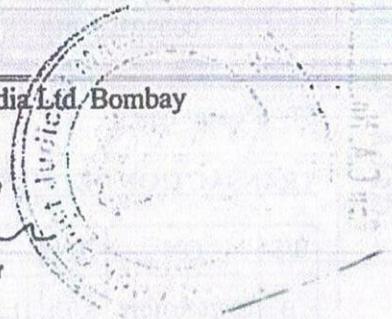


For HOME TRADE LIMITED

Authorized Signatory/Director

The date on which copy applied for... the date on which the application is completed in all respect... the date given to the applicant for taking delivery... the date on which the copy was ready for delivery... the date on which it was delivered

Asst. Supdt./Record Keeper
C.J.M. Court, Magpur

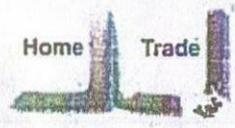


Exp C.A. No. 7901/02

100

CONTRACT NOTE

(Regulation 3.5)



Subject to the jurisdiction of the courts in India

Contract note issued by members action for constituents as Brokers & Agents or principals

home trade ltd.
Tower 4, 5th Floor, International Infotech Park, Navi Mumbai - 400 703
Tel: 91-22-781 2444, 781 2550, Fax: 91-22-781 2549

To,
NAGPUR DISTRICT CENTRAL CO-OPERATIVE BANK LTD
RUIKAR ROAD
GANDHI SAGAR
NAGPUR
Pin Code :

CONTRACT NO. LBL/NSE/2002 - 2,001/000 7,091

Constituent Order Ref. No.

Stamp as required under Article 43(f) OR Article 5(b) of schedule I to the Bombay Stamp Act, 1958.



For HOME TRADE LIMITED

Authorised Signatory/Director

I/We have this day done by your order and to your account the following transactions :

SECURITY DETAILS

Order Number	ST	Security Name	Issue	TT	Repo Period	Value (In Rs. Lacs)	Price (In Rs.)	Repo Rate (%)	OA (in Lacs)
10012002108	GS	GOI 2019	10.03		NA	900.00	112.00		NA

ST - Security Type TT - Trade type OA - Order Attributes (RE/NR - REPO/NON REPO)

TRANSACTION DETAILS

Trade Date 10/01/2002 Settlement Date 11/01/2002

B/S	ON	TN	TT	CBN	CPN	LIP	PV/SV (Rs.)	BR (Rs.)	AI	TDS	TC
S	10012002108	56,08	12:01:10		HOMETRADE	09/08/2001	100,800,000.00		3,811,400.00	0.00	104,611,400.00

Remarks

B/S - Buy/Sell TT - Trade Time CPN - Counter Party Participant Name PV - Purchase Value TDS - Tax Deducted
 ON - Order No. TD - Trade Date SD - Settlement Date SV - Sale Value AI - Accrued Interest
 TN - Trade No. CBN - Counter Party Broker Name LIP - Last Interest Payment Date BR - Brokerage TC - Total Consideration

Private use only

367
101

EXM No. 1115
Provided by NAGPUR DISTRICT CENTRAL CO-OPERATIVE BANK LTD
Date 15-12-2002
Judge

1042

This contract is made subject to the Rules, Bye-Laws and Regulations, and usages of the National Stock Exchange of India Limited, Bombay and other Government/Regulatory bodies as applicable.

Brokerage has been charged as stated and has been at rates not exceeding the official scale of brokerage and indicated separately.

This contract is subject to the jurisdiction of the courts in Bombay.

In the event of any claim (whether admitted or not) difference or dispute arising between you and me/us out of these transactions the matter shall be referred to arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay

This contract constitutes and shall be deemed to constitute as provided overleaf an agreement between you and me/us that all claims (whether admitted or not), differences and dispute in respect of any dealings, transactions and contracts of a date prior or subsequent to the date of this contract (including any question whether such dealings, transactions or contracts of a date been entered into or not) shall be submitted to and decided by Arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay.

BOMBAY

Yours Faithfully

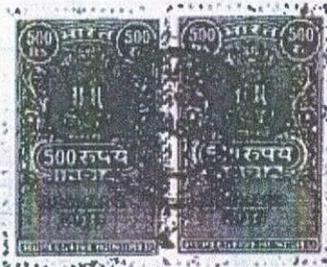
Member of National Stock Exchange of India Ltd. Bombay

For HOMF TRADE LIMITED

Authorised Signatory/Director

Date on which copy applied for... 15/12/14... the date on which the application is completed in all respect... 23/12/14... the date given to the applicant for taking delivery... 28/12/14... the date on which the copy was ready for delivery... 29/12/14... the date on which it was delivered... 29/12/14

Asst. Supdt. Record Keeper
C. J. M. Court, Nagpur



368

Asst. Supdt.
C.J.M. Court
Nagpur

owne Charges 2 pax
Contracting Charges
Paper Charges
Surcharges
Press Charges
From

365

CONTRACT NOTE

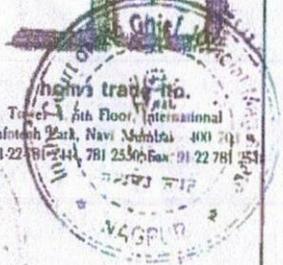
(Regulation 3.5)

102

Subject to the jurisdiction of the courts in India

Contract note issued by members action for constituents as Brokers & Agents or principals

Home Trade



P.Y.C.A. No. 70/2001
 1276

To,
NAGPUR DISTRICT CENTRAL CO-OPERATIVE BANK LTD
 RUIKAR ROAD
 GANDHI SAGAR
 NAGPUR
 Pin Code :

CONTRACT NO. LBL/NSE/2001 - 2,002/000 6,819

Constituent Order Ref. No.

Stamp as required under Article 43(f) OR Article 5(b) of schedule 1 to the Bombay Stamp Act, 1958.

For HOME TRADE LIMITED

Authorised Signatory/Director

I/We have this day done by your order and to your account the following transactions :

SECURITY DETAILS

Order Number	ST	Security Name	TT	Repo Period	Value (In Rs. Lacs)	Price (In Rs.)	Repo Rate (%)	OA (in Lacs)
29102001152	GS	CG2013	12.40	NA	100.00	117.50		NA

ST - Security Type

TT - Trade type

OA - Order Attributes

(RE/NR - REPO/NON REPO)

TRANSACTION DETAILS

Trade Date 29/10/2001 Settlement Date 29/10/2001

B/S	ON	TN	TT	CBN	CPN	LIP	PV/SV (Rs.)	BR (Rs.)	AI	TDS	TC
B	29102001152	55,05	1:18:06		HOME TRADE	20/08/2001	11,750,000.00		237,666.67	0.00	11,987,666.67

CODES

B/S - Buy/Sell

ON - Order No.

TN - Trade No.

TT - Trade Time

TD - Trade Date

CBN - Counter Party Broker Name

CPN - Counter Party Participant Name

SD - Settlement Date

LIP - Last Interest Payment Date

PV - Purchase Value

SV - Sale Value

BR - Brokerage

TDS - Tax Deducted

AI - Accrued Interest

TC - Total Consideration

Private use only

369
 260
 1276



This contract is made subject to the Rules, Bye-Laws and Regulations, and usages of the National Stock Exchange of India Limited, Bombay and other Government/Regulatory bodies as applicable.

Brokerage has been charged as stated and has been at rates not exceeding the official scale of brokerage and indicated separately.

This contract is subject to the jurisdiction of the courts in Bombay.

In the event of any claim (whether admitted or not) difference or dispute arising between you and me/us out of these transactions the matter shall be referred to arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay

This contract constitutes and shall be deemed to constitute as provided overleaf an agreement between you and me/us that all claims (whether admitted or not), differences and dispute in respect of any dealings, transactions and contracts of a date prior or subsequent to the date of this contract (including any question whether such dealings, transactions or contracts of a date been entered into or not) shall be submitted to and decided by Arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay.

Assst. Supdt
C.J.M. Court
Nagpur

Compting Charges	2200/-
Broker Charges	
Savings	
Reserve Charges	
Total	2200/-

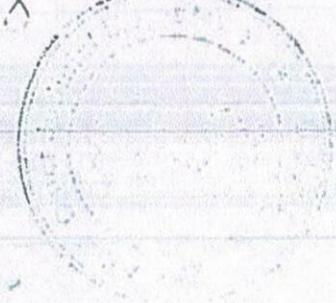
BOMBAY

Yours Faithfully

Member of National Stock Exchange of India Ltd. Bombay

For HOME TRADE LIMITED

Authorised Signatory/Director



...the date on which the application is completed in all respect...
...the date given to the applicant for taking delivery...
...the date on which the copy was ready for delivery...
...the date on which it was delivered

Assst. Supdt./Record Keeper
C.J.M. Court, Nagpur

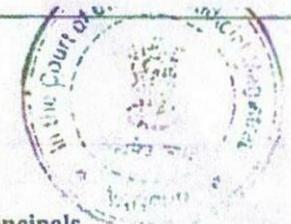


2200

CONTRACT NOTE
(Regulation 3.5)

Subject to the jurisdiction of the courts in India

Contract note issued by members action for constituents as Brokers & Agents or principals



Home Trade Ltd.
Tower 4, 5th Floor, International Infotech Park, Navi Mumbai - 400 703
Tel: 91-22-781 2444, 781 2550, Fax: 91-22-781 2549

To,
NAGPUR DISTRICT CENTRAL CO-OPERATIVE BANK LTD.
RUIKAR ROAD
GANDHI SAGAR
NAGPUR
Pin Code :

CONTRACT NO. LBL/NSE/2001 - 2,002/000 6,827
Constituent Order Ref. No.

Stamp as required under Article 43(f) OR Article 5(b) of schedule 1 to the Bombay Stamp Act, 1958.

For HOME TRADE LIMITED

Authorised Signatory/Director

An. No. 12-11
proved by 11/09/01
Date: 16-12-05
Judge

I/We have this day done by your order and to your account the following transactions :

SECURITY DETAILS

Order Number	ST	Security Name	Issue	TT	Repo Period	Value (In Rs. Lacs)	Price (In Rs.)	Repo Rate (%)	OA (in Lacs)
29102001160	EQ	GOI 26	10.18		NA	1,500.00	102.95		NA

ST - Security Type

TT - Trade type

OA - Order Attributes

(RE/NR - REPO/NON REPO)

TRANSACTION DETAILS

Trade Date 29/10/2001 Settlement Date 29/10/2001

B/S	ON	TN	TT	CBN	CPN	LIP	PV/SV (Rs.)	BR (Rs.)	AI	TDS	TC
B	29102001160	55,09	2:27:07		HOME TRADE	11/09/2001	154,425,000.00		2,036,000.00	0.00	156,461,000.00

CODES

B/S - Buy/Sell
ON - Order No.
TN - Trade No.

TT - Trade Time
TD - Trade Date
CBN - Counter Party Broker Name

CPN - Counter Party Participant Name
SD - Settlement Date
LIP - Last Interest Payment Date

PV - Purchase Value
SV - Sale Value
BR - Brokerage

TDS - Tax Deducted
AI - Accrued Interest
TC - Total Consideration

Exp C.A. No. 7801/2

Private use only

371
2e1
1074
821



Asstt. Supdt
C.J.M. Court
Bombay

This contract is made subject to the Rules, Bye-Laws and Regulations, and usages of the National Stock Exchange of India Limited, Bombay and other Government/Regulatory bodies as applicable.

Brokerage has been charged as stated and has been at rates not exceeding the official scale of brokerage and indicated separately.

This contract is subject to the jurisdiction of the courts in Bombay.

In the event of any claim (whether admitted or not) difference or dispute arising between you and me/us out of these transactions the matter shall be referred to arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay

This contract constitutes and shall be deemed to constitute as provided overleaf an agreement between you and me/us that all claims (whether admitted or not), differences and dispute in respect of any dealings, transactions and contracts of a date prior or subsequent to the date of this contract (including any question whether such dealings, transactions or contracts of a date been entered into or not) shall be submitted to and decided by Arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay.

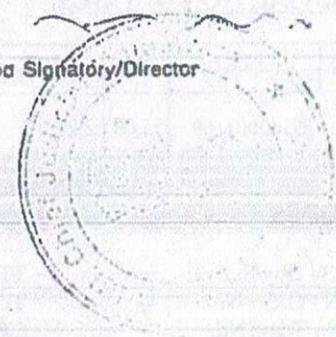
BOMBAY

Yours Faithfully

Member of National Stock Exchange of India Ltd. Bombay

For HOMF TRADE LIMITED

Authorised Signatory/Director



The date on which copy applied for... the date on which the application is completed in all respect... the date given to the applicant for taking delivery... the date on which the copy was ready for delivery the date on which it was delivered

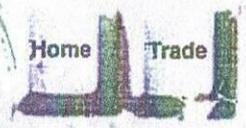
Asstt. Supdt./Record Keeper
C.J.M. Court, Nagpur

over charges 2000
Contingent Charges
Surcharge
Express Charges
Total

CONTRACT NOTE
(Regulation 3.5)

Subject to the jurisdiction of the courts in India

Contract note issued by members action for constituents as Brokers & Agents or principals



home trade ltd.
Tower 4, 5th Floor, International Infotech Park, Navi Mumbai - 411 703
Tel: 91-22-781 2444, 781 2550, Fax: 91 22-781 2544

Exp. C.A. No. 7301/20

To,
NAGPUR DISTRICT CENTRAL CO-OPERATIVE BANK LTD
RUIKAR ROAD
GANDHI SAGAR
NAGPUR
Pin Code :

CONTRACT NO. LBL/NSE/2001 - 2,002/000 6,829
Constituent Order Ref. No.

Stamp as required under Article 43(f) OR Article 5(b) of schedule 1 to the Bombay Stamp Act, 1958.

For HOME/TRADE LIMITED

Authorised Signatory/Director

I/We have this day done by your order and to your account the following transactions :

SECURITY DETAILS

Order Number	ST	Security Name	TT	Repo Period	Value (In Rs. Lacs)	Price (In Rs.)	Repo Rate (%)	OA (in Lacs)
29102001162	GS	GOI 2019		NA	550.00	102.60		NA

ST - Security Type

TT - Trade type

OA - Order Attributes

(RE/NR - REPO/NON REPO)

TRANSACTION DETAILS

Trade Date 29/10/2001 Settlement Date 29/10/2001

B/S	ON	TN	TT	CBN	CPN	LIP	PV/SV (Rs.)	BR (Rs.)	AI	TDS	TC
B	29102001162	57,00	2:45:04		HOME TRADE	09/08/2001	56,430,000.00		1,225,888.89	0.00	57,655,888.89

CODES

B/S - Buy/Sell
ON - Order No.
TN - Trade No.

TT - Trade Time
TD - Trade Date
CBN - Counter Party Broker Name

CPN - Counter Party Participant Name
SD - Settlement Date
LIP - Last Interest Payment Date

PV - Purchase Value
SV - Sale Value
BR - Brokerage

TDS - Tax Deducted
AI - Accrued Interest
TC - Total Consideration

Private use only.

Proved by N/A
 Date: 16-12-19
 An. No. 1273
 R/S
 10.03

373
 242
 1045
 198

107



Asst. Supdt
C.J.M. Court
Nagpur

This contract is made subject to the Rules, Bye-Laws and Regulations, and usages of the National Stock Exchange of India Limited, Bombay and other Government/Regulatory bodies as applicable.

Brokerage has been charged as stated and has been at rates not exceeding the official scale of brokerage and indicated separately.

This contract is subject to the jurisdiction of the courts in Bombay.

In the event of any claim (whether admitted or not) difference or dispute arising between you and me/us out of these transactions the matter shall be referred to arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay

This contract constitutes and shall be deemed to constitute as provided overleaf an agreement between you and me/us that all claims (whether admitted or not), differences and dispute in respect of any dealings, transactions and contracts of a date prior or subsequent to the date of this contract (including any question whether such dealings, transactions or contracts of a date been entered into or not) shall be submitted to and decided by Arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay.

The date on which copy applied for...
the date on which the application is completed in all respects...
the date given to the applicant for taking delivery...
the date on which the copy was ready for delivery...
the date on which it was delivered...

Asst. Supdt./Record Keeper
C.J.M. Court, Nagpur

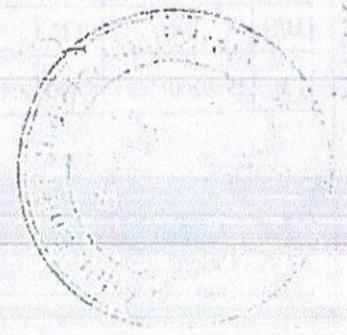
BOMBAY

Yours Faithfully

Member of National Stock Exchange of India Ltd. Bombay

For HOME TRADE LIMITED

Authorized Signatory, Director



Comprising Charges
Stamp Charges
Freight Charges
Total

CONTRACT NOTE
(Regulation 3.5)

Subject to the jurisdiction of the courts in India

Contract note issued by members action for constituents as Brokers & Agents or principals



Exp CA No 7301/24

To,
NAGPUR DISTRICT CENTRAL CO-OPERATIVE BANK LTD
RUIKAR ROAD
GANDHI SAGAR
NAGPUR
Pin Code :

CONTRACT NO. LBL/NSE/2002 - 2,001/000 7,093
Constituent Order Ref. No.

Stamp as required under Article 43(f) OR Article 5(b) of schedule 1 to the Bombay Stamp Act, 1958.

Date: 10/01/2002
Proved by: [Signature]
AN No: [Handwritten]

For HOME TRADE LIMITED

Authorised Signatory/Director

I/We have this day done by your order and to your account the following transactions :

SECURITY DETAILS

Order Number	ST	Security Name	Issue	TT	Repo Period	Value (In Rs. Lacs)	Price (In Rs.)	Repo Rate (%)	OA (in Lacs)
10012002110	EQ	GOI 26	10.18		NA	1,500.00	115.01		NA

ST - Security Type TT - Trade type OA - Order Attributes (RE/NR - REPO/NON REPO)

TRANSACTION DETAILS

Trade Date 10/01/2002 Settlement Date 11/01/2002

B/S	ON	TN	TT	CBN	CPN	LIP	PV/SV (Rs.)	BR (Rs.)	AI	TDS	TC
S	10012002110	56,09	12:10:24		HOMETRADE	11/09/2001	172,515,000.00		5,090,000.00	0.00	177,605,000.00

Remarks

B/S - Buy/Sell TT - Trade Time CPN - Counter Party Participant Name PV - Purchase Value TDS - Tax Deducted
 ON - Order No. TD - Trade Date SD - Settlement Date SV - Sale Value AI - Accrued Interest
 TN - Trade No. CBN - Counter Party Broker Name LIP - Last Interest Payment Date BR - Brokerage TC - Total Consideration

Private use only

375
263
1046
815



Assst. Supdt
C.J.M. Court
Nagpur

This contract is made subject to the Rules, Bye-Laws and Regulations, and usages of the National Stock Exchange of India Limited, Bombay and other Government/Regulatory bodies as applicable.

Brokerage has been charged as stated and has been at rates not exceeding the official scale of brokerage and indicated separately.

This contract is subject to the jurisdiction of the courts in Bombay.

In the event of any claim (whether admitted or not) difference or dispute arising between you and me/us out of these transactions the matter shall be referred to arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay

This contract constitutes and shall be deemed to constitute as provided overleaf an agreement between you and me/us that all claims (whether admitted or not), differences and dispute in respect of any dealings, transactions and contracts of a date prior or subsequent to the date of this contract (including any question whether such dealings, transactions or contracts of a date been entered into or not) shall be submitted to and decided by Arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay.

BOMBAY

Yours Faithfully

Member of National Stock Exchange of India Ltd. Bombay

For HOME TRADE LIMITED

Authorized Signatory/Director



The date on which copy applied for 15/12/14 ... the date on which the application is completed in all respect 28/12/14 ... the date given to the applicant for taking delivery 28/12/14 ... the date on which the copy was ready for delivery 29/12/14 ... the date on which it was delivered 29/12/14

Asst. Supdt/Record Keeper
C.J.M. Court, Nagpur



Stamp Charges 2000
Paper Charges
Surcharges
Express Charges
Total

2000

CONTRACT NOTE
(Regulation 3.5)

Subject to the jurisdiction of the courts in India

Contract note issued by members action for constituents as Brokers & Agents or principals



To,
NAGPUR DISTRICT CENTRAL CO-OPERATIVE BANK LTD
RUIKAR ROAD
GANDHI SAGAR
NAGPUR
Pin Code :

CONTRACT NO. LBL/NSE/2001 - 2,002/000 6,825
Constituent Order Ref. No.

Stamp as required under Article 43(f) OR Article 5(b) of schedule I to the Bombay Stamp Act, 1958.

For HOME TRADE LIMITED

Authorised Signatory/Director

Exh. No.
Proved by: ...
Date: ...

I/We have this day done by your order and to your account the following transactions :

SECURITY DETAILS

Order Number	ST	Security Name	Issue	TT	Repo Period	Value (In Rs. Lacs)	Price (In Rs.)	Repo Rate (%)	OA (in Lacs)
29102001158	GS	CG2013	12.40		NA	1,400.00	116.85		NA

ST - Security Type

TT - Trade type

OA - Order Attributes

(RENR - REPO/NON REPO)

TRANSACTION DETAILS

Trade Date 29/10/2001 Settlement Date 29/10/2001

B/S	ON	TN	TT	CBN	CPN	LIP	PV/SV (Rs.)	BR (Rs.)	AI	TDS	TC
B	29102001158	55,08	2:18:01		HOME TRADE	20/08/2001	163,590,000.00		3,327,333.33	0.00	166,917,333.33

CODES

B/S - Buy/Sell
ON - Order No.
TN - Trade No.

TT - Trade Time
TD - Trade Date
CBN - Counter Party Broker Name

CPN - Counter Party Participant Name
SD - Settlement Date
LIP - Last Interest Payment Date

PV - Purchase Value
SV - Sale Value
BR - Brokerage

TDS - Tax Deducted
AI - Accrued Interest
TC - Total Consideration

Private use only

Fin C.A. No. 730124

Asstt. Supdt.
J.M. Court
Nagpur

Handwritten signature/initials

This contract is made subject to the Rules, Bye-Laws and Regulations, and usages of the National Stock Exchange of India Limited, Bombay and other Government/Regulatory bodies as applicable.



Brokerage has been charged as stated and has been at rates not exceeding the official scale of brokerage and indicated separately.

This contract is subject to the jurisdiction of the courts in Bombay.

In the event of any claim (whether admitted or not) difference or dispute arising between you and me/us out of these transactions the matter shall be referred to arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay

This contract constitutes and shall be deemed to constitute as provided overleaf an agreement between you and me/us that all claims (whether admitted or not), differences and dispute in respect of any dealings, transactions and contracts of a date prior or subsequent to the date of this contract (including any question whether such dealings, transactions or contracts of a date been entered into or not) shall be submitted to and decided by Arbitration in Bombay as provided in the Rules, Bye-Laws and Regulations of the National Stock Exchange of India Limited, Bombay.

Account Charges 2000
Comparing Charges _____
Paper Charges _____
Surcharges _____
Express Charges _____
Total 2000

BOMBAY

Yours Faithfully

Member of National Stock Exchange of India Ltd. Bombay



Handwritten mark '825'

For HOME TRADE LIMITED

Signature/Director

Asst. Supdt./Retired Keeper
J.M. Court, Nagpur

The date on which copy applied for is 29/12/14
the date on which the application is completed in respect of 29/12/14
the date given to the 29/12/14
for taking delivery 29/12/14
the date on which the cc. 29/12/14
ready for delivery 29/12/14
the date on which it was delivered 29/12/14

TC
Handwritten signature
(Adv. S.K. Lambert)

Private use only.



 Exh 1964

 152, 1595, 1047, 975, 103, 286, 146, 200, 1964, 19-2-2001, S. Ramasankar, JUDGE



home trade ltd.

REG-NO. 25-14018
 netw capital RS 20 crores
 paid-up capital RS 2000.000000

Handwritten signature

ANNUAL REPORT
2000-2001.



For HOME TRADE LIMITED

 Authorised Signatory/Director

BOARD OF DIRECTORS

Sanjay Agarwal	Chairman
N. S. Trivedi	Executive Director & Secretary
Manoj (Mike) Shah	Director
Dhananjay Agarwal	Director
Allan James Mcmillan	Director
Russel Boekenroeger Jr.	Director
Shashank G. Ranade	Director
Sail D. Gandhi	Director
Vijaykumar Modi	Director

247
 247
 Home Trade Limited
 154
 1534
 1048
 1596
 876
 202

BANKERS

Janata Sahakari Bank Limited, Pune
Indusind Bank Ltd.

AUDITORS

Parimal R Shah & Co.
Chartered Accountants

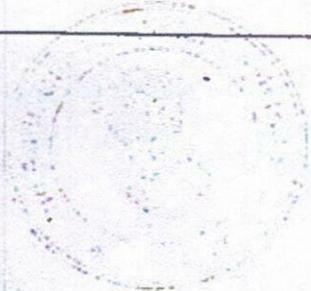
REGISTERED OFFICE

124A, Sohrab Hall, 21, Sasoon
Road , Pune - 411 001

REGISTRAR & SHARE TRANSFER AGENT

R & D Conulstants Ltd.
610 Dalamal Towers
211, Nariman Point
Mumbai - 400 021.

IGPU



1597

116

Home Trade Limited

NOTICE

NOTICE is hereby given that the EIGHT ANNUAL GENERAL MEETING of HOME TRADE LIMITED will be held on Saturday 29th September, 2001 at 10:00 A.M. at the Registered Office of the Company at 124A, Sohrab Hall, 21, Sasoon Road, Pune - 411 001, to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2001, the Profit and Loss Account for the year ended 31st March 2001, the Report of the Directors and the Report of the Auditors.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Manoj (Mike) A. Shah, who retires by rotation being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Alan James McMillan, who retires by rotation being eligible offers himself for re-appointment.
5. To appoint M/s. J.S. Vanzara & Associates, Chartered Accountants as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification(s) the following Resolution, as an Ordinary Resolution :-

"RESOLVED that Shri Salil D. Gandhi, whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 from a member, proposing the candidature of Shri Salil D. Gandhi, for the office of Director, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification(s) the following Resolution, as an Ordinary Resolution :-

"RESOLVED that Shri Shashank Ranade, whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 from a member, proposing the candidature of Shri Shashank Ranade, for the office of Director, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation."

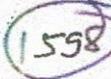
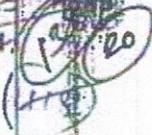
8. To consider and if thought fit, to pass with or without modification(s) the following Resolution, as an Ordinary Resolution :-

"RESOLVED that Shri Vijaykumar H. Modi, whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 from a member, proposing the candidature of Shri Vijaykumar H. Modi, for the office of Director, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation."

Notes :

1. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under item no. 6, 7 and 8 set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF & THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.



 Home Trade Limited

3. THE INSTRUMENT APPOINTING THE PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. The Register of Members and Share Transfer books will remain closed from Thursday, 27th September, 2001 to Saturday, 29th September, 2001 (inclusive of both days).
5. The dividend as recommended by the Board, if approved at the meeting, will be paid on or after 4th October, 2001 to those members whose names appears on the Register of Members on 29th September, 2001. In respect of shares held in electronic forms, the dividend will be payable on the basis of beneficial ownership as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the same.
6. Members are requested to notify immediately about their change of address :-
 - (i) to their Depository Participant (DPs), if the shares are held in electronic forms;
 - (ii) to the company's Registrar & Transfer agent, i.e M/s R & D Consultants Limited, 610, Dalamal Tower, 211, Nariman Point, Mumbai - 400 021 or to the company's registered office, if the shares are held in physical form.
7. Members who have not furnished their bank details, may inform the Company's Registrar & Transfer agent, i.e M/s R & D Consultants Limited, 610, Dalamal Tower, 211, Nariman Point, Mumbai - 400 021 about the said details, for issue of dividend warrants to their respective accounts.
8. Members seeking any information/clarification on annual accounts of the company are requested to send in written queries directly to the Executive Director & Company Secretary at least a week before the date of the meeting. Replies to the extent possible for the same, will be provided only at the meeting.
9. Members/Proxy holders should bring the attendance slips sent herewith, duly filled in for attending the meeting along with their copies of the Annual Report of the company.
10. At the ensuing Annual General Meeting, Mr. Manoj (Mike) Shah and Mr. Allan James McMillan, retire by rotation and being eligible, offer themselves for reappointment. As required under Clause 49 of the Listing Agreement, details of the said directors, are mentioned hereunder :-

(a) **Mr. Mike Shah** :- Mr. Mike Shah has been associated with Home Trade for the past 2 years, in the position of an Advisor and non-executive Director for the last 14 months. He brings with him the benefit of his experience for over 30 years in the information technology industry in India. Currently, Mr. Mike Shah is the President and CEO of Regent Associates India Ltd., the Indian operations of Regent Associates, one of Europe's largest Merger & Amalgamation (M&A) specialists in the Internet and Information Technology businesses. Through Regent Associates' worldwide network, Mr. Mike Shah has been active in the venture capital arena and M & A businesses as an angel investor.

Prior to this, Mr. Mike Shah worked with the Digital Equipment Corporation, USA (presently taken over by Compaq) for about 24 years, of which the last 6 years (1988 to 1994) he held the position of being the first Managing Director of the Company's Indian operations. During his tenure, the company evolved to become a US\$40 million operation with 900 employees.

His directorship in other companies includes :- (i) Regent Associates India Private Limited (ii) Parametric Technology Corporation R&D India Private Limited. (iii) RELQ Software Limited (iv) Ways India Limited (v) Guru Infotech India Private Limited (vi) Indian Institute of Hardware Technology Limited (vii) Jthru Technologies Private Limited.

He has not been appointed in any Board Committee of other companies.



 PIIR

1598
1599

(b) Mr. Allan James McMillan :- Mr. Allan McMillan is the co-founder and CEO of Planet Intra.Com, the World's first Instant Intranet Portal. He has 15 years' experience in the information technology business around the world. Planet Intra is his fourth start-up; with his previous three ventures being out-standing successes. He brings to Home Trade an international perspective, his proven track record of business building, with several years experience in setting up and running technology businesses, and his knowledge of the Pacific Technology market. His last start-up was sold to China.com, a new Portal company that recently went for an IPO. Mr. Allan McMillan has been helping Home Trade form strategic alliances with channel partners and technology suppliers.

His directorship in other companies includes :- (i) Planet Intra International Limited (ii) Man Pacific Limited. (iii) Internet Marketing Services.

He has not been appointed in any Board Committee of other companies.

By Order of the Board
For Home Trade Limited

N S Trivedi
Executive Director & Secretary

Mumbai, 14th August, 2001.

REGISTERED OFFICE:
124A, Sohrab Hall, 21, Sasoon Road,
Pune - 411 001.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT 1956

Item Nos. 6, 7, and 8.

Mr. Salil D. Gandhi, Mr. Shashank Ranade and Mr. Vijaykumar H. Modi were appointed Additional Directors of the Company pursuant to section 260 of the Companies Act, 1956 in terms of the applicable provision of the Companies Act, 1956 and Article 116 of the Articles of Association of the Company, their term of office as Additional Directors expires at the ensuing Annual General Meeting. The Company has received notices alongwith the prescribed deposits from members of the Company proposing the candidatures of Mr. Salil D. Gandhi, Mr. Shashank Ranade and Mr. Vijaykumar H. Modi for the office of Director.

Accordingly, the Directors recommend these resolutions for the approval of the members.

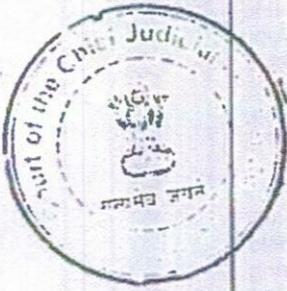
Mr. Salil D. Gandhi, Mr. Shashank Ranade and Mr. Vijaykumar H. Modi are interested in the resolution pertaining to their appointment and no other director is interested in the resolution.

By Order of the Board
For Home Trade Limited

N S Trivedi
Executive Director & Secretary

Mumbai, 14th August, 2001.

REGISTERED OFFICE:
124A, Sohrab Hall, 21, Sasoon Road,
Pune - 411 001.



Assst. Super
C.J.M. Court
Nagpur

Printing Charges	8000
Companing Charges	
Paper Charges	
Surcharges	
Express Charges	
Total	8000



The date on which copy applied for...
for... 15/11/25 ... the date at which the application is completed in all respects... 23/12/25 ... the date given to the applicant for taking delivery... 23/12/25 ... the date on which the copy was ready for delivery... 29/12/25 ... the date on which... 29/12/25

Ass. Super
C.J.M. Court, Nagpur

117

Exd C.A. No. 7301/2

Private use only.

249
158
1600
130
119
119
119
119

Home Trade Limited

DIRECTORS' REPORT

TO
THE MEMBERS OF HOME TRADE LIMITED

Your Directors have pleasure in submitting their EIGHT Annual Report and Audited Accounts for the year ended March 31, 2001.

1. FINANCIAL HIGHLIGHTS.

	Rs in Lacs 31-Mar-01	Rs in Lacs 31-Mar-00
Gross income	6722.57	453.29
Profit before Tax	3156.23	713.22
Provision for Income Tax	250.75	160.00
Profit after tax	2904.98	552.91
Add: Net profit brought forward	349.76	171.30
Provision for Income Tax for earlier years written back /(off)	(43.45)	(37.12)
Provision for Service Tax for earlier years written back /(off)	30.00	(30.00)
Profit available for appropriation	3241.29	657.09
* Proposed dividend	239.61	239.61
* Dividend Tax	24.44	52.71
General Reserve	85.00	15.00
Balance carried forward	2892.24	349.76

2. DIVIDEND:

Your Directors are pleased to recommend a payment of dividend after providing for dividend tax for the year ended 31st March, 2001 @ 10 % on Rs. 239,610,000, absorbing Rs 239.61 lacs (previous year 10% absorbing Rs 239.61 lacs). The dividend, if approved at the ensuing Annual General Meeting, will be paid to all the shareholders, whose names appear on the Register of Members, as on 29th September, 2001.

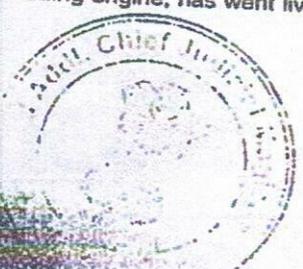
3. OPERATIONS:

In the year under review, your Company has undertaken several significant initiatives towards establishing itself as a dominant convergence-centric financial services company.

Your Company's online presence through www.hometrading.com is currently among the largest independent and objective aggregators of business news and financial information in the country. Home Trade has put in place an extensive global network of alliances with leading information vendors as well as over 50 independent analysts and reporters within India to ensure that the consumer has access to the most comprehensive and reliable source of business news, incisive analyses and financial information.

In the period under review, your Company has undertaken an intensive integrated branding exercise. This included a national outdoors campaign and a TV campaign. Preliminary research commissioned by your Company has confirmed that Home Trade enjoys remarkably high levels of brand recall among the target audience. Your Company will continue to pursue an active strategy towards establishing Home Trade as a leading global brand.

Your company has partnered with leading consultancies - like Arthur Andersen, Pricewaterhouse Coopers and A T Kearney for various aspects of the business to ensure that Home Trade becomes a truly world class financial services provider. Home Trade's e-trading engine, has went live in March 2001, after undergoing rigorous testing to ensure



1621

it is among the fastest and most reliable in the field. Further efforts are on to make the Home Trade e-trading services offering, a seamless, end-to-end transaction experience.

Your Company Home Trade has a sound transaction-based revenue model in place. The company's revenues would primarily come from the transactions on its wide range of financial products and services. Home Trade would improve realizations from customers by cross selling and market synergies across different financial product segments.

The financial figures further reinforce your Company's record of continued growth. Total Income has shown a growth of 362% and increased from Rs. 1453 lacs in the previous year to Rs. 6723 lacs in the year under review. Similarly, PBIT has increased by 300% to Rs. 3642 lacs and PAT has increased by 425% to Rs. 2905 lacs.

4. INDUSTRY SCENARIO:

The financial services sector has been one of the fastest growing sectors, both in India as well globally. Furthermore, this sector has proved resilient to the downturn in the global IT industry which was preceded by the slowdown in the US economy. Also, the financial services sector is the largest market for technology solutions. Technology in turn is bringing about a transformation in this sector and will increasingly become the most important competitive advantage of financial service companies.

The concept of financial convergence, which is at the centre of Home Trade's business model, is changing the basis on which players in this sector are organized. Customer needs and expectations are also changing rapidly and this is creating immense opportunities for new players to enter and redefine the financial services market.

Your Company's expertise in the financial services domain, as well as its emphasis on innovative technology-driven products and services makes it eminently positioned to capture growing opportunities in the sector.

5. BUSINESS FOCUS & FUTURE PLANS

The Company is pursuing dynamic, versatile business strategies which would capitalise on changing trends in the financial services industry. Having launched its e-trading service, one of the most advanced in the country, Home Trade plans to extend its services to cover the entire spectrum of personal financial services, including mutual funds, personal and housing loans, debt trading and credit cards. Your company is still in the establishment phase and is making rapid progress to in setting up the operations of business.

Your Company is pioneering the development of innovative technology-based finance products that will give the consumer greater access to a host of financial services. These initiatives are aimed at changing the way financial service is perceived with the ultimate objective of empowering the consumer.

6. PERSONNEL:

In the year under review the Company implemented multiple new initiatives to further augment and professionally manage the human resources capital of the Company undeniably its most important asset. Your Company has created a lean and flat internal organisation structure comprising a core team of knowledge workers. This has been done with a view to provide Home Trade the flexibility and agility that is essential for successfully operating in the dynamic convergence domain.

In order to be able to leverage and utilize the best available resources, your Company has created a unique outsourcing employment model that leverages a network of alliances with the best-in-class organizations.

1051 1602 250 157 140 11.2 9.9 11.2 12e
Home Trade LI

Your Company's current organisational structure has been specifically design to fa effective planning and execution of business strategy during in its current ph construction and establishment of its business model. This structure enables each business line to function Independently while cross-functional teams ensure integral activities and focus on achieving common goals.

The professionalism and dedication of the Company's employees at all levels have it possible to achieve the impressive results during the year under review. Your din wish to place on record their deep appreciation for the same.

7. FIXED DEPOSITS

Your Company has not accepted any fixed deposits during the year under review.

8. CORPORATE GOVERNANCE :-

Your company continues to practice good corporate governance for with the object following best in class operating initiatives and enhancing shareholders/inve confidence. Your Company remains committed to a system of good corp governance by constantly increasing the level of transparency and accountability shareholders. The company's internal control structure ensures compliance with a legal requirements and mandatory provisions of Corporate Governance as presc under the Listing Agreement with Stock Exchanges. The Corporate Governance Rep annexed to the Directors Report.

9. DIRECTORS' RESPONSIBILTY STATEMENT :-

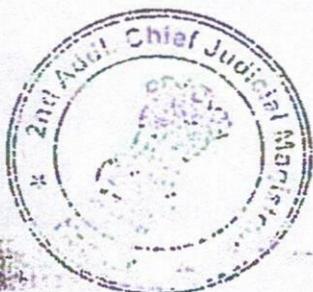
Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors (Company hereby confirm that :-

- (i) in the preparation of the Annual Accounts, the applicable accou standards have been followed and no material departure have been mac the same.
- (ii) appropriate accounting policies have been selected and applied consis and have made judgements and estimates that are reasonable and pr so as to give a true and fair view of the state of affairs of the company e 31st March, 2001 and of the profit of the company for the said period.
- (iii) Proper & sufficient care has been taken for the maintenance of adec accounting records in accordance with the provisions of the Companies 1956 for safe guarding the assets of the company and for preventi detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

10. DIRECTORS

During the year under review, Mr. Salil D. Gandhi, Mr. Shashank Ranade and Vijaykumar H. Modi were appointed on 15th May 2001, as Additional Directors of Company pursuant to section 260 of the Companies Act, 1956. In terms of the applic provision of the Companies Act, 1956 and Article 116 of the Articles of Association o Company, their term of office as Additional Directors expire at the ensing an general meeting. The Company has received notices from members of the Comj proposing the candidature of Mr. Salil D. Gandhi, Mr. Shashank Ranade and Vijaykumar H. Modi for the office of Director. The Board recommends their appointme

During the year under review, Mr. Ketan Sheth resigned from the Board of Directors 15th May, 2001. The Board records its appreciation for the contributions made by Sheth during his tenure as Director of the Company.



603

11. AUDITORS:

M/s. Parimal R Shah & Co., Chartered Accountants, have expressed their desire to seek re-appointment as Auditors of the Company. The Board of Directors recommend that M/s J.S. Vanzara Associates, Chartered Accountants, who are eligible for appointment, be appointed as Auditors of the Company.

The Board of Directors of the company clarified the following points with regard to Auditors Reports, as annexed to this Report, for the year under review :-

- (i) The Board of Directors are of the opinion that though the internal control procedures are meticulously designed to meet the business requirements however considering the growing business activities of the company, the internal control mechanisms & procedures would be upgraded to meet the requirements of the fast changing activities of the company.
- (ii) As per Clause 15 to the Auditors Report, the Board of Directors hereby clarify
 - a. The admitted tax liability under dividend tax and the tax deducted at source are in the process of being paid.
 - b. In respect of income tax liability, the Company has sought legal opinion on receipt of the said opinion, the Company will pay the same.

12. STATUTORY INFORMATION:**(A) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO.**

The information pursuant to section 217(1)(e) of the Companies Act, 1956, with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to the conservation of energy and technology absorption are not applicable to the Company and hence not provided. As regards information in respect of foreign exchange earnings and outgo, the same has been given in Annexure 'A' to the Directors' Report.

(B) PARTICULARS OF EMPLOYEES

As required by the provisions of section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the employees are set out in the Annexure to the Directors' Report.

13. ACKNOWLEDGMENT:

The Board of Directors wishes to thank its bankers, clients and business associates for their continued co-operation and support. The Board also wishes to express appreciation to all its staff members for their contribution towards the achievement of the year's performance.

By Order of the Board

For Home Trade Lin


 N S Tri
Executive Director & Secretary
Mumbai, 14th August, 2001.

REGISTERED OFFICE:
124A, Sohrab Hall, 21, Sasoon Road,
Pune - 411 001.

ANNEXURE 'A' TO THE DIRECTORS REPORT

Particulars required under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

A) Foreign Exchange earnings and out go

- i) Foreign Exchange earnings - Nil
 ii) Foreign Exchange outgo - Rs.1,66,57,585.00

ANNEXURE 'B' - Particulars of employees pursuant to section 217 (2A) of the Company's Act, 1956.

Name of Employee	Designation	Qualifications	Experience (Years)	Date of Joining	Age Years	Remuneration (Rs.)	Previous Employment
Anuj Singh	Asst-Vice President	B.A., MBA (IIM)	6	11-Dec-2000	28	*623892	ITC Ltd
Chirag Jain	Sr. A. V. P.	B. Tech., PGDM (IIM)	8	12-Jun-2000	30	*2262468	Citi Bank
G G Srinivas	Manager	B Tech, PGDM (IIM)	7	17-Jun-2000	30	*1233899	Citi Bank
Hiren Gada	Sr. Vice President	B.Com, MMS (Fin)	7	24-Feb-1997	30	3385533	Pranav Securities Pvt. Ltd
Latha Venkatesh	Asst-Vice President	Phd. (political Science)	17	15-May-2000	40	*1459100	Dow Jones Newswires
Manish Agarwal	Asst-Vice President	B. Tech, PGDM (IIM)	6	9-May-2000	31	*2687048	Citi Bank
Naveen Gupta	Asst-Vice President	MBA	5	10-Aug-2000	29	*1102188	Citi Bank
Subodh Bhandari	Sr. Vice President	B. Com, FCA	12	1-Feb-1995	35	2414469	VCK Shares & Stock Broker P Ltd
Naveen Luthra	Asst-Vice President	B.Sc. MBA (IIM)	7	24-Jul-2000	31	*1114355	Satyam Infoway Ltd
Pankaj Kulkarni	Asst-Vice President	BE, MBA (IIM)	4	10-Aug-2000	27	*2403488	Citi Bank
Piyush Sharma	Vice President	B.E. (Electrical), MBA (IIM)	13	17-Feb-2000	35	2916609	Bacton & Dicknson & Co. Inc.
R Pradeep Sekar	Asst-Vice President	M.Tech (IIT), MBA (IIM)	4	5-Mar-2001	27	*209032	Citi Bank
Sanjay Agarwal	Director	B. Com.	11	1-Sep-1998	36	2208300	Smith Newcourt-SSKI

Home Trade Limited

Sumant Bhargava	Asst-Vice President	B.E. PGDM(IIM)	6	10-Jul-2000	29	*1196775	Hindustan Coca-Cola Beverages
Sandhya Chitale	Senior Manager	B.E., MBA, CFA	8	1-Jun-1999	32	2682620	Investment Research Information Service Ltd (IRIS)
Shilpa Joglekar	Vice President	M.A. (Economics)	8	1-Jan-2000	33	3013264	Financial Express
Siddhartha Singh	Manager	B.A., Dip. In Journalism	4	6-Jul-2000	27	*946218	Net Consult India Pvt Ltd
Tarun Bansal	Vice President	CFM, CMA, MBA	10	1-Nov-2000	35	*802427	Tellsman Group of Companies Ltd. (UK)
Vinayak Hampihalikar	Asst-Vice President	B. Tech, PGDBM (IIM)	9	4-Dec-2000	32	*1746845	Citi Bank
Vikrant Kanyal	Vice President	B.E, MBA (IIM)	8	22-Jun-2000	31	*2092906	Citi Bank
Vivek Luthra	Vice President	MBA, CFE, PGDCM (IIM)	6	1-Feb-2000	29	2970451	Pricewaterhouse Coopers Ltd.
Vinod Menon	Sr. Vice President	PGDCA, Dip. Comp. Tech.	13	24-Jul-2000	32	*3073681	Ashtech Infotech Ltd

* indicates employed for part of the year.

1. Remuneration comprises of basic salary, allowances and taxable value of perquisites.
2. None of the employees are related to any director of the Company.

By Order of the Board
For Home Trade Lim'ted

N S Trivedi.
Executive Director & Secretary.

MANAGEMENT DISCUSSION AND ANALYSIS

Home Trade Limited

BUSINESS REVIEW

Home Trade is in the process of operationally establishing its business model and has achieved significant progress with regard to the implementation of its plans over the last one-year.

It has been challenging, exciting and rewarding year where the company formally defined its strategy and business intent and achieved significant progress in the implementation of its corporate plans. The outline of the company's plans and progress covered below.

Redefining finance

Home Trade has made considerable operational progress to establish itself as a dominant convergence-centric financial services company. The company is endeavoring to create a new benchmark in the financial services sector by designing and offering innovative products and services that extend beyond getting 'more from your money' to deliver 'more from life'.

The company is aiming to revolutionize financial services by achieving true productisation of financial services, by breaking the barriers of conventionally accepted financial products, by establishing a strong well recognized and well regarded brand and empowering the consumer by supporting its initiatives with cutting edge technologies.

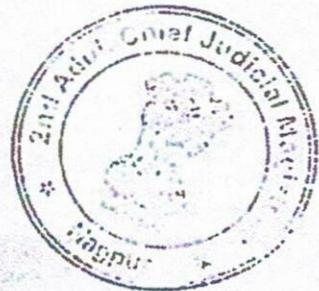
Establishing a strong business foundation

Home Trade is creating an exceptionally strong business structure that has a rock solid foundation and physically powerful pillars that will support the establishment and rapid growth of the company's business in a sustainable and scalable manner on a long term basis.

The company has a stated objective of establishing a rock solid foundation and towards this end the company intends to have diversified and de-risked revenue streams by offering cross-segment financial products and services. The company has adopted extensive state-of-the-art technological expertise across all areas of its operations and it has also created a powerful brand that will give it a distinct edge in the competitive world of financial services and products.

Created a unique competency matrix

As a part of its initiative to install a solid foundation the company has designed a unique competency matrix comprising key attributes that include being a customer centric, knowledge based, brand focused and technology led organization. The customer centric approach comprises the utilization of multiple contact channels such as the internet, phone and physical routes to deliver hi-tech and hi-touch service. The company has formulated knowledge led research programmes that formally evaluate customer requirements and aspirations the findings of which can be used to design and customize its products. The brand strategy aims to refine the conventional perceptions about finance making it more of a lifestyle brand that is further strengthened through collaborated customer loyalty programmes. Its technology approach ensures that the company adopts best-in-class technology solutions and progressive customer relationship management initiatives.



1609

Achieved operational progress in line with plan

Built an exceptional management team: Home Trade has created an exceptional high quality management team that has a set objective of establishing an outstar business operation that can continuously grow, and reward its stakeholders on long term period. The company's key talent pool comprises 48 individuals who excellent academic qualifications and record, and bring with them diverse expertise that can be synergistically deployed to grow the company's business

Created nation-wide sales infrastructure: In order to support the company's customer centric operating approach Home Trade has established a national sales reach comprises direct sales network with premier sales and service partner organization in key locations. It has engaged the services of specialized direct sales agents have skills in tele-calling, institutional sales and event management. It has set both agent and customer training centers to provide high quality consumer response. The company's sales strategies have been validated by PricewaterhouseCoopers.

Established customer care channels: Home Trade has established central customer interaction infrastructure that provides single point, multiple channel access to financial services. It allows the anytime, anywhere transaction capability imparting the much required flexibility to the consumer. The company has a Customer Relationship Management center that has 25 dedicated knowledge workers available on a 24*7 basis. The customer care center has the option allow the customer to initiate online, telephonic or physical contact with Home Trade. As a part of customer care focus the company has initiated the development of a unique Home Trade rewards programme - which will be the first of its kind in India. The programme is being designed by Brierley & Partners who also manage similar programmes for some of the leading global corporates.

Installed best-in-class technology infrastructure: The company has an operational approach of adopting the most relevant best-in-class technological infrastructure. Home Trade has installed high volume Tandem based OLTP trading engine. It has world-class e-brokerage system that has been designed by Andersen and the back office operations are run by PricewaterhouseCoopers. The technology allows seamless user experience through state-of-the-art routers and switches. The company uses VSNL, Satyam and Net Magic server farms to allow fast download and 24*7 availability. The XML created website half a million pages of content adaptability even for mobile and hand-held devices. Home Trade has engaged Wipro Corporation to ensure high quality monitoring and maintenance of the company's technology infrastructure.

Created a distinct brand identity: The company has created a powerful lifestyle branding building campaign using three of India's biggest icons - Hrishik, Sachin and S. Rukh with the objective of making finance fun, easy and exciting and also challenging the existing paradigms of finance. The brand promotion exercise has already achieved significant success with the advertising being ranked among top 5 unaided brand recall.

Entered into best-in-class alliances: As a part of the company's business establishment process Home Trade has entered into multiple alliances with various service providers both in India and internationally. The alliance partners include organizations such as Reuters, CNBC, AT Kearney, Andersen Consulting, PricewaterhouseCoopers, CMIE, Multex Barra and Crisil just to mention a few. The company believes that with the support of competent and specialized alliance partners it will have the distinct advantage of having access to the most competent resources in all its areas of operations.

Successfully implemented the first step of establishing outstanding online presence: The company in a short span of five months has established www.hometrading.com the most comprehensive business and financial destination in the country. The online site has over half a million pages of news, information, analysis and expert guidance and has over five million page view a month with over a hundred thousand registered

Handwritten annotations: 253, 1054, 1608, 160, 1044, 23, 1123, Home Trade Limited, 143, 108, 1008.

users. Its online presence uses pioneering initiatives such as broadband webstreams and audio bytes to provide an unparalleled user experience to its audiences.

In conclusion

Home Trade is pioneering a new concept in the financial services sector. The company believes that it has a potential to establish a unique business model that will provide high quality returns to all the company's stakeholders.

REVIEW OF SPECIFIC BUSINESS ASPECTS

Sector review

The financial services sector has been maintaining its steady growth both in India as well as in the global market. The industry has been growing despite a slowdown in the global information technology sector. The company believes that the growth in the sector will continue on a sustainable basis.

In India the financial services sector is gaining maturity at a rapid pace. The progressive initiatives being undertaken by SEBI and the integration of the domestic capital markets with the international environment is likely to open many fresh business opportunities to innovative companies within this sector.

Business wise performance review

Since the company is still in the establishment and construction phase the business wise performance review is not of relevance at this stage.

Financial performance review

Since the company is still in the establishment and construction phase the review financial performance of core business is not of relevance at this stage. The Company has incurred the following capital expenses in the year under review.

- a. Web site and related software expenses Rs.20.10 crores.
- b. Computer hardware Rs7.87 crores.
- c. Brand and web site promotional expenses Rs.19.63 crores.

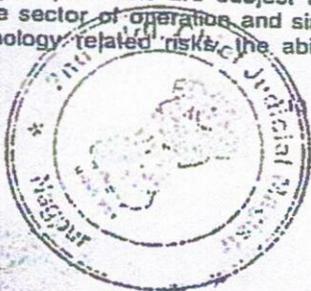
Key business opportunity and threats review

The company believes that there is an existing need in the Indian financial services industry for a single-point source of premium quality services that caters to diverse requirements, both anticipated and aspired, of the finance consumer. Companies that demonstrate ability to harness advances in technology, specifically in convergence to provide comprehensive and unparalleled financial products and services to fulfill consumer needs have the potential to establish compelling business propositions in the future.

However, the financial convergence based business models are predominantly online-centric, which implies lower entry barriers into the segment. The Home Trade management is confident that as one of the initial convergence-oriented financial service providers that it has established a tangible brand equity that would give it a fast and fast mover advantage.

Business risks and concerns review

The company's operations are subject to operating risks most of which are also generic to the sector of operation and similar businesses within the industry. There include technology related risks, the ability of the business to adapt to a rapidly



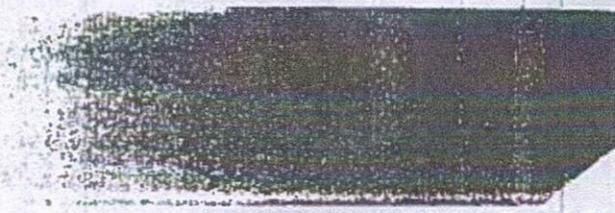
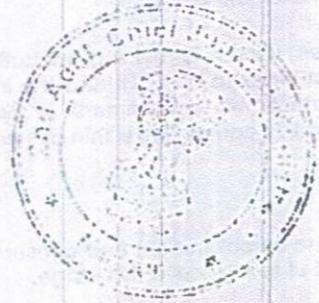
Vertical stamp on the left margin: State, GAUR.

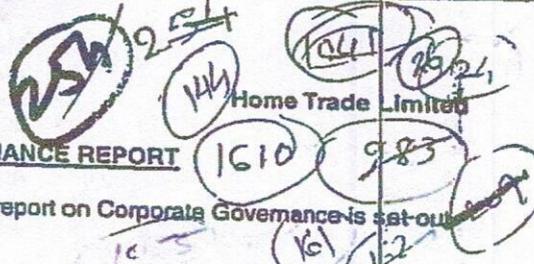
1609

changing environment, risks associated with the securities business, risks of entering new products and markets, competitive risks and risks related to the change in government regulations.

However, the company believes that the soundness of the business model combined with the prior experience of management in this area of business will help address the various risks that are inherent to this business.

Cautionary Statement:- Statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. We cannot guarantee that any forward looking statement will be realised, although we believe we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions & other economic and regulatory factors.





CORPORATE GOVERNANCE REPORT

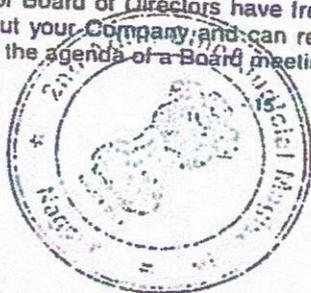
Pursuant to Clause 49 to the Listing Agreement, a report on Corporate Governance is set out below :-

1. **Philosophy on Code of Governance:-** Your company is firmly committed to building long term shareholders' value with full emphasis on good corporate governance. Your Company will constantly endeavour to be a responsible partner in society, acting in integrity towards its shareholders, customers, employees, the government, its business partners and other stake holders.
2. **Board of Directors :-** The present Board of Directors consists of :-
 - (i) Mr. Sanjay Agarwal – Chairman & Wholetime Director.
 - (ii) Mr. N.S. Trivedi – Executive Director & Secretary.
 - (iii) Mr. Manoj A. Shah – Non Executive Director.
 - (iv) Mr. Dhananjay Agarwal - Non Executive Director.
 - (v) Mr. Shashank G. Ranade – Non Executive Director.**
 - (vi) Mr. Salil D. Gandhi - Non Executive Director.**
 - (vii) Mr. Vijaykumar H. Modi - Non Executive Director. **
 - (viii) Mr. Alan James McMillan - Non Executive Director. **
 - (ix) Mr. Russel H. Beokenkroeger Jr. - Non Executive Director. **

** :- Indicates Independent director.

The Board of Directors has met Fifteen times in the year under review.
3. **Audit Committee :-** The company has constituted an Audit Committee according to the provisions of Section 292A of the Companies Act, 1956. Mr. Shashank G. Ranade was appointed as the Chairman of the Committee. The other members of the committee are Mr. Salil D. Gandhi, Mr. Vijaykumar H. Modi and Mr. N.S.Trivedi, Executive Director and Secretary. The Company Secretary acts as the Secretary of the Committee.
4. **Remuneration Committee :-** The company has constituted a Remuneration Committee according to the provisions of Clause 49 of the Listing Agreement. Mr. Shashank G. Ranade was appointed as the Chairman of the Committee. The other members of the committee are Mr. Salil D. Gandhi, Mr. Vijaykumar H. Modi and Mr. N.S.Trivedi, Executive Director and Secretary. The Company Secretary acts as the Secretary of the Committee.
5. **Shareholders Greivances Committee :-** The company has constituted a Shareholders Greivances Committee according to the provisions of Clause 49 of the Listing Agreement. Mr. Shashank G. Ranade was appointed as the Chairman of the Committee. The other members of the Committee are Mr. Salil D. Gandhi, Mr. Vijaykumar H. Modi and Mr. N.S.Trivedi, Executive Director and Secretary. The Company Secretary acts as the Secretary of the Committee.
6. **Accounting Standards and Financial Reportings :-** The Company has incorporated the necessary accounting standards as prescribed from to time. The company has been publishing the quarterly reports of the company as per the provisions of the Listing Agreement.
7. **Board Procedures :-** The Board of Directors of your Company meet at least once in three months in a calendar year. The Directors of your Company are notified well in advance of the agenda and holding of a Board Meeting. During the financial year 2000 –2001, the Board of Directors of your Company met Fifteen times which were well attended.

The members of Board of Directors have free and undisturbed access to the all the information about your Company and can recommend the inclusion and removal of any matter from the agenda of a Board meeting.



15/11

- (i) Compliance Officer :- Mr. N.S. Trivedi, Executive Director & Secretary has been designated as the Compliance officer of the Company.
- (ii) Management :- The company has voluntarily disclosed the Management Discussion Analysis Report in the Annual Report 2000-2001, even though the company will be compulsorily required to include the same on or before 31st March 2002.
- (iii) Auditors Certificate on Corporate Governance :- AS ATTACHED.

By Order of the Board
For Home Trade Limite

N S Trivedi
Executive Director & Secretary

Mumbai, 14th August, 2001.

To
The Board of Directors
Home Trade Limited

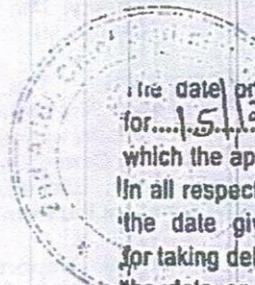
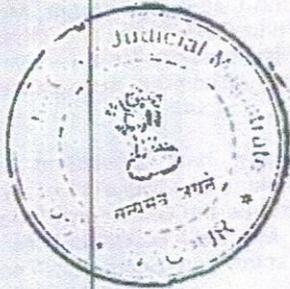
Dear Sir,

We hereby certify that the Company has complied with the provisions of clause 49 to the listing agreement with effect from May 15, 2001.

For Parimal R Shah & Co.
Chartered Accountants

Parimal R Shah
Proprietor

Date: June 30, 2001
Place: Mumbai



The date on which copy applied for... 15/12/25... the date on which the application is completed in all respect... 23/12/25... the date given to the applicant for taking delivery... 23/12/25... the date on which the copy was ready for delivery... 29/12/25... the date on which it was delivered... 29/12/25

Printing Charges 1200/-
 Composing Charges _____
 Paper Charges _____
 Surcharges _____
 Express Charges _____
 Total 1200/-

True Copy
Asstt. Supdt
C.J.M. Court
Nagpur

Asst. Supdt / Record Keeper
C.J.M. Court, Nagpur

Private use only

Handwritten notes and stamps: 255, 1612, 1056, 105, 102, 102, 102, Home Trade Limited

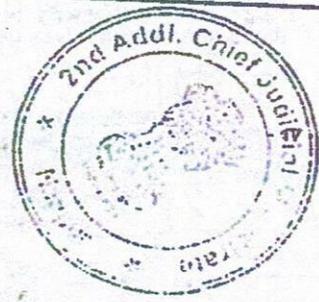
GENERAL SHAREHOLDERS INFORMATION

- (i) Eight Annual General Meeting :-
Date :- 29th September, 2001.
Time :- 10 :00 AM.
Venue :- 124 A, Sohrab Hall, 21, Sasoon Hall, Pune - 411 001.
- (ii) Financial Calendar :-
Date of AGM :- 29th September, 2001.
Date for taking on records the Unaudited quarterly results :-
a. For June 30th 2001 - July 31, 2001.
b. For September, 2001 - Last week of October, 2001.
c. For December, 2001 - last week of January, 2002.
d. For March, 2002 - Last week of April, 2002.
- (iii) Date of Book Closure :- 27th September, 2001 to 29th September, 2001 (Inclusive of both days)
- (iii) Dividend Payment Date :- On or after 4th October, 2001
- (iv) Listing on Stock Exchange :- The Pune Stock Exchange and The Bangalore Stock Exchange. The Annual Listing fees for the said exchanges has been paid in advance.
- (v) Stock Code :- INE 951A01024.
- (vi) Registrar & Transfer Agent :- M/s R & D Consultants Limited, 610, Dalarnal Tower, 211, Nariman Point, Mumbai - 400 021. Tel.: 022-2834347. Fax.: 022-2855759.
- (vii) Share Transfer System :- The shares of the Company are in compulsory dematerialization mode. The Company also effects physical share transfers upto the specified limits.
- (viii) Distribution of Shareholders :- (As on June 30, 2001)

Share Holding of Nominal Value	Share Holders	
	Numbers	%
1 - 5,000	10131	99.18
5,001 - 10,000	13	0.13
10,001 - 20,000	13	0.13
20,001 - 30,000	7	0.07
30,001 - 40,000	3	0.03
40,001 - 50,000	4	0.04
50,001 - 1,00,000	1	0.01
1,00,001 - 2,00,000	2	0.02
2,00,001 - 3,00,000	2	0.02
3,00,001 - 99,99,999	39	0.37
Total	10215	100.00

(ix) Dematerialization :- The Company has entered into Agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Address for Correspondence :-
Registered Office :- 124A, Sohrab Hall, 21, Sasoon Road, Pune - 411 001.
Corporate Office :- International Infotech Park, Tower No.4, 5th floor, Vashi, Navi Mumbai - 400 705.



AUDITORS REPORT

1618

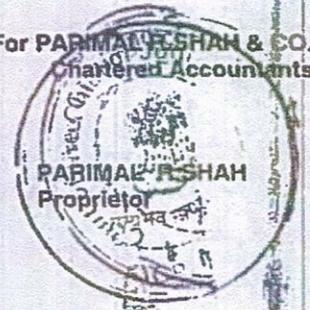
PARIMAL R. SHAH & CO
CHARTERED ACCOUNTANTS
1/20, Bakul, Lalubhai Park, Andheri -West, Mumbai-58
Tel: 022-6249031

To,
The Members,
Home Trade Limited

We have audited the attached Balance Sheet of HOME TRADE LIMITED as at March 31, 2001 and the Profit and Loss Account of the Company for the period, ended on that date annexed thereto, and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs.
2. Further to our comments in the Annexure referred to in paragraph (1) above:
 - (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;
 - (c) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, in so far as they are applicable to the Company;
 - (e) On the basis of the written representation received from Directors as on 31-3-2001 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31-3-2001 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and knowledge and according to the explanations given to us, the said accounts read together with Significant Accounting policies and Notes to accounts thereon as per Schedule 13 and more particularly for Note No.5, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2001; and
 - (ii) In the case of the Profit and Loss Account, of the profit for the period ended on that date.

For PARIMAL R. SHAH & CO.
Chartered Accountants



Place: Mumbai
Dated: 30-6-2001

The date on which copy applied for... 15/12/25... the date on which the application is completed in all respect... 23/12/25... the date given to the applicant for taking delivery... 23/12/25... the date on which the copy was ready for delivery... 29/12/25... the date on which it was delivered... 29/12/25

Asst. Supdt
C.J.M. Court
Nagpur

Printing Charges
Companing Charges
Paper Charges 2907
Surcharges
Express Charges

Asst. Supdt
C.J.M. Court

2-276
 198
 1043
 1126
 Home-Trade Limited
 256
 146
 1614
 163
 1057

AUDITORS REPORT

**PARIMAL R. SHAH & CO
CHARTERED ACCOUNTANTS**

Annexure referred to in Paragraph 1 of the Auditors' Report to the Members of HOME TRADE LIMITED on the accounts for the year ended March 31, 2001:

Internal Controls

1. In our opinion and according to the information and explanation given to us, having regard to the explanations that certain items purchased are of a special nature of which suitable alternative sources do not exist for obtaining comparative quotations, *there is a scope for strengthening internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of computer hardware and software, plant and machinery, equipment and other assets, services and for the sale of goods.*
2. *Internal audit system needs to be strengthened commensurate to the size and nature of its business.*
3. *In relation to the service activities of the company, reasonable internal control system commensurate with the size of the company and the nature of its business needs to be strengthened.*

Fixed Assets

4. *The Company is in process of updating its records of fixed assets showing full particulars, including quantitative details and location. Some of the fixed assets were physically verified during the year by the management in accordance with the programme of verification, formulated during the year, in our opinion, there is a scope for increasing the frequency of verification, having regard to the size of the Company and the nature of its assets. As informed to us, no discrepancies were noticed by the management on such physical verification.*
5. None of the Fixed Assets have been revalued during the period.

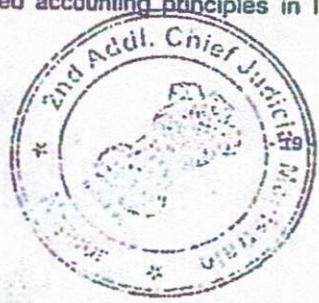
Inventories

6. Inventories of shares/securities have been physically verified by Management at the year-end.

In our opinion and according to the information and explanations given to us, the procedures for physical verification of Shares/securities followed by management in relation to the size of the Company and the nature of its business is reasonable and adequate.

8. In our opinion and according to the information and explanations given to us, the discrepancies between the physical stock and book stock which were not significant in relation to the operations of the company, have been properly dealt with in the Books of Account.

9. On the basis of our examination of Stock of Shares/securities, in our opinion, the valuation of stocks of Shares/Securities has been fair and proper in accordance with the normally accepted accounting principles in India and is on the same basis as in the preceding year.



Loans and advances

10. The parties including employees to whom loans or advances in the nature of loans have been given by the Company, are generally regular in repaying the principal amounts as stipulated and interest where applicable.
11. The Company has taken loans, secured or unsecured from companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, or from companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956, the rate of interest and other terms and conditions of which are not prima facie, prejudicial to the interest of the Company.
12. The Company has granted loans, secured or unsecured to companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, or to companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956, the rate of interest and other terms and conditions of which are not, prima facie, prejudicial to the interest of the Company.

Related parties

13. The Company has entered into transactions for sale of goods and services in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the period to Rs.50,000 or more in respect of each party and the terms and conditions of such transactions are prima-facie not prejudicial to the interests of the Company.

Fixed Deposits

14. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.

Taxation

15. According to the information and explanations given to us, except Dividend Tax Rs.52.71 lacs, Income Tax for Rs.188.38 lacs, Tax Deducted at source under various heads under income tax of Rs.98.71 lacs, there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty which are outstanding as at March 31, 2001, for a period of more than six months from the dates that they became payable.

Staff welfare

16. Provident Fund and ESIC wherever applicable, have been generally regularly deposited by the company in time during the year with the appropriate authorities.
17. On the basis of the examination of the books of account carried out by us in accordance with generally accepted auditing practices and according to the information and explanation given to us, no other personal expenses of employees or directors have been charged to the profit and loss account, other than those payable under contractual obligations or in accordance with generally accepted business practice.

Others

18. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any of the products of the Company.
19. The Company is not a sick industrial company within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.
20. The company is generally maintaining proper records of the transactions and contracts entered into for dealing or trading or investments in shares, securities, and other

257 257 1044 986
 1616 Home Trade Limited
 1058 147 1127
 164

investments and timely entries have been made therein. The shares securities and other investments unless otherwise specified, are held by the company in its own name or held with valid transfer documents.

21. The Company has not granted loans and advances on the basis of security by way of Pledge of shares, debentures and other securities.

The matters contained in paragraphs 4A (iii), (iv), (v), (vi), (xii), (xvi) and (xx) in respect of physical verification and valuation of inventory, unserviceable or damaged stores, raw material and finished goods, records for sale and disposal of realisable by products and scrap, maintenance of cost records and sick industrial companies are not applicable to the Company in respect of the year under audit.

For PARIMAL R. SHAH
 Chartered Accountant

Place: Mumbai
 Dated: 30-6-2001

PARIMAL R. SHAH
 Proprietor



167

134

HOME TRADE LIMITED

BALANCE SHEET AS AT MARCH 31, 2001

	Schedule	As at 31.03.01 (Rs)	As at 31.03.00 (Rs)
SOURCES OF FUNDS			
1. Shareholders' Funds			
Share Capital	1	239,610,000	239,610,000
Reserves and Surplus	2	304,447,956	41,899,906
2. Loan Funds			
Secured	3	413,498,462	149,812,761
Unsecured	4	45,154,582	33,498,274
Total		1,002,709,000	434,820,940
APPLICATION OF FUNDS			
1. Fixed Assets (Including)			
Gross Block	5	376,282,824	107,029,499
Less: Depreciation		46,705,837	21,109,139
Net Block		329,576,987	79,920,360
2. Investments			
	6	54,797,722	46,448,730
3. Current Assets, Loans & Advances			
Less: Current Liabilities	7	753,941,401	416,799,320
Net Current Assets	8	240,784,240	89,118,260
4. Miscellaneous Expenditure			
	9	513,157,161	327,681,040
		105,177,131	10,570,800
Total		1,002,709,000	484,620,940
Significant accounting policies the Accounts	13		

As per our attached report of even date

14018

For Parimal R. Shah & Co.
Chartered Accountants

Parimal R. Shah
Proprietor

Place : Mumbai
Date : June 30, 2001

For and on behalf of the Board
Home Trade Limited

21/5/2001
21/5/2012

Sanjay Agarwal
Chairman

N.S.Trivedi
Executive Director &
Secretary

W. Jaykumar H Modi
Director

For HOME TRADE LIMITED

Authorized Signatory/Director

258
1618
1045
165
30
987
1425
145

Home Trade Limited

HOME TRADE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2001

	Schedule	2000-2001 (Rs)	1999-2000 (Rs)
INCOME			
Income from Broking Operations		1659 668,021,486	2,648,011
Gain on sale of Investments/Securities (Refer Note No.13 of Schedule 13)			121,418,406
Interest		1,338,268	17,864,976
Other Income	10	2,897,436	3,307,671
Total		672,257,190	145,329,065
EXPENDITURE			
Administrative & General Expenses	11	180,624,809	46,844,377
Interest		48,635,926	20,812,666
Depreciation		25,719,741	5,976,039
Other Non Cash Charges	12	101,653,529	374,350
Total		356,634,005	74,007,432
Profit before tax		315,623,184	71,321,633
Provision for Income Tax		25,075,000	16,000,000
Provision for Wealth Tax		50,000	30,000
Profit after tax		290,498,184	55,291,633
Less: Provision for Interest on Income Tax for earlier years		(4,345,112)	(3,712,730)
Add: Provision no longer required for Service tax (Refer Note 6 of Schedule 13)		3,000,000	(3,000,000)
		289,153,072	48,578,903
Add : Net profit brought forward		34,976,295	17,129,812
Profit available for Appropriations		324,129,368	65,708,715
Appropriations			
Proposed Dividend		23,961,000	23,961,000
Dividend Tax		2,444,022	5,271,420
Transfer to General Reserve		8,500,000	1,500,000
Balance Carried to Balance Sheet		289,224,346	34,976,295

As per attached report of even date

For and on behalf of the Board
Home Trade Limited

For Parimal R. Shah & Co.
Chartered Accountants
* NAGPUR
Parimal R. Shah
Proprietor

Sanjay Agarwal
Chairman

N.S. Trivedi
Executive Director & Secretary

For HOME TRADE LIMITED

Authorised Signatory/Director

Vijaykumar Mohan
Director

Place : Mumbai
Date : June 30, 2001

2nd Addl. Chief Judicial Officer

16/9

136

Home Trade Limited

HOME TRADE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

1. SHARE CAPITAL**Authorised**

15,00,00,000 equity shares of Rs.2/- each
(Previous year 3,00,00,000 Equity shares of Rs.10 each)

As at
31.03.01
(Rs)

As at
31.03.00
(Rs)

300,000,000 300,000,000

300,000,000 300,000,000

Issued, Subscribed and Paid up

11,98,05,000 equity shares of Rs.2/- each fully paid up
(Previous year 2,39,61,000 equity shares of Rs. 10 each fully paid up)

239,610,000 239,610,000

39,610,000 239,610,000

2. RESERVES AND SURPLUS**General Reserve****Opening Balances**

Add : Transfer from Profit & Loss Account

6,723,611 5,223,611

8,500,000 1,500,000

15,223,611 6,723,611

289,224,346 34,976,211

304,447,956 41,699,821

Balance in Profit and Loss Account

3. SECURED LOANS**Hire Purchase Finance**

(Secured by hypothecation of motor cars)

585,500

Hire Purchase Finance

(Secured by hypothecation of Motor Vehicle)

341,842,333 1,95,879,800

Overdraft facility from Bank

(Secured by pledge of Government Securities)

38,853,273

Cash Credit Facility from Bank

(Secured by pledge of Government Securities)

28,091,052 32,111,000

Term Loan from Banks

(Secured by hypothecation of stock in trade, receivables and pledge of equity shares)

Repayable within a year : Rs.18,339,475 (previous year: Rs. 15,330,000)

4,709,804 5,387,000

Global Housing Finance Corp. Ltd

(Secured by mortgage of residential properties)

15,846,000

Letter of Credit from Bank

(Secured by hypothecation of stock in trade, receivables and pledge of certain equity shares)

413,496,462 149,811,000

4. UNSECURED LOAN**Short term**

From Others- Inter Corporate Deposits

45,154,582 33,490,000

45,154,582 33,490,000

137

SCHEDULE 5

PARTICULARS	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	as on 31.03.01	Additions	Deletions	as on 31.03.01	as on 1.4.00	Additions	On Op Bal	Additions	Deletions	as on 31.03.01	as on 31.03.01	as on 31.03.00
Trademark	0	1,217,200	0	1,217,200	0		101,433	0	101,433	1,115,767	0	0
Building	8,312,800	6,233,038	0	14,545,838	39,722	8,629	135,499	144,128	0	183,850	14,361,988	8,273,078
Computer Hardware	37,428,540	78,710,017	2,187,872	113,950,685	12,907,539	4,010,866	5,712,836	10,078,032	14917	22,970,864	80,980,031	24,521,001
Website & Related Software	14,763,050	201,026,268	29,200	215,760,118	4,069,899	416,814	2,388,357	13,967,031	1183	18,035,737	197,724,380	10,693,151
Furniture & Fixtures	4,479,741	1,812,517	18,500	6,272,758	1,214,479	62,907	283,568	346,475	0	1,560,954	4,711,804	3,265,262
Motor Vehicles	3,657,001	0	289,266	3,367,735	1,365,046	0	347,415	316,773	106,932	1,574,887	1,782,848	2,281,955
Office Equipments	12,388,388	8,302,479	28,500	20,662,347	1,512,453	177,421	588,447	765,869	0	2,278,322	18,384,025	10,875,915
Capital Advances/WIP						0	0				606,143	20,000,000
TOTAL	81,029,500	297,301,519	2,554,338	375,776,681	21,109,138	4,876,637	8,456,122	25,718,741	123,042	46,705,837	329,070,844	79,920,362
Previous Year	41,295,938	40,264,843	531,382	81,029,498	15,284,846			5,976,039	131,747	21,109,138	59,920,361	



Handwritten notes and signatures in the bottom right corner, including a large signature '255A' and several smaller signatures and initials like '1060', '1018', '1129', '1180', and '1060'.

152

138

HOME TRADE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.01 (Rs)	As at 31.03.00 (Rs)
6. INVESTMENTS		
(Trade) (Unquoted) (At cost)		
Stock Exchange Memberships		
a. Bombay Stock Exchange	14,050,000	14,050,000
b. National Stock Exchange - WDM Segment	2,500,000	2,500,000
c. National Stock Exchange - CM Segment	500,000	500,000
d. Pune Stock Exchange	2,347,222	2,347,222
e. Over The Counter Exchange Of India	2,000,000	2,000,000
	<u>21,397,222</u>	<u>21,397,222</u>
 Equity Shares (Refer note no. 14 of Schedule 13)	 33,400,500	 25,051,510
	<u>54,797,722</u>	<u>46,448,732</u>
 7. CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
i) Interest accrued	3,147,358	2,387,010
ii) Cash and Bank Balances		
a. Cash on hand	81,448	379,980
b. Balances with Scheduled Banks		
In Fixed Deposit Accounts	3,520,000	10,266,000
In Current Accounts	24,497,872	13,422,700
In Unpaid Dividend Account	548,200	13,422,700
	<u>28,648,520</u>	<u>24,068,700</u>
iii) Debtors (Unsecured, considered good)		
a. More than six months	---	---
b. Others	232,245,091	11,676,100
	<u>232,245,091</u>	<u>11,676,100</u>
iv) Stock In Trade - Government Securities (pledged with banks) (Refer note no.15 of Schedule 13)	422,974,959	352,097,300
Total (A)	<u>687,015,929</u>	<u>390,229,100</u>

21st Atdl. Co.

in of the Co.

Home Trade Limited

HOME TRADE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

7. CURRENT ASSETS, LOANS AND ADVANCES

B. LOANS AND ADVANCES
(Unsecured, considered good)

i) Advances recoverable in cash or in kind or for value to be received :

Staff Loans & Advances
Other advances

As at 31.03.01 (Rs) As at 31.03.00 (Rs)

6,336,901 1,834,637
4,165,564 637,140
10,502,465 2,471,777

ii) Deposits :

Deposits with Stock Exchange :

National Stock Exchange - WDM Segment
National Stock Exchange - CM Segment/NSCCL
Bombay Stock Exchange
Pune Stock Exchange
OTC Exchange of India
Deposit NSE VSAT

7,500,000 7,500,000
8,387,042 4,154,136
600,000 600,000
400,000 1,897,563
50,000 50,000
91,434 91,434
17,028,476 14,293,133

Other Deposits :

Deposit - premises
Sundry Deposits

3,165,500 2,845,500
1,745,549 2,272,848
21,939,525 19,211,481

iii) Other current assets:

Other current assets
Advance Income Tax

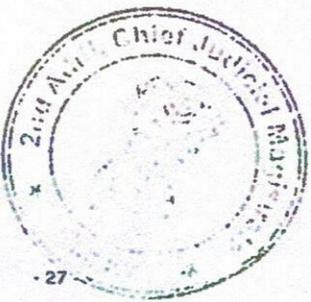
1,703,787
32,779,695 4,886,889
34,483,482 4,886,889

Total (B)

66,925,472 25,570,148

Total (A) + (B)

753,941,401 416,799,323



140

HOME TRADE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

Home Trade Limited

8. CURRENT LIABILITIES AND PROVISIONS

A. CURRENT LIABILITIES

- Sundry Creditors
- Creditors for Capital expenditure
- Book Overdraft from Bank
- Unclaimed dividend
- Other Liabilities

Total (A)

B. PROVISIONS

- Income Tax
- Wealth Tax
- Proposed Dividend
- Corporate Dividend Tax

Total (B)

Total (A) + (B)

As at 31.03.01 (Rs)	As at 31.03.00 (Rs)
---------------------------	---------------------------

86,379,421	4,491,265
26,070,205	6,249,583
19,805,317	3,104,479
557,200	
9,878,732	6,511,276
142,690,875	20,356,603

₹3,365,985	39,499,258
50,988	30,000
23,981,000	23,961,000
7,715,442	5,271,120
98,093,365	68,761,678

240,784,240	89,118,281
--------------------	-------------------

9. MISCELLANEOUS EXPENDITURE
(To the extent not written off or adjusted)

- Preliminary Expenses
- Less : Written off during the year

- Deferred Revenue Expenditure
- Less Written off during the year

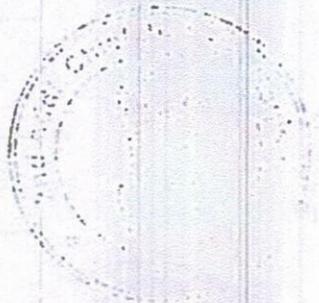
- Brand & Website Promotional Expenses
- Less : Written off during the year

	374,350
	374,350

10,570,805	10,570,805
3,523,602	
7,047,203	10,570,805

196,259,855	
98,129,927	
98,129,927	

105,177,131	10,570,805
--------------------	-------------------



141

Home Trade Limited

HOME TRADE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

261
1062
1048
1131
151
168
170

10 OTHER INCOME

Miscellaneous Income
Sundry Balances written back
Bad Debts Recovery

	2000-2001 (Rs)	1999-2000 (Rs)
Miscellaneous Income	2,635,725	2,006,059
Sundry Balances written back	261,710	1,155,699
Bad Debts Recovery		235,913
	2,897,436	3,397,671

11. ADMINISTRATIVE AND GENERAL EXPENSES

Rent, Rates & Taxes
Salaries, Wages & Allowances
Cont. to Employees P.F. etc
Staff Welfare
Travelling & Conveyance
Communication cost
General Administrative Expenses
Legal & Professional Fees
Donation
Sundry Balances & Deposits written off
Loss on Sale of Assets
Stock Exchange Charges
Repairs & Maintenance - Others
Auditors Remuneration :
- For Statutory Audit
- For Tax Audit
- Out of pocket exp. Audit
Portal - Software & Consultancy expenses
Foreign exchange fluctuation loss
Investments written off
Registrar and transfer expenses
SEBI Turnover Fees
Recruitment Exp

Rent, Rates & Taxes	13,991,310	5,328,076
Salaries, Wages & Allowances	44,737,639	8,376,551
Cont. to Employees P.F. etc	2,992,832	507,353
Staff Welfare	2,070,383	568,494
Travelling & Conveyance	14,521,253	6,631,676
Communication cost	15,278,150	2,407,860
General Administrative Expenses	14,058,722	10,853,784
Legal & Professional Fees	10,780,665	5,002,444
Donation	2,074,002	92,012
Sundry Balances & Deposits written off	2,264,418	1,294,922
Loss on Sale of Assets	132,334	144,634
Stock Exchange Charges	2,673,511	877,949
Repairs & Maintenance - Others	6,134,813	1,200,209
Auditors Remuneration :		
- For Statutory Audit	157,500	105,000
- For Tax Audit	52,500	52,500
- Out of pocket exp. Audit		1,948
Portal - Software & Consultancy expenses	41,288,466	--
Foreign exchange fluctuation loss	215,227	--
Investments written off	50,010	--
Registrar and transfer expenses	164,544	--
SEBI Turnover Fees	1,382,446	--
Recruitment Exp	5,624,084	3,598,965
	180,624,809	46,844,377

12. OTHER NON CASH CHARGES

Deferred Revenue Expenses written off
Preliminary Expenses written off

Deferred Revenue Expenses written off	101,653,529	--
Preliminary Expenses written off	--	374,350
	101,653,529	374,350



529

142

Home Trade Limited

HOME TRADE LIMITED

13. NOTES FORMING PART OF THE ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES:

1. SIGNIFICANT ACCOUNTING POLICIES:

Method of accounting

The accounts have been prepared to comply in all material respects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

Revenue Recognition

Income from brokerage activities is recognized on the trade date of the transaction, except for spot transactions, where it is recognized on date of the transaction and accounted for net of sub-brokerage, where applicable.

Profit/loss on sale of government and other securities (stock in trade) and investments is recognized on the date of transaction.

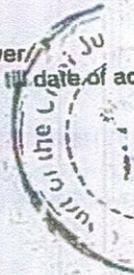
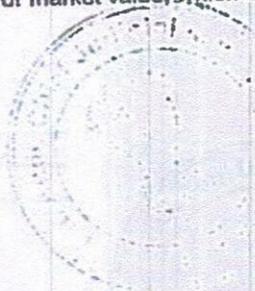
Fixed Assets and Depreciation

Fixed assets are stated at cost. Depreciation is provided under Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956, except for Website & Related Software and Trademarks. Expenses incurred in relation to development of the Website & Related Software of the company and the facilities to enable conduct of broking activity through the portal, have been capitalised on the respective dates of their launch. These expenses have been classified and capitalized as plant and machinery under the head "Website & Related Softwares" and are depreciated over a period of three years, being the management's estimate of the useful life of the assets. Trademarks are depreciated over a period of 12 years.

Expenses towards repair of enduring benefit to the interiors of office premises not owned by the Company are apportioned over the primary period of the lease.

Investments and Stock-in-Trade

- (a) The Shares and other securities acquired with the intention of short term holding and trading positions are considered as stock-in-trade and shown as current assets. Other Shares / securities or stock exchange membership rights acquired with the intention of long-term holding are considered as 'Investments'.
- (b) Investments are shown in the Balance Sheet at cost. Provision for diminution in the value of investments is made, if such diminution is of permanent nature.
- (c) Stock-in-trade is valued as follows :
 - Shares at the cost of acquisition or market value whichever is lower
 - Securities at the cost of acquisition and interest accrued thereon till date of acquisition, if any, or market value, which ever is lower



143

1628

Home Trade Limited

262

134

104.9

152

1192

103

1063

Sundry Debtors and Creditors

Accounts receivable from and payable to clients for broking transactions are recognised on trade/transaction date basis and disclosed separately as Sundry Debtors and Creditors. Bad debts /Advances are written off in the year in which they become irrecoverable.

Foreign Exchange transactions

Transactions in foreign currencies are translated to Indian Rupees at the rate of exchange ruling on the date of transaction. Foreign currency liabilities covered by forward exchange contracts are stated at the rate specified in the related forward contracts. The difference between forward rate and exchange rate at the inception of the forward exchange contract is recognized as income or expense over the life of the contract.

Miscellaneous Expenditure

i) Guarantee commission and charges paid to the banks for guarantee given by them to other parties are apportioned over the period of the guarantee.

ii) Deferred Revenue Expenditure

Deferred revenue expenditure incurred by the company are amortised over a period of three years, commencing from the year in which such expenditure is incurred.

iii) Brand & Web Promotional expenses

Expenditure incurred on development of brand & Web Promotional expenses by the company are written off in two years from the year in which such expenditure is incurred.

Retirement Benefits

(a) Gratuity Liability is covered under Employees' Group Gratuity Accumulation Scheme with Life Insurance Corporation of India and annual premium payable thereon is charged to Profit and Loss Account.

(b) Contributions to defined contribution schemes such as provident fund and family pension fund are charged to profit and loss account as incurred. Encashment of accumulated leave by employees is accounted for as and when paid, as per the practice consistently followed by the company.

Prior Period & Extra Ordinary Items

Items of Income & expenditure pertaining to prior period, where material in the opinion of the Management are disclosed separately.

Provision for Taxation

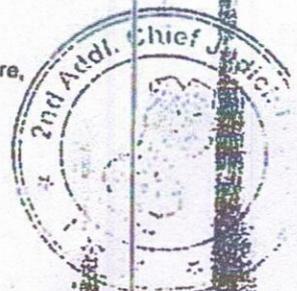
Provision for income tax is made on the assessable income at applicable rates.

Proposed Dividend and Dividend Tax

Proposed dividend is accounted on the recommendation of the Board of Directors, subject to the approval at ensuing General Meeting. Provision for corporate dividend tax is made as per the provision of law.

Contingent Liabilities

All known liabilities have been provided in accounts except liabilities of contingent nature, which has been disclosed by way of notes to the accounts.



1525

144

Home Trade Limited

2. Contingent Liabilities not provided for:

- a. In respect of guarantees given by Banks Rs. 25,00,000/- (Previous year: Rs.40,00,000/-).
- b. Contingent Liability
 - Employee Bonus Liability – Amount unascertainable.
 - TDS Surcharge Liability as per new rates - amount unascertainable.
- c. The company is in the process of computing the SEBI turnover less for the remaining period and the same shall be paid on finalisation of the computation and debited in the year of payment.

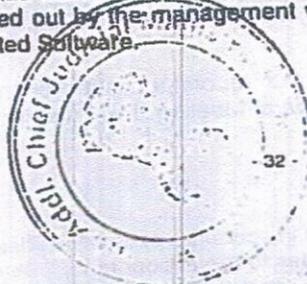
3. Fixed Assets and Capital Commitments

The Website of the company 'www.hometrader.com' containing a finance portal, has been made accessible to the public at large on September 2, 2000. The site contains information about the company and its current and proposed activities, apart from information on the financial markets which is mainly of advisory nature. On February 28, 2001, the company commercially launched the portal and threw open to the public (potential investors) the facility to buy and sell securities through the portal (using the medium of the Internet). The said trading facility is made possible by the use of a broking engine (a software) and related hardware equipment.

The costs incurred in connection with development of the portal and the facility to buy and sell securities have been capitalised as fixed assets on September 2, 2000 and February 28, 2001, the respective dates of their launch, in accordance with AS 10 – Accounting for fixed assets.

Expenses incurred on the broking engine, other software, content upto the date of the portal launch and other expenses directly related to the portal/ facility to trade have been capitalised under the heading of 'Website and Related Software'.

4. Salary, other benefits payable to employees and statutory dues/taxes required to be deducted thereon has been provided by the management on mercantile basis.
5. The company has changed its policy for accounting of bonus expenses from payment basis to performance basis. Bonus is payable based on assessment of employees' performance during the 12 months commencing on the 1st of November each year. Since the period of assessment of employees' performance is not computed as at the balance sheet date. No provision is made for the bonus for the period 1-11-2000 to 31-3-2001.
6. The company has written back service tax amounting to Rs. 30 lacs on completion of the General Audit of Service Tax for the period from July 1994 to March 2000, which has been shown under the head Provision no longer required for Service Tax.
7. The company has accounted, being technical matter, certain expenses based on the bifurcation carried out by the management with respect to Portal Content Expenses and Website & Related Software.



Chief Justice of India

145

Home Trade Limited

1628

263

263

135

1133

153

492

1064

8. Pending reconciliation of Dividend payment account with Bank, balance is taken as per L. Bks. Any adjustment thereto, will be accounted in the year of reconciliation.
9. Estimated amount of capital commitment net of advances is Rs.18,77,000/- (Previous year: Rs. Nil)
10. The Current Assets and Loan and Advances are realizable at the Value stated in the Balance Sheet in the ordinary course of the business.

Loans and Advances include an amount of Rs. Nil (maximum outstanding during the year Rs. 3,50,000/-) (previous year Rs. Nil), outstanding from a director of the Company.

11. Sundry Debtors

The management reviews, on periodical basis, the outstanding debtors with a view to determining as to whether debtors are good, bad or doubtful, after taking into consideration all the relevant aspects, including the tangible, intangible, primary and collateral security available, financial condition of debtors, the net worth, standing and reputation of the guarantor, if any, past performance /projected future performance of the debtors. The management determines whether a debtors is doubtful or bad, wholly or in part and on the basis of such reviews, the Board of Directors determines the extent of bad debts to be written off in the accounts.

12. Some Debtors, Creditors and Advances are subject to reconciliation and resultant adjustments if any and are thus taken up as per Books.
13. During the year company has sold 1,08,50,000 Equity shares of Rs.2 each of Ways India Limited, there being no comparative quotation, as on date of transfer, the shares were sold based on the valuation carried out by independent Chartered Accountant, on which the auditors have relied.

14. Investments

Investment consists of

Equity Shares (Unquoted, Face Value of Rs.10, fully paid up unless otherwise stated)	As on 31.03.01		As on 31.03.00	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
Ways India Limited*	16650000	3,33,00,000	25,00,000	2,50,00,000
Euro Asia Management Services Limited	10	100	10	100
Euro Asia Capital Management Limited	10	100	10	100
Euro Asia Finance Limited	10	100	10	100
Euro Asia Forex Limited	10	100	10	100
Euro Asia Portfolio Management Limited	10	100	10	100
Janata Sahakari Bank Limited (Rs. 100 paid up)	1000	1,00,000	510	51,010
TOTAL		3,34,00,500		2,50,51,510

* Subdivided in to face value of Rs.2 each from Rs.10 each from Current year



1629

146

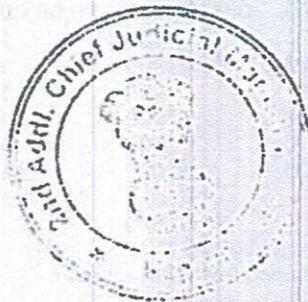
15. Stock in trade(quoted)
Stock in trade consists of :

Particulars (Face Value)	As on 31.03.01	As on 31.03.00
11.50% CG2010 (Rs 100 lacs)	11,121,250.00	
11.50% CG2010 (Rs 200 lacs)	21,846,388.89	
14.40% PSEB 2005 (Rs 100 lacs)	10,453,863.01	
10.70 % CG 2020 (Rs 200 lacs)	20,721,722.22	
11.03% CG2012 (Rs 210 lacs)	22,037,674.17	
11.03% CG2012 (Rs 187 lacs)	19,807,684.11	
11.03% CG 2012 (Rs 354 lacs)	37,500,439.33	
11.43% CG2015 (Rs 213 lacs)	22,400,091.75	
10.47% CG2015 (Rs 800 lacs)	80,575,933.33	
10.47% CG 2015 (Rs 1500 lacs)	152,500,375.00	
10.20 % CG2005 (Rs 100 lacs)	10,434,666.67	
11.50% CG2015 (Rs 50 lacs)	5,474,652.78	
12.30% CG2016 (Rs 15 lacs)	1,782,937.50	
14% SDL 2005 (Rs 54 lacs)	6,317,280.00	
14% CG 2005 (Rs 550 Lacs)		63,872,111.11
11.19% CG 2005 (Rs 90 Lacs)		9,137,385.00
11.00% CG 2002 (Rs 50 Lacs)		5,224,555.58
11.50% CG 2008 (Rs 400 Lacs)		42,876,111.11
9.50% CG 2008 (Rs 350 Lacs)		32,888,444.44
10.80% CG 2008 (Rs 625 Lacs)		63,881,250.00
12.40% CG 2013(Rs 472 lacs)		52,605,448.89
12.32% CG 2011 (Rs 300 lacs)		32,926,400.00
11.25% CG 2005 (Rs 50 lacs)		5,284,375.00
12.00% CG 2008(Rs 28 lacs)		3,022,973.33
10.25% CG 2012 (Rs 200 lacs)		19,448,777.78
12.60% CG 2018 (Rs 100 lacs)		11,479,500.00
0.00% CG 2000 (Rs 100 lacs)		9,650,000.00
TOTAL	422,974,958.76	352,097,332.22

16. Sundry Debtors include Rs. NIL (previous year Rs.11,676,112/-) due from companies in which Some directors are interested (Maximum outstanding during the year Rs. NIL previous year Rs.4,60,687,834/-)

17. Deposits

Of the total Deposits with bank of Rs. 35,20,000 (Previous year Rs. 102,66,000), fixed deposits valuing to Rs. 6,25,000 (Previous year Rs.6,25,000) is pledged for guarantees given to National Securities Clearing Corporation Limited, Rs. 25,00,000 (Previous Year Rs 25,00,000) is pledged for guarantees given to The Stock Exchange, Mumbai, Rs. 50,000 (Previous year Rs 50,000) is pledged for guarantee given to Pune Stock Exchange, and Rs. 3,45,000 (Previous Year Rs. 1,16,000) is pledged with Custodians pending rectification of Bad delivery of shares & Rs. NIL (Previous Year Rs. 66,00,000) and Rs. NIL (Previous Year Rs. 375,000) are pledged with IndusInd Bank respectively for Letter of credit facility and guarantee given to Pune Stock Exchange respectively



1630 Home Trade Limited
 264
 36
 54
 157
 1134
 219
 1005
 171

18. Quantitative Details*

Additional information pursuant to the provisions of Schedule VI of the Companies Act, 1956:

Traded Goods	Un'ts	Opening Stock		Purchases		Sales		Closing Stock	
		Qty in lakhs	Value Rs. Lakhs	Qty in lakhs	Value Rs. Lakhs	Qty in lakhs	Value Rs. lakhs	Qty in lakhs	Value Rs. lakhs
Shares	Nos	125	250	150	300	108.5	6510	186.5	360
Previous year		180	1,801	Nil	Nil	155	2,676	25	250

19. Expenditure on foreign currency

	2000 - 2001	1999 - 2000
Traveling expenses	2,631,176	3,325,669
Books and Periodicals	Nil	145,905
Membership and subscriptions	3,531,567	223,788
Others	10,494,842	244,876
Total	1,66,57,585	39,40,238

20. Managerial Remuneration included in the profit and loss account*

	2000 - 2001	1999 - 2000
Salaries	27,64,600	4,98,713
Perquisites	1,89,900	3,41,905
Contribution to PF/FPF	2,97,000	59,845
TOTAL	32,51,500	9,00,463

* Remuneration to directors have been paid within the limits prescribed in Schedule XIII of the Companies Act, 1956.

21. Small Scale Industries

The company has no outstanding to small scale industrial undertakings for an amount more than Rs. 100,000/- as on Balance Sheet date..

22. Dividend paid to NRI shareholders Rs. 1,09,44,250/-

23..Previous year figures have been regrouped, reclassified and rearranged wherever necessary.

For M/S. PARIMAL R SHAH & CO
Chartered Accountants

Parimal R Shah
Proprietor

Place : Mumbai
Date : June 30, 2001

For and on behalf of the board
Home Trade Limited

SANJAY AGARWAL
Chairman

N.S.TRIVEDI
Executive Director & Secretary

VIJAYKUMAR H. MODI
Director



1692

148

HOME TRADE LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31,2000

	<u>31.3.01</u>	<u>31.3.00</u>
(A) Cash Flow from operating activities		
Net profit before tax	315,623,185	71,321,632
Adjustment for		
Depreciation	25,719,741	5,976,039
Interest debited to profit & loss account	48,635,926	20,812,666
Interest credited to profit & loss account	(1,338,268)	(17,864,976)
Sundry balances /Deferred revenue exp written off	102,292,956	1,669,271
Gains on sale of Investments	(629,300,000)	(112,625,223)
Loss of sale of Fixed assets	<u>132,334</u>	<u>(453,857,311)</u>
Operating profit before working capital changes	(138,234,126)	(30,565,958)
Adjustment for		
Trade & other receivables	(31,019,863)	116,008,789
Inventories	(70,877,627)	(283,656,763)
Trade payable & other liabilities	<u>151,377,360</u>	<u>(49,479,870)</u>
Cash generated from operations	(88,754,256)	(286,820,295)
Deferred revenue expenditure paid	(196,259,855)	(30,945,154)
Direct taxes paid	<u>(2,582,447)</u>	<u>(198,842,302)</u>
Net Cash flow from operating activities ... A	(287,596,558)	(323,339,768)
(B) Cash flow from Investing activities		
Purchase of fixed assets	(303,946,218)	(40,264,943)
Sale of fixed assets	2,298,962	255,002
Purchase of Investments	(30,099,000)	---
Sale of Investments	420,000,000	267,625,523
Interest received	577,924	15,477,965
Intercompany deposits taken	11,656,308	---
Repayment of Intercompany deposits	---	(24,461,219)



HOME TRADE LIMITED

Home Trade Limited
 31.03.01 31.03.00
 1632 39265
 26 15
 1066
 113
 192

Net Cash flow from Investing activities ... B	100,487,976	218,632,347
(C) Cash flow from Financing activities		
Proceeds/ (Repayment) from Secured loan	263,683,701	130,251,701
Interest paid	(48,591,515)	(20,069,723)
Dividend Paid	(23,403,800)	(18,606,313)
Net Cash flow from financing activities ... C	191,688,386	91,575,665
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	4,579,804	(13,131,756)
Add: Cash & Cash Equivalent at the beginning of the year	24,068,717	37,200,473
Cash & Cash Equivalent at the end of the year	28,648,521	24,068,717

For and on behalf of the Board
 Home Trade Limited

Place: Mumbai
 Date: 30-06-2001

Sanjay Agrawal N S Trivedi Vijaykumar H Modi
 Chairman Executive Director
 Director & Secretary

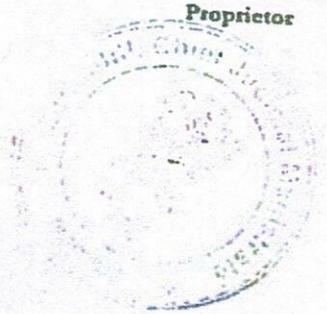
Auditors' Certificate

We have verified the attached cash flow statement of Home Trade Limited derived from the audited financial statements and the books & records maintained by the Company for the year ended 31st March, 2001 and found the same in agreement therewith.

For Parimal R. Shah & Co.
 Chartered Accountants

Place: Mumbai
 Date: 30-06-2001

Parimal R. Shah
 Proprietor



STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. : 25-14018
 Balance Sheet Date : March 31, 2001
 State Code : 25

II. CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN THOUSANDS)

Public Issue : NIL
 Bonus Issue : NIL
 Right Issue : NIL
 Private Placement : NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS
 (AMOUNT RS. IN THOUSANDS)

Total Liabilities	1,002,709	Total Assets	1,002,709
SOURCES OF FUNDS			
Paid-up Capital	239,610	APPLICATION OF FUNDS	
Reserves and Surplus	304,448	Net Fixed Assets	329,577
Secured Loans	413,496	Investments	54,798
Unsecured Loans	45,155	Net Current Assets	513,157
		Miscellaneous Expenditure	105,177
		Accumulated Losses	---

IV. PERFORMANCE OF THE COMPANY (AMOUNT RS. IN THOUSANDS)

Total Income	672,257	Total Expenditure	356,634
Profit Before Tax	315,623	Profit After Tax	289,153
Earning Per Share (Rs.2 per share paid up)	2.41	Dividend Rate %	10%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY
 (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	Not applicable
Product Description	Stock Broking

As per our attached report of even date

For PARIMAL R SHAH & CO.
 Chartered Accountants

PARIMAL R SHAH
 Proprietor

Place : Mumbai
 Date : 30-06-2001

For and on behalf of the Board
 Home Trade Ltd.

SANJAY AGARWAL
 Chairman

N S TRIVEDI
 Executive Director & Secretary

VIJAYKUMAR H MODI
 Director

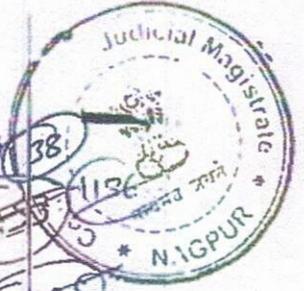


151

1634

266

Home Trade Limited



268
38
156
112
195
221
173

HOME TRADE LIMITED

Registered Office: 124A, Sohrab Hall, 21, Sasoon Road, Pune - 411 001

ATTENDANCE SLIP

1067

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall

Registered Folio No. _____ shares held _____

(Name in Block Letter)

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company held at the Registered Office at 124A, Sohrab Hall, 21, Sasoon Road, Pune - 411 001. on Saturday, 29th September 2001, at 10.00 a.m.

Note: Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the entrance of the Meeting Hall.

TEAR HERE

HOME TRADE LIMITED

Registered Office: 124A, Sohrab Hall, 21, Sasoon Road, Pune - 411 001

PROXY FORM

Registered Folio No. _____ shares held _____

I/We, _____ of _____ being a member/members of the above names company hereby appoint _____ of _____ or failing him _____ as my/our

proxy to vote for me/ us on my/our behalf at the ANNUAL GENERAL MEETING of the Company held at the Registered office at 124A, Sohrab Hall, 21, Sasoon Road, Pune - 411 001 on on Saturday, 29th September 2001, at 10.00 a.m. and at any adjournment thereof.

Signature this _____ day of _____ 2001

Signed by the said _____

Affix 30 paise Revenue Stamp

NOTE: The proxy to be effective should be deposited at the Registered office of the Company not less than 48 hours before the commencement of meeting.



Copy
Asstt. Supdt
C.J.M. Court
Nagpur

Let. 18/9/2

18/9/2001

J.C.
(Adv. S.K. Jadhav)