File 2 of 2

Surat City, Gujarat

Umra Police Station CR No.274/2002

IPC Sections-465, 467, 468, 471, 420, 114, 120(b)

(Old CC No. 9166/2003)

(New CC No. 389/P.W./2023)

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Sd/- Illegible

(K. V. Patel)

Umra Police Station

Surat City

Outward No. 3388/02
Umra Police Station, Surat
Date: 27/08/02

To,

The Talati,

Chekhla Village, Dist. Ahmedabad.

Subject: Regarding exercising the right of lien (Dharana Adhikar) over the land under your jurisdiction.

Reference: Pursuant to the letter of the learned Commissioner of Police, Surat City, bearing No: Outward / R.B. / 21885 / 02 dated 05/08/02.

With due respect, V.B. Ramani, Police Inspector, Umra Police Station, Surat City, states that:

In connection with the above-mentioned subject and reference, it is stated that M/s. Home Trade Ltd. Company and its Directors have committed cheating of eight crore fifty-nine lakh sixty-five thousand six hundred and fifty-five rupees with the Mahila Nagrik Sahkari Bank located in Surat City. From the said amount, they have purchased land of Shetrunjay Co-operative Housing Society located in Chekhla village, bearing Survey Nos. 226, 227, and 229, admeasuring 28,531 square meters. As this land has been purchased using the proceeds of cheating and is to be seized, please provide the 7x12 land extract and the Village Mutation Entry Form No. 6 to Police Sub-Inspector Shri N.D. Zala to ascertain in whose name the land currently stands. Furthermore, do not transfer this land to the name of any individual, institution, or firm at present.

Date: 27/08/2002

Sd/- [Illegible]
Police Inspector,
Umra Police Station,
Surat City.

Subsequent Entry:

With respect, it is reported that as per your order, **I** visited Chekhla village, contacted the Talati-cum-Mantri, and having obtained the requested records, have kept them enclosed herewith. This is for your information.

Date: 31/08/02

Sd/- [Illegible]
Police Sub-Inspector,
Udhna Police Station.

Date: 05/09/2002

Minutes of the meeting convened by the Police Commissioner regarding the discussion of cases registered against Home Trade:

The following officers were present in this meeting:

1. Shri B. V. Ramani, Police Inspector, Umra Police Station.
2. Shri N. C. Patel, Police Inspector, Rander Police Station.
3. Shri B. Z. Patel, Police Inspector, Udhna Police Station.
4. Shri G. K. Chaudhary, Police Inspector, Varachha Police Station.
5. Assistant Commissioners of Police, 'A', 'B', and 'E' Divisions.
6. Deputy Commissioners of Police, East, West, North, and South Zones, Surat City.
7. Additional Commissioners of Police, Range 1 and 2, Surat City.

The Commissioner of Police stated that the investigation of the 4 offenses registered regarding Home Trade is to be conducted by the Surat Police. Therefore, every Investigating Officer shall have to determine a **'Line of Action'**.

The following points will be included in this Line of Action:

Point No. 1:

The resolution by which the administrative board of the banks authorized any officer of the bank to purchase securities will be obtained.

Point No. 2:

If securities were offered by Home Trade, the details of those proposals will be obtained.

Point No. 3:

What are the rules regarding the mandatory 25% investment that the banks were required to make?

Point No. 4:

How was the trading of S.D.L. (State Development Loan) being conducted?

Point No. 5:

What were the agreements for the purchase and sale of securities executed between the banks and Home Trade?

Point No. 6:

Whether Home Trade actually possessed the securities or not? Or whether the transactions were conducted through the futures market without securities?

Point No. 7:

To obtain information regarding which accounts Home Trade deposited the money into and how **they** made the ultimate use of it.

Point No. 8:

What was the legal procedure to be followed between the bank and Home Trade, and what procedure was actually adopted in reality?

The custody of accused **Agrawal** shall be obtained by securing a Transfer Warrant.

The Police Inspector, Umra, will first make efforts to bring the accused, thereafter collect the documents, and carry out planned proceedings in such a manner that custody of the accused is obtained in all four cases. Senior officers will maintain effective supervision in these cases.

Every Investigating Officer will continue to send progress reports of the investigation conducted by him from time to time.

Number: R.B. / 25630 / 2002

Office of the Commissioner of Police,

Surat City.

Sd/- [Illegible]

Commissioner of Police,

Surat City.

To,

All the aforementioned officers.

Outward No. 3643 / 02
Umra Police Station, Surat,
Date: 16/09/02

To,
The Learned Chief Judicial Magistrate,
Chief Court,
Surat.

Subject: Regarding granting a Transfer Warrant for the accused.

With due respect, the request of **B.V. Ramani, Police Inspector, Umra Police Station, Surat City**, is as under:

The accused of Umra Police Station First C.R. No. 274 / 02 under Sections 465, 467, 468, 471, 420, 114, and 120-B of the I.P.C., namely **Sanjay Hariram Agrawal**, Age: 37, R/o. 702, Kusum Apartment, Sector No. 7, Vashi, Navi Mumbai, is currently imprisoned in the court custody of the Learned Additional Sessions Judge (Court of Deshmukh Saheb), Court No. 51, Fort Mumbai, for the purpose of Mumbai C.B.I. Case Number 4-E / 02, C.R. No. 81 / 02 under Sections 467, 468, 471, and 420 of the I.P.C. As the said accused is to be arrested in the aforementioned offense of this Police Station, it is requested to grant **his** Transfer Warrant in the English language. Furthermore, it is requested to pass an order to hand over the custody of the said accused to **Police Sub-Inspector P. T. Shinde** of this Police Station. This is for your kind information.

Date: 16/09/02

Sd/- [Illegible]
(B.V. Ramani)
Police Inspector,
Umra Police Station, Surat City.

Outward No. 3644 / 02
Umra Police Station, Surat,
Date: 16/09/02

To,
The Learned Chief Judicial Magistrate,
Chief Court,
Surat.

Subject: Regarding granting a Transfer Warrant for the accused.

With due respect, the request of B.V. Ramani, Police Inspector, Umra Police Station, Surat City, is as under:

The accused of Umra Police Station First C.R. No. 274 / 02 under Sections 465, 467, 468, 471, 420, 114, and 120-B of the I.P.C., namely Ketan Kantilal Sheth, Age: 40, R/o. 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri (West), Mumbai – 49, is currently in the court custody of the Learned Additional Sessions Judge (Court of Deshmukh Saheb), Court No. 51, Fort Mumbai. As the said accused is under detention for the purpose of Mumbai C.B.I. Case Number 4-E / 02, C.R. No. 81 / 02 under Sections 467, 468, 471, and 420 of the I.P.C., and as the said accused is to be arrested for the purpose of the aforementioned offense of this Police Station, it is requested to grant his Transfer Warrant. Furthermore, it is requested to pass an order to hand over the custody of the said accused to Police Sub-Inspector P.T. Shinde of this Police Station. This is for your kind information.

Date: 16/09/02
Note: It is requested to grant the said warrant in the English language.

Sd/- [Illegible]
(B.V. Ramani)
Police Inspector,
Umra Police Station, Surat City.

(5/4)

TRANSFER WARRANT
CRIMINAL PRO. CODE. 267

To,
The Honble Additional Sessions Judge
court No. 51. Fort mumbai.

Sub.: Accused Sanjay Hariram Agraval
in Umra. Police Station - I.C.R.
No. I 274/02 of 465-467-468-
471-420-114-120B of I.P.C.

Whereas the accused Sanjay Hariram Agrawal
Resident of 702 Kusum Apartment Sector no. 17.
Vasi New mumbai Police Station C.R.No. I 87 /2002
U/s. 467-468-471-420 I.P.C.
to answer the said charge against them/him.

Hence you are required/request hand ever the above accused
name Sanjay Hariram Agraval.
Resident of 702-Kusum Apartment Sector no 17 Vasi New mumbai
To P.S.I. Shri P.T. Shinde of Umra.
Police Station, District Surat to Produce before at
Surat. in the court of Judicial Magistrate First Class,
Surat for / in Police Station C.R.No. I 274/02
for the offence U/s. 465-467-468-471-420-114-120B
I.P.C. Herein without fail.

Given under my signed of this court.
Dated this 16th day of September 2002

C.D.L. Desai
Chief Judicial Magistrate
SURAT.
Dist. Surat.
Gujarat

TRANSFER WARRANT
CRIMINAL PRO. CODE. 267

To,
The Hon'ble Additional Sessions Judge
court No. 51 Fort mumbai.

Sub.: Accused Sanjay Hariram Agraval
in Umra. Police Station - I.C.R.
No. I-274/02 of 465-467-468-
471-420-114-120B of I.P.C.

Whereas the accused Sanjay Hariram Agraval
Resident of 702 Kusum Apartment Sector 17.
Vasi New mumbai Police Station C.R.No. I 87 /2002
U/s. 467-468-471-420 I.P.C.
to answer the said charge against them/him.

Hence you are required/request hand ever the above accused
name Sanjay Hariram Agraval.
Resident of 702-Kusum Apartment Sector 17 Vasi New mumbai
To P.S.I. Shri P.T. Shinde of Umra. D
Police Station, District Surat to Produce before at
Surat. in the court of Chief Judicial Magistrate ~~First Class~~.
Surat for / in Police Station C.R.No. I-274/02
for the offence U/s. 465-467-468-471-420-114-120B
I.P.C. Herein without fail.

Given under my signed of this court.
Dated this 16th day of September 2002

C.D.L. Desai
Chief Judicial Magistrate
SURAT.
Dir. Surat.
Cr. Surat.

(5)

TRANSFER WARRANT

CRIMINAL PRO. CODE. 267

To, The Honble Additional Sessions Judge court No 51 Fast mumbai

Sub.: Accused Ketan Kanaiyalal sheth in Crime Police Station - I.C.R. No. 274/02 of 465- 467- 468- 471 420. 114- 120 B of I.P.C.

Whereas the accused Ketan Kanaiyalal sheth Resident of 193- Lalit Kutir Gulmohor Road. No 9. J.V.P.D. Scheme Andheri (West) Mumbai-49. Police Station C.R.No I 81 /2002 U/s. 467- 468- 471- 420 I.P.C. to answer the said charge against them/him.

Hence you are required/request hand ever the above accused name Ketan Kanaiyalal sheth Resident of 193- Lalit Kutir Gulmohor Road. No 9. J.V.P.D. Scheme Andheri (West) Mumbai To P.S.I. Shri P. T. Shinde of Crime Police Station, District Surat City to Produce before at Surat in the court of Judicial Magistrate First Class. Surat for / in Police Station C.R.No. I 274/02 for the offence U/s. 465-467- 468- 471- 420- 114 120B I.P.C Herein without fail.

Given under my signed and seal of this court.

Dated this 16th day of September 2002

(D. L. Desai)
Chief Judicial Magistrate
SURAT.
29.11. Surat (Gujarat)

(4)

TRANSFER WARRANT
CRIMINAL PRO. CODE. 267

To,
The Honble Additional Sessions Judge
court No. 51. Fort mumbai.

Sub.: Accused Sanjay Haribam Agrawal
in Umra. Police Station - I.C.R.
No. I-274/02 of 465-467-468-
471-420-114-120B of I.P.C.

Whereas the accused Sanjay Haribam Agrawal
Resident of 702 Kusum Apartment Sector no.17.
Vasi New mumbai Police Station C.R.No. I 87 /2002
U/s. 467-468-471-420 I.P.C.
to answer the said charge against them/him.

Hence you are required/request hand ever the above accused
name Sanjay Haribam Agrawal.
Resident of 702-Kusum Apartment Sector no.17 Vasi ... Mumbai
To P.S.I. Shri P.T. Shinde of Umra.
Police Station, District Surat to Produce before at
Surat. in the court of Chief Judicial Magistrate ~~First Class~~,
Surat for / in Police Station C.R.No. I-274/02
for the offence U/s. 465-467-468-471-420-114-120B
I.P.C. Herein without fail.

Given under my signed of this court.
Dated this 16th day of September 2002

C.D.L. Desai
Chief Judicial Magistrate
SURAT.
Dist. Surat:
Gujarat

5A

TRANSFER WARRANT
CRIMINAL PRO. CODE. 267

To,
The Honble Additional sessions Judge
Court No 51 Fast mumbai

Sub.: Accused Ketan Kanaiyalal Sheth
in Umra Police Station - I.C.R.
No. 274/02 of 465- 467- 468- 471
420. 114- 120 B of I.P.C.

Whereas the accused Ketan Kanaiyalal Sheth
Resident of 193 - Lalit Kutir Cinemahor Road. No 9.
JVPD. Scheme Andheri (West) Mumbai-49. Police Station C.R.No I 27 /2002
U/s. 467- 468- 471- 420 I.P.C.
to answer the said charge against them/him.

Hence you are required/request hand ever the above accused
name Ketan Kanaiyalal Sheth
Resident of 193- Lalit Kutir Cinemahor Road. No-9 JVPD. Scheme Andheri (West) Mumbai
To P.S.I. Shri P T Shinde of Umra
Police Station, District Surat (Chief) to Produce before at
Surat in the court of Judicial Magistrate First Class,
Surat for / in Police Station C.R.No. I 274/02
for the offence U/s. 465-467-468- 471- 420. 114, 120B
I.P.C Herein without fail.

Given under my signed of this court.
Dated this 6th day of Sept. 2002.

(C.D.L. Desai)
Chief Judicial Magistrate
SURAT.
(Dist. Surat)
(Gujarat)

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Regarding issuing a Transfer Warrant for the accused.

With Jai Bharat, request report of **B.V. Ramani, Police Inspector, Umra Police Station, Surat City**, states that:

The accused involved in Umra Police Station First C.R. No. 274/2002 under Sections 471, 420, 465, 466, 468, 120-B, and 114 of the I.P.C., namely **Ketan Kantilal Sheth**, Age: 40, R/o. 193, Lalit Kutir, Gulmohar Road No. 9, J.V.P.D. Scheme, Andheri (West), Mumbai, is currently in the custody of the Learned Chief Judicial Magistrate, Chief Court. As the said accused is to be arrested for the purpose of the aforementioned offense, it is requested to grant **his** Transfer Warrant. Furthermore, it is requested to pass an order to hand over the custody of the said accused to **Police Sub-Inspector P.T. Shinde** of this Police Station. This is for your kind information.

Previously, the Transfer Warrant for the said accused was issued in the name of the Learned Additional Sessions Judge, Court No. 51, Mumbai; however, oral instructions have been received to obtain the custody of the said accused from the Navsari Court. This is for your kind information.

Date: 18/09/2002

Sd/- [Illegible]

(B.V. Ramani)

Police Inspector,

Umra Police Station,

Surat City.

Note: The aforementioned accused is in the court custody of the Learned Judicial Magistrate First Class, Navsari, for the purpose of Navsari Town Police Station First C.R. No. 93/2002 under Sections 406, 409, 420, 421, 422, 423, 120 (B), and 34 of the I.P.C. This is reported for information.

TRANSFER WARRANT

To,

The Learned Chief Judicial Magistrate First Class,
Navsari.

You are hereby informed that the accused **Ketan Kantilal Sheth**, residing at: 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri (West), Mumbai, is currently in your custody in jail for the purpose of Navsari Town Police Station First C.R. No. 93/2002 under Sections 406, 409, 420, 421, 422, 423, 120 (B), and 34 of the I.P.C.

As the said accused, Ketan Kantilal Sheth, is to be arrested for the purpose of Umra Police Station First C.R. No. 274/2002 under Sections 471, 420, 461, 466, 120-B, and 114 of the I.P.C., you are requested to do the needful to hand over the custody of the said accused **Ketan Kantilal Sheth**, resident of Mumbai, to **Police Sub-Inspector Shri P.T. Shinde**.

Upon completion of this work, the said person will be sent back to your custody under police escort.

Issued today, the **18th day of the month of September in the year 2002**, under my signature and the seal of the Court.

Sd/- [Illegible]
Chief Judicial Magistrate,
Surat City.

TRANSFER WARRANT

Chief Judicial Magistrate First Court, Navsari

Date: 19/09/02

To,
The Police Inspector,
Police Station,
Umra, Surat.

Subject: Regarding the transfer of accused named Ketan Kantilal Sheth in Navsari Town Police Station First C.R. No. 93/02 under Sections 409, 420, 421, 422, 423, 120 (B), and 34 of the I.P.C.

Sir,

With Jai Bharat, it is stated that the accused **Ketan Kantilal Sheth**, residing at: 193, Lalit Kutir, Gulmohar Cross Road, J.V.P.D., Andheri West, for the purpose of the case of Navsari Town Police Station First C.R. No. 93/2002 under Sections 409, 420, 421, 422, 423, 120-B, and 34 of the I.P.C., is in the court custody of your good self.

As the said accused named **Ketan Kantilal Sheth**, residing at: 193, Lalit Kutir, Gulmohar Road No. 9, Andheri West, is required for the purpose of the case of Umra Police Station First C.R. No. 274/2002 under Sections 471, 420, 461, 466, 468, 120-B, and 114 of the I.P.C., the said accused should be handed over on the condition of [his requirement] in the case of Umra Police Station First C.R. No. 274/2002 under Sections 471, 420, 461, 466, 468, 120-B, and 114 of the I.P.C., and on the condition of not releasing the accused directly on bail.

Date: 19/09/2002

Sd/- [Illegible]
Judicial Magistrate, Navsari.

Letter for Handing Over to Police Custody from Jail
(Accused not to be released directly)

Outward No. 1039/2002
Office of the Navsari Sub-Jail
Date: 27/09/2002

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: **Regarding handing over the accused to police custody**

Reference: **Order No. 546/02 of Chief Court, Navsari, dated 27/09/2002**

Sir,

With due respect, in accordance with the aforementioned subject and referenced order, the accused of this jail, **(1) 1404 Ketan Kantilal Sheth**, has been handed over to the police officer mentioned below. Since other cases are pending against **him**, please do not release **him** directly nor hand **him** over to any other police station. The police officer present has been personally instructed to return the accused to this jail immediately upon completion of the work. The said person has been handed over in good physical and mental health. Since the accused has a court hearing on 11/10/2002, instructions have been given to return **him** to this jail before that date.

Name of Court	**Details of Pending Case / Police Station**	**Sections**	**Resolution Date**
Chief Court, Navsari	Navsari Town First 93/02	406, 409, 420, 421, 422, 423, 467, 468, 120-B, 34 etc.	11/10/2002
Court of Investigation Work	**(1) Umra Police First 274/2002**	**406, 420, 467, 468, 120-B etc.**	

Chief Judicial Magistrate,

Chief Court, Surat.

Yours faithfully,

Sd/- [Illegible]

Superintendent,

Navsari Sub-Jail

Copy Forwarded to:

1. The Investigating Police Officer (ASI) **Shri M.R. Shinde**, Buckle No. 1081, Umra Police Station, for information and to take charge of the accused and to return **him** to this jail upon completion of the work.

Copy Respectfully Forwarded to:

1. The Learned Chief Judicial Magistrate Sir, Navsari, for information.
2. The Superintendent, Surat District Jail, with a request to return the said accused to this jail if admitted to your jail.

Outward No. 546/2002

Chief Judicial Magistrate Court

At: Navsari Date: 27/09/2002

To,

The Jailer ,

Sub-Jail, Navsari.

Subject: Regarding handing over the custody of the accused.

With due respect, it is stated that for the purpose of investigation in **Umra Police Station First C.R. No. 274/02** under Sections 406, 467, 468, 471, and 120-B of the I.P.C. (originally registered under Sections 406, 409, and 420 of the I.P.C.), you are directed to hand over the custody of accused **Ketan Kantilal Sheth**, residing at: 193, Lalit Kutir, Gulmohar Road No. 9, J.V.P.D. Scheme, Andheri (West), Mumbai, to **A.S.I. M.R. Shinde** of Umra Police Station.

By Order,

Sd/- [Illegible]

Registrar,

Chief Judicial Magistrate Court,

Navsari.

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Regarding taking charge of the accused in court custody.

With Jai Bharat, request report of **B.V. Ramani, Police Inspector, Umra Police Station, Surat City**, states that:

The accused of Umra Police Station First C.R. No. 274/2002 under Sections 404, 406, 409, 420, 464, 465, 467, 468, 120-B, and 114 of the I.P.C., namely **Ketan Kantilal Sheth**, Age: 40, R/o. 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai, has been arrested on 27/09/2002 at 23:00 hours. **I** have sent **him** to this court's custody herewith within the prescribed time limit. It is requested to take charge of **him**.

Date: 28/09/2002

Sd/- [Illegible]

(B.V. Ramani)

Police Inspector,

Umra Police Station,

Surat City.

Remand Report

To,

The Learned Chief Judicial Magistrate,
Chief Court, Surat.

Subject: Regarding obtaining 14 days of Police Custody Remand for the accused.

With Jai Bharat, request report of **B.V. Ramani, Police Inspector, Umra Police Station, Surat City**, states that:

In connection with Umra Police Station First C.R. No. 274/2002 under Sections 404, 406, 409, 420, 464, 465, 467, 468, and 120-B of the I.P.C., the facts are such that: directors of the Mumbai-based company Home Trade Ltd., namely **Sanjay Hariram Agrawal, Ketan Kantilal Sheth, Nandkishore Shankarlal Trivedi**, and **Subodh Bhandari**, along with associated employees of the aforementioned company, **Neeraj Surti** and **Kanan Mevawala**, colluded to acquire the trust of the complainant's bank, **The Surat Mahila Nagrik Bank**, by initially conducting purchase-sale transactions of Government Securities. Subsequently, Home Trade Limited decided to sell four different securities at different interest rates to the aforementioned Mahila Nagrik Sahkari Bank. Relying on their words and trust, the Mahila Bank paid **Rs. 9,68,10,666.67** (Rupees Nine Crore Sixty-Eight Lakh Ten Thousand Six Hundred Sixty-Six and Sixty-Seven Paise) to Home Trade between 31/10/2001 and 27/02/2002 to purchase the securities. Even after receiving the money, Home Trade did not provide the securities to the complainant. Upon the complainant repeatedly demanding their securities,

the accused sent photocopies of **I.D.B.I.** and **Federal Bank** securities to the complainant, stating they would provide such securities; however, they did not send those securities either and instead provided checks to the complainant's bank for payment. Those checks were also returned due to insufficient balance in the accused's account. In this manner, the accused, by aiding one another, hatched a criminal conspiracy and committed a breach of trust of **Rs. 8,59,65,655.82** with the complainant's bank, causing financial loss to the bank and its depositors. In this case, the accused **Ketan Kantilal Sheth**, Age: 40, R/o. 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai, was arrested on 27/09/2002 at 23:00 hours for the purpose of the aforementioned offense. However, this crime is a very systematically executed offense of criminal conspiracy and breach of trust with a Co-operative Housing Society Bank and its depositors. To reach the root of this crime, it is necessary to keep the caught accused in police custody and conduct a very detailed interrogation. Therefore, it is requested to consider the following remand points:

Remand Points:

(1) Where has the money obtained by the accused through cheating in this crime been invested, or whether any articles have been purchased from it? It is highly necessary to know these facts.

(2) Whether the 4 securities that the accused initially stated they would provide to the complainant's bank were actually issued in the market or not? And if issued, whether they were in the possession of the accused or not?

(3) As the accused sent photocopies of I.D.B.I. and Federal Bank securities to the complainant's bank, whether the aforementioned firms have actually issued any such securities or not? And for what reasons the accused did not provide delivery of those securities to the complainant's bank? It is highly necessary to know this.

(4) In this crime, the "Big-3" accused are absconding. Only the caught accused knows the hideouts where those accused are hiding. Information regarding these hideouts is yet to be obtained from **him**.

(5) This crime is one of conspiracy, and who else is involved in hatching this conspiracy? These facts can only be known from the caught accused.

(6) This crime has been committed through a well-planned and intellectual conspiracy. There is every possibility that the accused have kept records with someone regarding how they executed this conspiracy and where and how the money obtained through this criminal act has been invested; such writings are yet to be seized. For this purpose, there is an urgent need to keep the accused in police custody.

(7) This crime pertains to securities issued by the Indian Government, which are available in the debt market. To reach the root of this crime, the interrogation of the accused needs to be conducted alongside a person knowledgeable about the rules, regulations, and working methods of such debt markets. For this, there is an urgent need to keep the accused in police custody.

(8) This crime is a financial offense of a nature that destroys the financial policy of the Government. This crime has created a situation where the bank may go into liquidation, and there is a high probability that the money of lakhs of common people in this victim bank will be lost. Therefore, it is necessary to reach the root of such a crime. The accused is very clever, making it difficult to extract the true facts from **him**. To extract the truth, **he** needs to be subjected to intensive interrogation and broken down mentally. Taking **him** into confidence to extract the truth will take time, and **his** presence is required during this interrogation.

(9) The complainant's bank, Surat Mahila Nagrik Sahkari Bank, gave H.D.F.C. Bank checks to Home Trade to purchase securities, all of which were deposited in Home Trade's bank. It is highly necessary to investigate in which

bank this money was deposited, under whose signatures, and how it was withdrawn. Interrogation and the presence of the accused are required for this.

(10) What properties and how much property does the caught accused own in various cities across India, and when and in whose name did **he** purchase these properties? Also, how much property has **he** purchased from the money received from the Mahila Nagrik Sahkari Bank, and what is its current status? Interrogation of the accused is necessary to obtain these facts, for which **his** presence is required.

(11) To investigate the aforementioned facts in this case, it is necessary to visit cities like Mumbai, Pune, etc., for which the presence of the accused is also required.

Therefore, taking into consideration all the aforementioned points, it is requested to grant 14 days of Police Remand for the accused.

Date: 28/09/2002

Sd/- [Illegible]

(B.V. Ramani)

Police Inspector,

Umra Police Station,

Surat City.

Umra Police Station First C.R. No. 274/2002

WARRANT AFTER REMANDING TO CUSTODY

(Section – 344)

To,

Shri B.V. Ramani,

The Officer-in-Charge of Umra Police Station, Surat.

Whereas, a charge has been placed in this Court by Umra Police Station against **Ketanbhai Kantilal Sheth**, age 40, resident of Surat, for committing offenses under Sections 406, 409, 420, 464, 467, 120-B, etc., of the **I.P.C.**, and it has been considered necessary to postpone the inquiry into the said offense until **Thursday, the 3rd day of the month of October in the year 2002**;

Therefore, you are hereby commanded to take the said accused into your custody and produce **him** before this Court at 11:30 AM on the aforementioned day.

Issued today, the **28th day of the month of September in the year 2002**, under my signature and the seal of the Court.

Sd/-

Judicial Magistrate F.C.

(Railways),

SURAT

GROUP MESSAGE

All Police Stations are hereby informed that the accused of Umra Police Station First C.R. No. 274/2002 under Sections 404, 406, 409, 420, 464, 465, 467, 468, 120-B, and 114 of the **I.P.C.**, namely **Ketan Kantilal Sheth**, residing at: 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai, has been arrested on 27/09/2002 at 23:00 hours for the purpose of the aforementioned offense. The said accused is to be produced today before the Learned Chief Judicial Magistrate, Chief Court, Surat, for remand. Therefore, if **he** is required for the purpose of any offense at your Police Station, you are requested to contact Umra Police Station or the Learned Chief Judicial Magistrate, Chief Court.

Note: ASI Gajendrasinh has given the information (vardhi) via telephone for the Group Message of the Police Control Room.

Date: 28/09/02 Time: 13:50 hours

Outward No. 3770 / 02
Umra Police Station, Surat
Date: 28/09/2002

To,

The Additional Commissioner of Police,
Range-2, Surat City.

Subject: Granting permission to go for investigation at Mumbai.

With Jai Bharat, request report of **Police Inspector B.V. Ramani, Umra Police Station, Surat City**, states that:

Accused **Ketan Kantilal Sheth**, who is on remand for the purpose of Umra Police Station First C.R. No. 274 / 2002 under Sections 420, 406, 465, 468, 471, 120-B, and 114 of the I.P.C., is to be taken to Mumbai city for investigation in connection with the aforementioned offense. Therefore, it is requested to grant permission to send 1- Police Sub-Inspector, 1- Assistant Sub-Inspector, and 2- Unarmed Police Constables from this Police Station to Mumbai for investigation.

Date: 28/09/02

Sd/- [Illegible]
Police Inspector,
Umra Police Station,
Surat City.

To,

The Learned Medical Officer,

New Civil Hospital,

Surat.

Subject: Regarding providing treatment to the accused.

With Jai Bharat, the request of the **Officer-in-Charge of Umra Police Station, Surat City**, is as under:

The accused of Umra Police Station First C.R. No. 274/02 under Sections 465, 467, 468, 471, 406, 420, 120-B, and 114 of the **I.P.C.**, namely **Ketan Kantilal Sheth**, Age: 40, R/o. 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri (West), Mumbai, was arrested on 27/09/2002 at 23:00 hours for the purpose of the aforementioned offense. As the said accused is currently on remand, it is requested to provide **him** treatment as per the order of the Government.

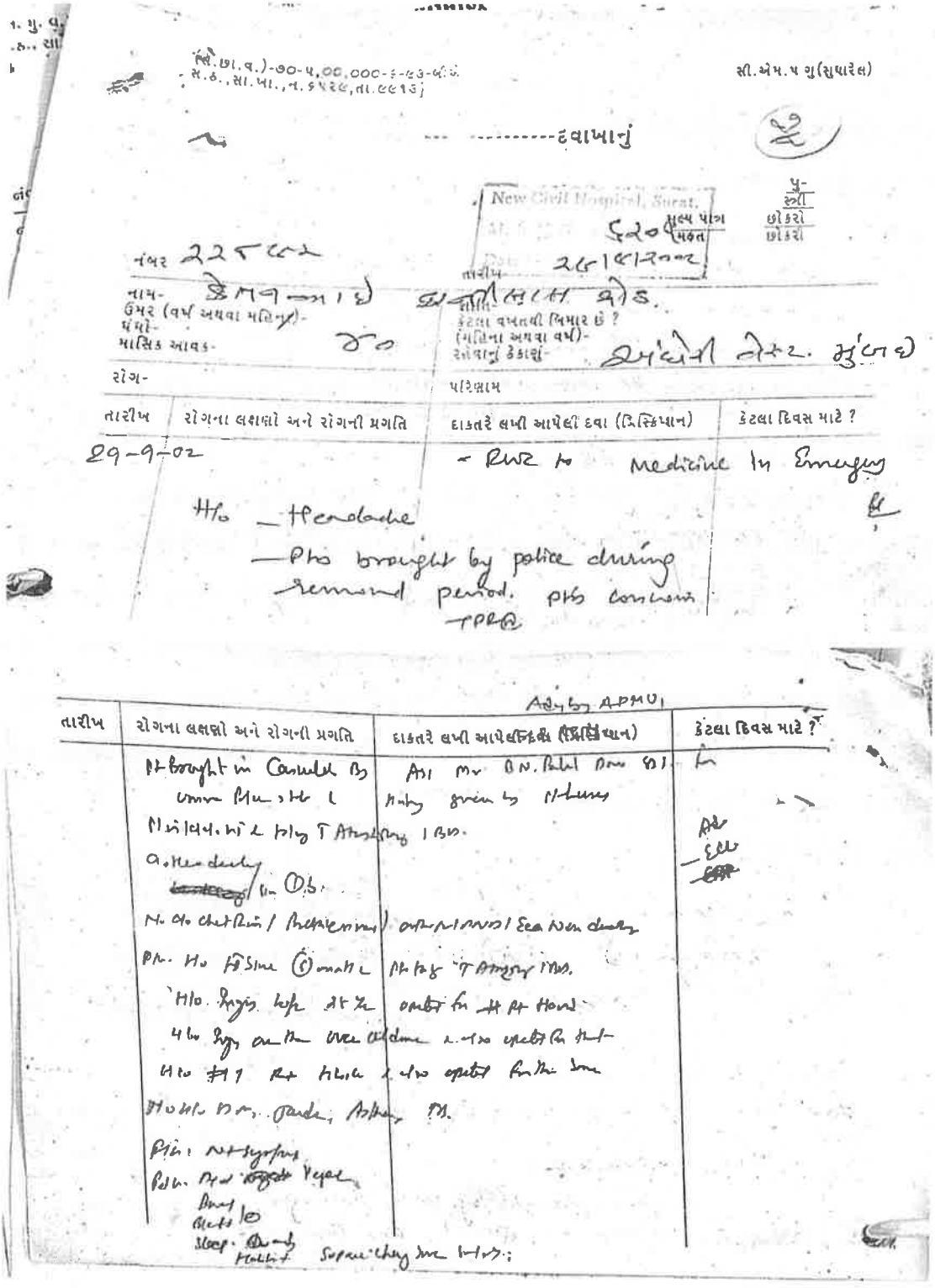
Date: 29/09/02

Sd/- [Illegible]

Police Station Officer

Umra Police Station,

Surat City.



(સિ.ઇ.વ.)-૭૦-૫,૦૦,૦૦૦-૬-૯૩-બી.
મ.ઠ., સા.ખા., ન.૬૫૨૯, તા.૯૯૧૩)

સી.એમ.૫ ગુ(સુધારેલ)

---દવાખાનું

New Civil Hospital, Surat.

મૂલ્ય પાત્ર / મફત

પુ- / સ્ત્રી / છોકરો / છોકરી

નંબર 22502

તારીખ 26/9/2002

નામ- કેમલ-આઇ

ઉમર (વર્ષ અથવા મહિનો)-

ધંધો-

માસિક આવક- 0

સરનામું- કેટલા વખતથી બિમાર છે ? (મહિના અથવા વર્ષ)- રહેવાનું ઠેકાણું- અંદેની જેલ. મુંબઇ

રોગ-

પરિણામ

તારીખ	રોગના લક્ષણો અને રોગની પ્રગતિ	દાકતરે લખી આપેલી દવા (પ્રિસ્ક્રિપ્શન)	કેટલા દિવસ માટે ?
29-9-02		- RWR to Medicine in Emergency	
	Hto - Headache - Pho brought by police during remand period. pts conscious TPR		

તારીખ	રોગના લક્ષણો અને રોગની પ્રગતિ	દાકતરે લખી આપેલદિકી (પ્રિસ્ક્રિપ્શન)	કેટલા દિવસ માટે ?
	Adv by ADMO, Pt brought in Custody By Umra Police Station Complaint of Pain in Chest O/E. Pt conscious, oriented, Afebrile, Pulse Normal No Abnormality detected in CVS, RS, P/A Pt. Advised for ECG, Blood Test Pt. Advised for Admission in Medicine Ward Pt. Refused for Admission in Medicine Ward Pt. Signed on Refusal Note in Medicine Ward Pt. Advised for Admission in Surgical Ward Pt. Refused for Admission in Surgical Ward Pt. Signed on Refusal Note in Surgical Ward Pt. Advised for Admission in Orthopaedic Ward Pt. Refused for Admission in Orthopaedic Ward Pt. Signed on Refusal Note in Orthopaedic Ward Pt. Advised for Admission in Ophthalmic Ward Pt. Refused for Admission in Ophthalmic Ward Pt. Signed on Refusal Note in Ophthalmic Ward Pt. Advised for Admission in ENT Ward Pt. Refused for Admission in ENT Ward Pt. Signed on Refusal Note in ENT Ward Pt. Advised for Admission in Gynaec Ward Pt. Refused for Admission in Gynaec Ward Pt. Signed on Refusal Note in Gynaec Ward Pt. Advised for Admission in Casualty Pt. Refused for Admission in Casualty Pt. Signed on Refusal Note in Casualty Pt. Advised for Admission in Burn Ward Pt. Refused for Admission in Burn Ward Pt. Signed on Refusal Note in Burn Ward Pt. Advised for Admission in Plastic Surgery Ward Pt. Refused for Admission in Plastic Surgery Ward Pt. Signed on Refusal Note in Plastic Surgery Ward Pt. Advised for Admission in Psychiatric Ward Pt. Refused for Admission in Psychiatric Ward Pt. Signed on Refusal Note in Psychiatric Ward Pt. Advised for Admission in Neurology Ward Pt. Refused for Admission in Neurology Ward Pt. Signed on Refusal Note in Neurology Ward Pt. Advised for Admission in Neurosurgery Ward Pt. Refused for Admission in Neurosurgery Ward Pt. Signed on Refusal Note in Neurosurgery Ward Pt. Advised for Admission in Cardiology Ward Pt. Refused for Admission in Cardiology Ward Pt. Signed on Refusal Note in Cardiology Ward Pt. Advised for Admission in Nephrology Ward Pt. Refused for Admission in Nephrology Ward Pt. Signed on Refusal Note in Nephrology Ward Pt. Advised for Admission in Urology Ward Pt. Refused for Admission in Urology Ward Pt. Signed on Refusal Note in Urology Ward Pt. Advised for Admission in Oncology Ward Pt. Refused for Admission in Oncology Ward Pt. Signed on Refusal Note in Oncology Ward Pt. Advised for Admission in Pediatric Ward Pt. Refused for Admission in Pediatric Ward Pt. Signed on Refusal Note in Pediatric Ward Pt. Advised for Admission in Orthopaedic Ward Pt. Refused for Admission in Orthopaedic Ward Pt. Signed on Refusal Note in Orthopaedic Ward Pt. Advised for Admission in Ophthalmic Ward Pt. Refused for Admission in Ophthalmic Ward Pt. Signed on Refusal Note in Ophthalmic Ward Pt. Advised for Admission in ENT Ward Pt. Refused for Admission in ENT Ward Pt. Signed on Refusal Note in ENT Ward Pt. Advised for Admission in Gynaec Ward Pt. Refused for Admission in Gynaec Ward Pt. Signed on Refusal Note in Gynaec Ward Pt. Advised for Admission in Casualty Pt. Refused for Admission in Casualty Pt. Signed on Refusal Note in Casualty Pt. Advised for Admission in Burn Ward Pt. Refused for Admission in Burn Ward Pt. Signed on Refusal Note in Burn Ward Pt. Advised for Admission in Plastic Surgery Ward Pt. Refused for Admission in Plastic Surgery Ward Pt. Signed on Refusal Note in Plastic Surgery Ward Pt. Advised for Admission in Psychiatric Ward Pt. Refused for Admission in Psychiatric Ward Pt. Signed on Refusal Note in Psychiatric Ward Pt. Advised for Admission in Neurology Ward Pt. Refused for Admission in Neurology Ward Pt. Signed on Refusal Note in Neurology Ward Pt. Advised for Admission in Neurosurgery Ward Pt. Refused for Admission in Neurosurgery Ward Pt. Signed on Refusal Note in Neurosurgery Ward Pt. Advised for Admission in Cardiology Ward Pt. Refused for Admission in Cardiology Ward Pt. Signed on Refusal Note in Cardiology Ward Pt. Advised for Admission in Nephrology Ward Pt. Refused for Admission in Nephrology Ward Pt. Signed on Refusal Note in Nephrology Ward Pt. Advised for Admission in Urology Ward Pt. Refused for Admission in Urology Ward Pt. Signed on Refusal Note in Urology Ward Pt. Advised for Admission in Oncology Ward Pt. Refused for Admission in Oncology Ward Pt. Signed on Refusal Note in Oncology Ward Pt. Advised for Admission in Pediatric Ward Pt. Refused for Admission in Pediatric Ward Pt. Signed on Refusal Note in Pediatric Ward	

(સ. યુ. પ્ર.)-૮૮-૧૦,૦૦,૦૦૦-૬-૨૦૦૧-બીઓપ*
[સા.ઠ., સા. ખા., નં. ૬૫૨૬, તા. ૬૬૧૩]

સી. એમ. પ યુ. (સુધારેલ)

..... દવાખાનું

MLC No. 6201

મુલ્ય પાત્ર / પક્ત · | પુ. / સ્ત્રી / છોકરો / છોકરી

નંબર 22442 તારીખ- 29/7/01

નામ- Sulaiman Kasimbhai Shaikh
ઉંમર (વર્ષ અથવા મહિના)-
ધંધો-
માસિક આવક -

જ્ઞાતિ-
કેટલા વખતથી બિમાર છે ?
(મહિના અથવા વર્ષ)-
રહેવાનું ઠેકાણું -

રોગ-

પરિણામ

તારીખ	રોગના લક્ષણો અને રોગની પ્રગતિ	દાકતરે લખી આપેલી દવા (પ્રિસ્ક્રિપ્શન)	કેટલા દિવસ માટે ?
	O/E Pt c/o Cough with mucoid sputum h/o	Inj. Phenergan IM Adv - Syp CD - Tab Azithromycin 500mg 1/2 BD - Cap Ambroxol 75 mg - Tab Novedom 1 BD x	

તારીખ	રોગના લક્ષણો અને રોગની પ્રગતિ	દાકતરે લખી આપેલી દવા (પ્રિસ્ક્રિપ્શન)	કેટલા દિવસ માટે ?
	CVS/RS CNS / Mt. Cough CVS S/O T P P/A RS B/L Rs HH H H H H M/L Abd No Oedema	A/C H H H Inj Phenergan IM	

NO.RB/Range II/600 /2001
Office of the Addl. Commissioner
Of Police, Surat City.
Date 29/9/2002.
Tel. 3463838
Control. 3462100

CERTIFICATE

This is to certify that the holder of this certificate is Shri I.A. Shaikh Police Sub. Inspector Umra Police station Surat city with one A.S.I. 2 P.C.

The team comprising above officers is deputed for investigation of Umra Police Station I No. 274/02 /2002 U/S. 420 406. 465. 468. 471 IPC. The team is to visit Bombay and other place as investigation progresses. It is requested that the team may be rendered all necessary Police assistance as and when required.

(ASHISH BHATIA)
Addl.Commissioner of Police
Range II Surat City.

Number/ R.B./ Range- 2/ 800 / 2002
Office of the Additional Commissioner of Police, Range – 2
Surat City, Surat Date: 29 /09/2002

Subject: Regarding granting permission to go for outstation investigation.

Reference: Your letter No. / 3770 dated 28/09/2002.

In connection with the letter mentioned in the above subject and reference, for the purpose of the investigation of **Umra Police Station First C.R. No. 274 / 2002** under Sections 420, 406, 465, 468, 471, etc., of the **I.P.C.**, permission is hereby granted to **P.S.I. / A.S.I. / P.C. Shri Z. A. Sheikh**, along with 1- A.S.I. and 2- P.C., to go to Mumbai for the investigation of the accused/witnesses.

Instructions are hereby given that while going for investigation, every police officer and police personnel shall keep **their** identity card with **them**; furthermore, the P.S.I. shall carry a service revolver, and the police personnel shall carry necessary weapons, arms, and ammunition with **them**, and necessary police assistance shall be obtained from the local police station.

Upon returning from the investigation of the aforementioned offense, you shall send a progress report of the results.

Sd/- [Illegible]
(Ashish Bhatia)
Additional Commissioner of Police,
Range-2, Surat City.

To,
The Police Inspector,
Umra Police Station,
Surat City, Surat.

01/10/2002

The Manager
HDFC Bank Ltd.
Stock Exchange Branch
Fort, Mumbai

Sub: Criminal Complaint against M/s. Home Trade Limited.,

Dear Sir,

We have registered a criminal complaint no. 274/2002 under section 465, 467, 468, 471, 402, 120B and 114 of Indian Penal Code against M/s. Home Trade Limited, and their directors and officers on the complaint filed by The Surat Mahila Nagrik Sahakari Bank Ltd.

During the course of investigation we have received certain information from your Surat branch that cheques issued by the Complainant in favor of M/s. Home Trade Ltd for purchase of securities have been en-cashed by M/s. Home Trade Ltd. through your branch as account holder.

We therefore direct you arrange to send at the earliest copies of bank statement of M/s. Home Trade Ltd for the period from October 2001 till date.

Z. A. Sheikh
Police Sub-Inspector
Umra Police Station
Surat City
Gujarat State

Tele: 0261-3669428
0261-3666295
Umra Police Station,
Nr. Narmad Library,
Ghoddod Road, Surat

Police Inspector * Umra Police Station Surat.

HDFC BANK LTD. RECEIVED - 1 OCT 2002 FORT, MUMBAI

Tel no. 4988484
Ms. Deepali Subandh
Hdfc Bank.
Kamla Mills
Compound
Lower Parel
Senapati Bapat marg
Mumbai - 400 012.

(20)

From :

Mr. Z.A. Shaikh
Police Sub Inspector,
Umra Police Station,
Surat City
Gujarat

To,
Maharashtra State C.I.D.
Fort,
Bombay.

Respected Sir,

Sub :- Offence Registerer against HOME TRADE LTD. By Umra Police Station Cr.No.274/2002 under sec.,420,409,467,468,120B,114 etc. for Rs.8,59,65,655.82 by Surat Mahila Nagrik Sahakari Bank Ltd. and Investigation there of.

This is to inform yon that there is offence registered against Home Trade Ltd. For the Value of Rs.8,59,65,655.82 Cr. As per the above cited subject and I the Undersigned is the Investigation Officer for the above crime register and on scrutinysing the matter,I understood that all records of Home Trade has been sealed and confesticated by you under the crime registered in your state,I also understood that all files along with their computer data's are also with you.

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

1. A/C's ledger of Home Trade for the year 2001-2002
2. Govt.Security ledger pertaining to above mentioned Bank for the year 2001-2002.
3. Surat Mahila Nagrik Sahakari Bank Ltd. file carrying all correspendence and details of their ledger.
4. Any other details which you deemed fit for this investigation purpose which you have.

Look forward for your co-operation in this regards.

Thanking you

Mr. Z.A. Shaikh
Police Sub Inspector,
Umra Police Station,
Surat City
Gujarat

Contact No. : (0261) 3669428 / 3666295

01/10/2002

Mr. T. S. Srinivasan
Chief Manager – Treasury Dept
The Federal Bank Ltd.
Post Box No. 103,
Federal Tower,
Regd. Office,
Alwaye, Kerala – 683 101

Sub: Submission of documents and information pertaining to 9.39% GOI 2011

Dear Sir,

We have registered a criminal complaint no. 274/2002 under section 465, 467, 468, 471, 402, 120B and 114 of Indian Penal Code against M/s. Home Trade Limited, and their directors and officers on the complaint filed by The Surat Mahila Nagrik Sahakari Bank Ltd.

During the course of our investigation the complainant has furnished to us copies of correspondence they had with you in respect of your execution of transfer deed for and on behalf of your constituent M/s. Giltedge Investment Banking Service Ltd. as transferor in favor of the complainant and its cancellation on the request of your constituent.

We therefore direct you to submit full particulars about your constituent's account including all the correspondence pertaining to their request to execute transfer deed as transferor of 9.39% GOI 2011 and further request to cancel the transfer deed and issue fresh transfer deed. Your directed to submit full particulars and certified copies of the correspondence at earliest.

Z. A. Sheikh
Police Sub-Inspector
Umra Police Station
Surat City
Gujarat State

Tele: 0261-3669428
0261-3666295
Umra Police Station,
Nr. Narmad Library,
Ghoddod Road, Surat

Police Inspector Umra Police Station Surat.

01/10/2002

Mr. T. S. Srinivasan
Chief Manager – Treasury Dept
The Federal Bank Ltd.
Post Box No. 103,
Federal Tower,
Regd. Office,
Alwaye, Kerala – 683 101

Sub: Submission of documents and information pertaining to 9.39% GOI 2011

Dear Sir,

We have registered a criminal complaint no. 274/2002 under section 465, 467, 468, 471, 402, 120B and 114 of Indian Penal Code against M/s. Home Trade Limited, and their directors and officers on the complaint filed by The Surat Mahila Nagrik Sahakari Bank Ltd.

During the course of our investigation the complainant has furnished to us copies of correspondence they had with you in respect of your execution of transfer deed for and on behalf of your constituent M/s. Giltedge Investment Banking Service Ltd. as transferor in favor of the complainant and its cancellation on the request of your constituent.

We therefore direct you to submit full particulars about your constituent's account including all the correspondence pertaining to their request to execute transfer deed as transferor of 9.39% GOI 2011 and further request to cancel the transfer deed and issue fresh transfer deed. Your directed to submit full particulars and certified copies of the correspondence at earliest.

Z. A. Sheikh
Police Sub-Inspector
Umra Police Station
Surat City
Gujarat State

Tele: 0261-3669428
0261-3666295
Umra Police Station,
Nr. Narmad Library,
Ghoddod Road, Surat

From :

Mr. B.V. Ramani
Police Inspector,
Umra Police Station,
Surat City
Gujarat.

To,
Manager
Company Registration Dept.
Registrar of the company (ROC)
PMT Bldg., 3rd Floor,
Shivaji Nagar PUNE
Maharashtra.

Dear Sir,

Sub.:- Offence Registerer against Home Trade Ltd. By Umra Police Station, Cr. No. 274/2002 Under Section 420,409,467,468,120B, 114 etc. for Rs.8,59,65,655=82 by Surat Mahila Nagrik Sahakari Bank Ltd. and Investigation there of.

This is to inform you that there is offence registered against Home Trade Ltd. for the value of Rs.8,59,65,655.82. As per the above cited subject and I the undersigned is the investigating officer for the above crime register and on scrutiny of the records, observed that Home Trade Ltd. is registered in Pune ROC, I therefore require following information from your good offices for my investigation purpose, hope you will provide me at the earliest.

Details are as below:

(1) When Company was registered and list of Directors at the time of Registration.

(2) When it was incorporated and commence the business send me the xerox copy of the certificates.

(3) As I understood that this company was original name was "LLOYDS BROKERAGE LTD." then they have changed to "HOME TRADE LTD." In this regard I would like to know in which period they have done this if possible send me the xerox copy of certificates for the change of name.

(4) List of the Directors from the beginnings and their after any addition of Directors, please furnish me the Details of addition with their joining dates.

(5) List of Directors Resign from the company details with their Registration Date registered in your office (i.e. when you have accepted) send me the accepted Resignation (form 32) copy from your records.

(6) List of Directors remain as on date as per your records.

(7) Memorandum & Articles of Association.

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

I look forward for your early reply.

Thanking you,

Mr. B.V. Ramani
Police Inspector,
Umra Police Station,
Surat City
Gujarat

Police Inspector
Umra Police Station
SURAT CITY

Contanct No: (0261) 3669428
3666295

Office Order

You are hereby informed that in connection with Umra Police Station First Information Crime Register No. 274/2002, for offences punishable under Sections 465, 467, 468, 471, 420, 120B and 114 of the Indian Penal Code, the absconding accused Neeraj Surti, residing at Surya Flats, First Floor, Surya Shopping Complex, Bharuch Naka, is very likely to be found at his residence.

You are therefore directed to make a search for the said accused, and if he is found, produce him before me.

Date: 02/10/2002

Sd/- Illegible
Police Inspector
Umra Police Station
Surat City

For execution:
Madhav Pitambar
Armed Constable
Umra Police Station
Surat City

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Request for taking the accused into Court custody.

With respectful submission, the undersigned B. V. Ramani, Police Inspector, Umra Police Station, Surat City, most humbly submits that:

The accused Ketan Kantilal Sheth, aged about 40 years, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri (West), Mumbai, in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 404, 406, 409, 420, 464, 465, 467, 468, 120B and 114 of the Indian Penal Code, was arrested on 27/09/2002 at 23:00 hours and was produced before this Hon'ble Court within the stipulated time.

Thereafter, the accused was obtained on police custody remand up to 03/10/2002 till 11:30 hours.

Now, upon completion of the said police custody remand period, the accused is being sent to Court custody within time. Therefore, it is respectfully requested that the accused be kindly taken into judicial custody.

Date: 03/10/2002

Sd/- Illegible

(B. V. Ramani)

Police Inspector

Umra Police Station, Surat City

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Regarding grant of 14 days' further Police Custody Remand of the accused.

With respectful submission, the undersigned B. V. Ramani, Police Inspector, Umra Police Station, Surat City, most humbly submits as under:

In connection with Umra Police Station First C.R. No. 274/2002 for the offences punishable under Sections 404, 406, 409, 420, 464, 465, 467, 468, 120B of the Indian Penal Code, the facts of the case are that Sanjay Hariram Agrawal, Ketan Kantilal Sheth, Nandkishor Shankarlal Trivedi and Subodh Bhandari, Directors of Home Trade Ltd., situated at Mumbai, together with the employees associated with the said company, namely Neeraj Surti and Kanan Mevawala, in furtherance of one another and pursuant to a criminal conspiracy, first sold and purchased Government Securities with the complainant bank, namely The Surat Mahila Nagrik Bank, and thereby gained the confidence of the bank.

Thereafter, Home Trade Ltd. agreed to sell to the aforesaid Mahila Nagrik Co-operative Bank four different securities carrying different rates of interest, and believing and relying upon their representation, the Mahila Bank paid to Home Trade a sum of Rs. 9,68,10,666.67 during the period from 31/10/2001 to 27/02/2002 for purchase of the securities from Home Trade. However, even after receiving the said amount, Home Trade did not deliver the securities to the complainant. When the complainant repeatedly demanded delivery of its securities, the accused persons sent xerox copies of securities

of IDBI and Federal Bank to the complainant and represented that they would deliver such securities to them, but thereafter they did not send those securities either. The accused had also issued cheques to the complainant bank towards payment, but those cheques were also returned unpaid for want of sufficient balance in the account of the accused.

Thus, the accused persons, in aid of one another and by hatching a criminal conspiracy, committed criminal breach of trust with the complainant bank to the extent of Rs. 8,59,65,655.82, and caused financial loss to the bank as well as to the depositors of the bank.

In this connection, accused Ketan Kantilal Sheth, aged about 40 years, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri West, Mumbai, was arrested on 27/09/2002 at 23:00 hours in connection with the aforesaid offence and was produced within time before this Hon'ble Court, and was obtained on Police Custody Remand up to 03/10/2002 till 11:30 hours.

However, this offence is an offence committed in a very systematic manner by hatching a criminal conspiracy and committing breach of trust with a Co-operative Housing Bank and its depositors. In order to reach the root of this offence, it is necessary that the arrested accused be kept in Police Custody and that a very minute and detailed interrogation of him be carried out. Only then can the root of this offence be reached. Therefore, it is requested that the following grounds for remand be taken into consideration:

Grounds for Remand

(1) In this case, cheating to the tune of Rs. 8,59,65,655.82 has been committed. This amount was paid for purchase of 4 securities. Therefore, those 4 securities are the muddamal of this offence. If the said muddamal is recovered, the bank may get back its money and may be saved from going

into liquidation. Out of these securities, securities worth Rs. 3 crores have been mortgaged by the accused with some company at Calcutta, and this accused had himself gone to that company. At present the accused may not remember the name of the company, but he has seen the company and can identify it. Therefore, since the securities are the main evidence as well as the muddamal of this offence, it is especially necessary to recover the same. The accused can personally point out the company, and therefore his presence is necessary for taking him to Calcutta.

(2) In this case, another principal accused, Neeraj Surti, is presently absconding. The Police do not have his residential address or his photograph. The arrested accused had seen the absconding accused Neeraj Surti's residence at Pune, and he knows that accused and can identify and point out him. Therefore, his presence is necessary.

(3) In this case, two other accused persons, namely:
(1) Nandkishor Shankarlal Trivedi, and (2) Smt. Kanan Mevawala,
are also presently absconding. Their present addresses are not known, and the Police also do not have their photographs. There is every possibility that the arrested accused knows the secret hideouts of the absconding accused. Therefore, for apprehending them, for identification, and for obtaining information of their present residence, only the arrested accused can furnish such information, and therefore his presence is necessary.

(4) This is an economic offence, which has the effect of shaking the country's economy. As a result, innumerable ordinary people are affected. In this offence, the complainant is the Executive Director of the Mahila Nagrik Bank, and this bank is a bank of women. It has approximately 1,20,000 members, and all these members are economically poor. They have deposited in this

bank their savings earned through hard labour and perspiration. In the States of Gujarat and Maharashtra, innumerable banks have gone into liquidation because of such scams, and the savings of lakhs of people have been lost, and lakhs of families have been economically ruined. Persons committing such offences use their intellect and commit cheating; therefore, they are intelligent persons. Hence, extracting the truth from them is a very difficult matter. In order to elicit the truth from them, continuous interrogation is required, and to prevent recurrence of such offences, it is also very necessary to reach the root of the offence. Therefore, to interrogate him intensively and to reach the root of the matter, a very deep investigation is required, for which interrogation of the accused is necessary.

(5) This is an offence of conspiracy. In the complaint, the complainant has named 7 accused persons, and now the arrested accused states that this company is registered in Pune. Therefore, it is necessary to inquire whether in fact this Home Trade Company is registered or not; and if it is registered, how many Directors it has; what responsibility each of them has; and whether any other accused persons are involved in this conspiracy. For all these aspects also, interrogation of the accused is necessary.

Considering all the above grounds, it is respectfully requested that 14 days' further remand of the said accused be granted. Submitted for the kind perusal of the Learned Court.

Date: 03/10/2002

Sd/- Illegible

(B. V. Ramani)

Police Inspector

Umra Police Station, Surat City

Remand Warrant

Umra Police Station First C.R. No. 274/2002

Date: 05/10/2002

(Section 344)

To,

The Officer-in-Charge of Police Station,

P.S.I. Shri B. V. Ramani,

Umra Police Station.

Whereas Ketanbhai Kantilal Sheth, resident of Andheri, Mumbai, has been accused of committing offences punishable under Sections 404, 406, 409, 420, 464, 465, 467, 468, 120B and 114 of the Indian Penal Code, and the said accusation has been placed before this Court;

And whereas it has been considered necessary to adjourn the inquiry of the said offence until Saturday, the 5th day of October, 2002;

You are hereby directed to take the said accused into your custody and to produce him before this Court on the aforesaid date at 11:00 a.m.

Given under my hand and the seal of the Court on this 3rd day of October, 2002.

Sd/- Illegible

Chief Judicial Magistrate

Surat

To,

The Medical Officer,

New Civil Hospital,

Surat.

Subject: Regarding providing medical treatment to the accused.

With due respect, the undersigned Police Station Officer, Umra Police Station, Surat City, most respectfully submits that:

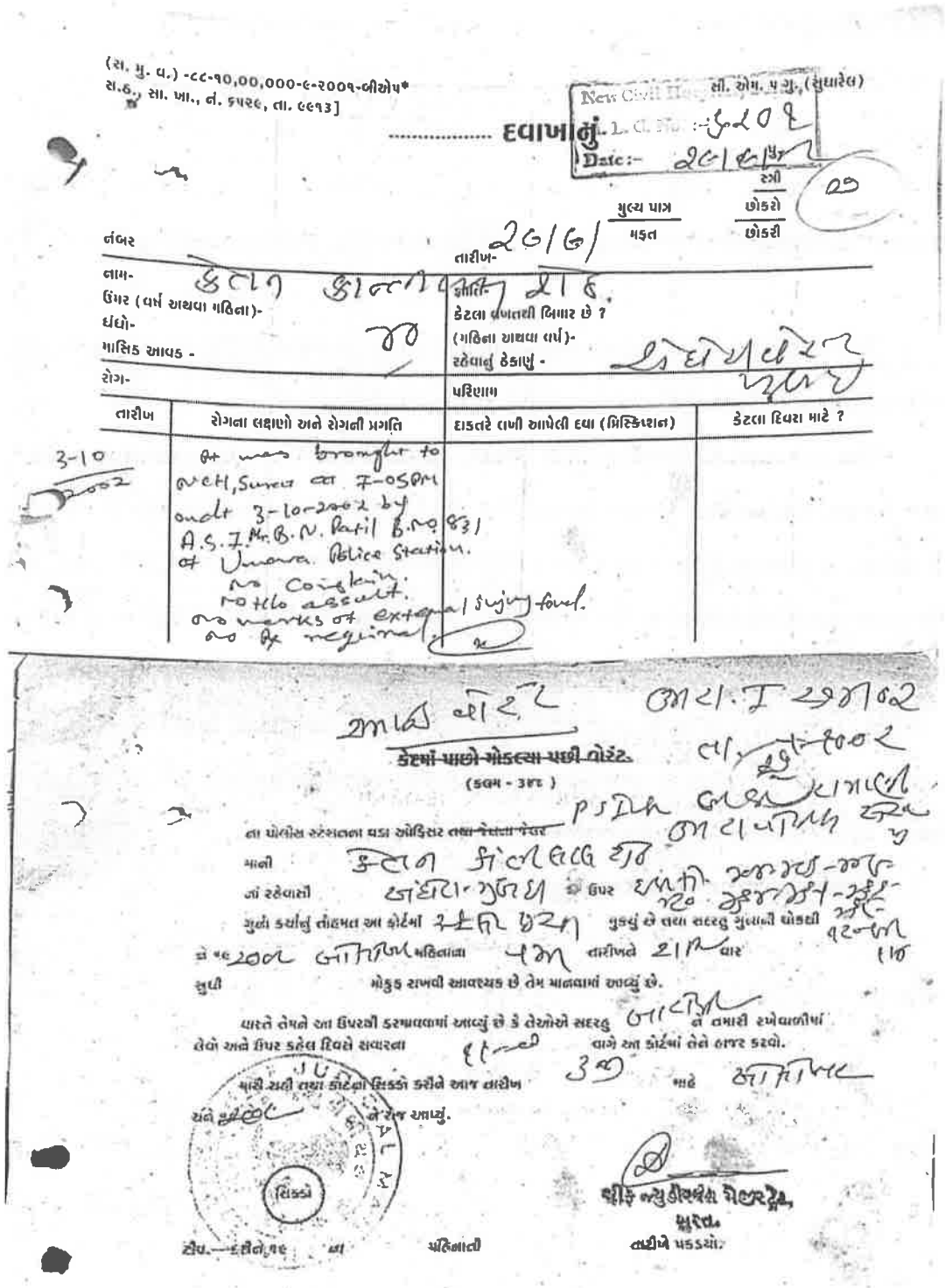
The accused Ketan Kantilal Sheth, aged about 40 years, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri (West), Mumbai, in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 120B and 114 of the Indian Penal Code, has been arrested on 27/09/2002 in the aforesaid case.

At present, the said accused is under Police Remand, and therefore it is requested that necessary medical examination and treatment be provided to him in accordance with the orders of the Government.

Submitted for your kind consideration.

Date: 03/10/2002

Sd/- Illegible
Police Station Officer
Umra Police Station
Surat City



(સ. મુ. ય.) -૮૮-૧૦,૦૦,૦૦૦-૯-૨૦૦૧-બીઓપ*
સ.ઠ., સા. ખા., નં. ૬૫૨૯, તા. ૯૯૧૩]

સી. એમ. પ્ર.ગુ., (સુધારેલ)

New Civil Hospital L. C. No. :-૬૨૦૧
Date:- 2C/10/02

..... દવાખાનું

સ્ત્રી / મુલ્ય પાત્ર / છોકરો
પુરુષ / મફત / છોકરી

નંબર

તારીખ- 2C/10/

નામ-
ઉંમર (વર્ષ અથવા મહિના)-
ધંધો-
માસિક આવક -
રોગ-

જ્ઞાતિ-
કેટલા વખતથી બિમાર છે ?
(મહિના અથવા વર્ષ)-
રહેવાનું ઠેકાણું -
પરિણામ

તારીખ	રોગના લક્ષણો અને રોગની પ્રગતિ	દાકતરે લખી આપેલી દવા (પ્રિસ્ક્રિપ્શન)	કેટલા દિવસ માટે ?
3-10-2002	He was brought to PCH, Surat at 7-05PM on dt 3-10-2002 by A.S.I. Mr. B.N. Patil B.No 831 of Umara Police Station. No complaint. No marks of external injury found. No Rx required.		

કેદમાં પાછો મોકલ્યા પછી વોરંટ.

(કલમ - ૩૮૬)

ના પોલીસ સ્ટેશનના વડા ઓફિસર તથા પેસતા પેસર

માની

જાં રહેવાસી

ગુનો કર્યાનું તોહમત આ કોર્ટમાં

ગુજવું છે તથા સદરહુ ગુનાની બોકદી

સે ૧૯ ૨૦૦૨ ગાનિકાર મહિનાના

તારીખને વાર

સુધી

મોકુફ રાખવી આવશ્યક છે તેમ માનવામાં આવ્યું છે.

વાસ્તે તેમને આ ઉપરથી ફરમાવવામાં આવ્યું છે કે તેઓએ સદરહુ

તે તમારી રૂબરૂવાળીમાં

તેવે અને ઉપર કહેલ દિવસે રવાના

આગે આ કોર્ટમાં તેને હાજર કરવો.

મારી સહી તથા કોર્ટનો સિક્કો કરીને આજ તારીખ

માહે

અને સને ૨૦૦૨ માં આપ્યું.

સિક્કો

ચીફ જ્યુડીશ્યલ મેજીસ્ટ્રેટ,
સુરત.

સેવ.—૬૨૧૯,૧૬ ના મહિનાની તારીખે પકડયો.

Office Order

You are hereby informed that in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 120B and 114 of the Indian Penal Code, the absconding accused Neeraj Surti, residing at Surya Flats, First Floor, Surya Shopping Complex, Bharuch Naka, is very likely to be found at his residence.

You are therefore directed to search for the said accused, and if he is found, produce him before me.

Date: 02/10/2002

Sd/- Illegible
(B. V. Ramani)
Police Inspector
Umra Police Station, Surat City

For execution:
Madhav Pitambar
Armed Head Constable
Umra Police Station
Surat City

Report

To,

The Police Inspector,

Umra Police Station,

Surat City.

As per your order, I proceeded to Bharuch to search for the accused Neeraj Surti, residing at Surya Flats, First Floor, Surya Shopping Complex, Bharuch. Upon inquiry at the said place, the house was found locked. On making inquiries in the surrounding area, it was learnt that the said house has remained closed for a long time. No fruitful information regarding the presence of the accused Neeraj Surti could be obtained.

Sd/- Illegible

Unarmed Head Constable

Umra Police Station

Surat City

Outward No. 100/B.V.R.
Umra Police Station
Date: 03/10/2002

To,
The Police Inspector,
Bharuch City "A" Division
Police Station,
District Bharuch.

Subject: Regarding search of the accused.

With due respect, the undersigned B. V. Ramani, Police Inspector, Umra Police Station, Surat City, most respectfully submits that:

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 120B and 114 of the Indian Penal Code, the absconding accused Neeraj Surti, residing at Surya Flats, First Floor, Surya Shopping Complex, Bharuch Naka, falls within the jurisdiction of your Police Station.

The said accused is frequently searched for at his residence but is not found present there. Therefore, it is requested that through the personnel under your command and through your confidential informers, information regarding his presence may kindly be obtained. If the said accused is found, necessary legal action may be taken and the same may kindly be informed to Umra Police Station, Surat City or to the Police Control Room, Surat City.

Umra Police Station Telephone Numbers: (0261) 3669428, 3666295
Police Control Room Telephone Numbers: (0261) 3461200, 3462100

Sd/- Illegible
(B. V. Ramani)
Police Inspector
Umra Police Station, Surat City

To,
The Learned Chief Judicial Magistrate,
Chief Court,
Surat.

Subject: Regarding taking the accused into Court custody.

With due respect, the undersigned B. V. Ramani, Police Inspector, Umra Police Station, Surat City, most respectfully submits that:

The accused Ketan Kantilal Sheth, aged about 40 years, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri (West), Mumbai, in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 120B and 114 of the Indian Penal Code, was arrested on 27/09/2002 at 23:00 hours in the aforesaid offence.

Police custody remand of the accused was obtained up to 03/10/2002, and upon expiry of the said remand period, the accused was produced before the Hon'ble Court and further Police Custody Remand up to 05/10/2002 till 11:00 hours was obtained.

As the said remand period expires today, the accused is being produced within time before this Hon'ble Court for being sent to Court custody. Therefore, it is respectfully requested that the custody of the said accused may kindly be taken over.

Date: 05/10/2002

Sd/- Illegible
(B. V. Ramani)
Police Inspector
Umra Police Station, Surat City

To,
The Police Inspector,
Umra Police Station,
Surat City.

Subject: Regarding search of the accused.

Reference: Your written order dated 03/10/2002.

With due respect, the undersigned Madhukar Rajaram, A.S.I., Buckle No. 1081, Umra Police Station, Surat City, most respectfully submits that:

With reference to the above subject and in pursuance of your order, in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 120B and 114 of the Indian Penal Code, the absconding accused Neeraj Surti, residing at Surya Flats, First Floor, Surya Shopping Complex, Bharuch, was searched for at his residence.

Upon inquiry at the said place, the younger brother of the accused, Kaushalbhai Amidharbhai Surti, stated that his elder brother Neeraj Surti had left the place about four months ago along with his wife and daughter and had gone somewhere unknown.

Therefore, a detailed statement of Kaushalbhai, the younger brother of the said accused Neeraj Surti, has been recorded and is enclosed herewith.

Since the said accused resides within the jurisdiction of Bharuch 'A' Division Police Station, an intimation has also been given to the said Police Station requesting them to keep watch and search for the said accused through their confidential sources.

The statement of the brother of Neeraj Surti is enclosed herewith for your kind perusal.

Date: 06/10/2002

Sd/- Illegible
A.S.I.
Umra Police Station
Surat City

To,

The Police Inspector,

Bharuch City "A" Division

Police Station,

District Bharuch.

Subject: Request for Police assistance.

With due respect, the undersigned Madhukar Rajaram, A.S.I., Buckle No. 1081, Umra Police Station, Surat City, most respectfully submits that:

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 120B and 114 of the Indian Penal Code, the absconding accused Neeraj Surti, residing at Surya Flats, First Floor, Surya Shopping Complex, Bharuch, falls within the jurisdiction of your Police Station.

As it is necessary to proceed to the said place for inquiry at the residence of the accused, it is requested that necessary Police assistance may kindly be provided.

Submitted for your kind information.

Date: 04/10/2002

Sd/- Illegible

A.S.I.

Umra Police Station

Surat City

From :

Mr. B.V. Ramani
Police Inspector,
Umra Police Station,
Surat City
Gujarat.

REGISTRAR OF COMPANIES PUNE
-7 OCT 2002
MAHARASHTRA

To,
Manager
Company Registration Dept.
Registrar of the company (ROC)
PMT Bldg., 3rd Floor,
Shivaji Nagar - PUNE
~~Maharashtra.~~ Maharashtra.

Dear Sir,

Sub.:- Offence Registerer against Home Trade Ltd. By Umra Police Station, Cr. No. 274/2002 Under Section 420,409,467,468,120B, 114 etc. for Rs.8,59,65,655=82 by Surat Mahila Nagrik Sahakari Bank Ltd. and Investigation there of.

This is to inform you that there is offence registered against Home Trade Ltd. for the value of Rs.8,59,65,655.82. As per the above cited subject and I the undersigned is the investigating officer for the above crime register and on scrutiny of the records, observed that Home Trade Ltd. is registered in Pune ROC, I therefore require following information from your good offices for my investigation purpose, hope you will provide me at the earliest.

Details are as below:

(1) When Company was registered and list of Directors at the time of Registration.

(2) When it was incorporated and commence the business send me the xerox copy of the certificates.

(3) As I understood that this company was original name was "LLOYDS BROKERAGE LTD." then they have changed to "HOME TRADE LTD." In this regard I would like to know in which period they have done this if possible send me the xerox copy of certificates for the change of name.

(4) List of the Directors from the beginnings and their after any addition of Directors, please furnish me the Details of addition with their joining dates.

(5) List of Directors Resign from the company details with their Registration Date registered in your office (i.e. when you have accepted) send me the accepted Resignation (form 32) copy from your records.

(6) List of Directors remain as on date as per your records.

(7) Memorandum & Articles of Association.

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

I look forward for your early reply.

Police Inspector * Umra Police Station Surat *

Thanking you,

Mr. B.V. Ramani
Police Inspector,
Umra Police Station,
Surat City
Gujarat.

Police Inspector
Umra Police Station
SURAT CITY

Contanct No: (0261) 3669428
3666295

Sri - Shri - S. J. Mane - Te - 552376. 7/10/02

Record officer.

① :- S. Ramakant / Office incharge.

2] Company No - 19018.

8 - ~~72~~ 72190.

Affidavit

In the Court of the Learned Additional Sessions Judge, Surat

Criminal Bail Application No. 2054/2002

Applicant/Accused: Ketan Kantilal Sheth

Versus

Opponent: State Government

I, B. V. Ramani, Police Inspector, aged about 49 years, Umra Police Station, Surat, do hereby solemnly affirm on oath according to my religion and state as under:

I am the Investigating Officer of Umra Police Station First C.R. No. 274/2002 registered for the offences punishable under Sections 420, 465, 467, 468, 471, 114 and 120B of the Indian Penal Code.

The said complaint has been lodged against:

(1) Home Trade Limited Company

(2) Sanjay Hariram Agrawal

(3) Ketan Kantilal Sheth

(4) Nandkishor Shankarlal Trivedi

(5) Subodh Bhandari

(6) Neeraj Surti

(7) Kanan Mevawala

The complainant Pratibhaben W/o Bhupendra Ramaniklal Pachchigar is the Chief Executive Officer of The Surat Mahila Nagrik Co-operative Bank Limited.

The bank of the complainant purchased Government Securities worth Rs. 9,68,10,666.67 from the accused persons during the period 31/10/2001 to 27/02/2002, and the payment thereof was made to Home Trade Limited through cheques. The accused Ketan Kantilal Sheth is a Director of Home Trade Limited.

The accused Ketan Kantilal Sheth and Neeraj Surti had introduced the accused persons to the complainant bank.

The bank issued cheques to Home Trade Company as under:

Rs. 2,36,28,125/- on 31/10/2001
Rs. 2,81,22,916.67 on 22/11/2001
Rs. 3,37,16,166.67 on 28/01/2002
Rs. 1,13,43,458.33 on 27/02/2002

All these cheques were drawn on HDFC Bank and were deposited in the account of Home Trade Limited bearing Account No. 0010400317011 maintained with HDFC Bank, Fort Branch, Mumbai. The said amount was thereafter misappropriated and utilized by the company for its own purposes. When the bank demanded delivery of the securities, Home Trade did not deliver the securities, and thereby committed cheating.

Investigation of this serious offence is still in progress. The arrest of other absconding accused persons is yet to be effected.

The accused is originally a resident of State of Maharashtra, and several cases have been registered against him in the States of Maharashtra and Gujarat.

If this Hon'ble Court releases the accused on bail, there is a strong possibility that the accused may abscond and may also tamper with the prosecution evidence.

Therefore, in view of the above reasons, it is humbly prayed that the bail application of the accused be rejected.

Date: 04/12/2002

Sd/- Illegible
Police Inspector
Umra Police Station, Surat

I know the deponent.
Sd/- Illegible
Jatin J. Gnadhi
District Government Pleader
& Public Prosecutor, Surat.

Solemnly affirmed before me by Shri B. V. Ramani, PI, Umra Police Station, who is known by me Advocate Shri J. J. Gandhi, whom I personally know.
Date: 04/12/2002.
Sd/- Illegible
Addl. Registrar, District & Sessions Court, Surat.

Outward No. 4888/2002
Umra Police Station, Surat
Date: 20/12/2002

To,
The Deputy Police Commissioner,
South Division,
Surat City.

Subject: Regarding granting approval for filing Charge-sheet.

With due respect, the undersigned B. V. Ramani, Police Inspector, Umra Police Station, Surat City, most respectfully submits that:

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 114 and 120B of the Indian Penal Code, the accused Ketan Kantilal Sheth, residing at 193, Lalit Kutir, Gulmohar Cross Road No. 9, J.V.P.D. Scheme, Andheri (West), Mumbai, was arrested on 27/09/2002 in connection with the aforesaid offence.

On the basis of the evidence collected against the said accused, it is requested that approval may kindly be granted for filing the Charge-sheet against him. The documentary evidence against the accused is enclosed herewith for your kind perusal.

Submitted for your kind consideration.

Date: 20/12/2002

Sd/- Illegible
(B. V. Ramani)
Police Inspector
Umra Police Station
Surat City

No.: 28/2002
Office of the Deputy Police Commissioner,
South Division, Surat City
Date: 20/12/2002

Subject: Grant of approval for filing Charge-sheet.

Reference: Outward No. 488/2002 dated 20/12/2002 of the Police Inspector, Umra Police Station.

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 114 and 120B of the Indian Penal Code, as sufficient evidence has been found against the arrested accused, permission is hereby granted to file the Charge-sheet against the said accused before the Hon'ble Court.

The investigation papers submitted are enclosed herewith.

Sd/- Illegible
Deputy Police Commissioner
South Division, Surat City

To:
The Police Inspector,
Umra Police Station,
Surat City.

Other Pending Cases:

Outward No.: U.T. Rubaru /03
Office of the Surat District Jail
Sagrampura Ring Road, Surat
Date: 15/01/2003

To,
A.S.I. Shri Madhukar Rajaram, Buckle No. 1081
Umra Police Station
Surat City, Surat.

Subject: Regarding handing over custody of the accused.

Reference: Order No. 61/03 dated 10/01/2003 of the Learned Chief Judicial Magistrate, Chief Court.

With reference to the above subject and reference, it is stated that the undertrial accused No. 961 – Sanjay Hariram Agrawal, involved in Varachha First C.R. No. 274/2002 under Sections 406, 420, 409 of the IPC and other cases, has been handed over to you today in good physical and mental condition in connection with Umra First C.R. No. 274/2002 under Sections 465, 467, 468, 471, 420, 120B and 114 of the IPC, as per the order referred to above.

After completion of the proceedings in the above offence, the said accused shall immediately be returned to this Jail. As other cases are pending against the said accused here, he shall not be handed over elsewhere nor released directly. Please take special note of the same.

Sd/- Illegible
Superintendent
Surat District Jail

Copy respectfully forwarded to:
(1) The Learned Chief Judicial Magistrate,
Chief Court, Surat.

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Request for taking the accused into Court custody.

With respectful submission, the undersigned B. V. Ramani, Police Inspector, Umra Police Station, Surat City, most humbly submits that:

The accused Sanjay Hariram Agrawal, aged about 37 years, residing at 702, Kusum Apartment, 7th Floor, Sector No. 17, Vashi, New Mumbai, originally residing at 7, Harisabha Street, Khedar Gole, Calcutta, in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 114 and 120B of the Indian Penal Code, was arrested on 15/01/2003 at 16:30 hours.

The said accused has been sent within time to the Court custody of this Hon'ble Court, and therefore it is respectfully requested that the custody of the accused may kindly be taken over.

Date: 16/01/2003

Sd/- Illegible
(B. V. Ramani)
Police Inspector
Umra Police Station, Surat City

Report seeking Remand

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Regarding grant of 14 days' Police Custody Remand of the accused.

With respectful submission, the undersigned B. V. Ramani, Police Inspector, Umra Police Station, Surat City, most humbly submits that:

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 114 and 120B of the Indian Penal Code, the facts of the case are that Sanjay Hariram Agrawal, Ketan Kantilal Sheth, Nandkishor Shankarlal Trivedi and Subodh Bhandari, Directors of Home Trade Limited Company, Mumbai, together with employees of the said company namely Neeraj Surti and Kanan Mevawala, in furtherance of one another and in pursuance of a criminal conspiracy, initially carried out purchase and sale of Government Securities with the complainant bank The Surat Mahila Nagrik Co-operative Bank, thereby gaining the confidence of the bank.

Thereafter, Home Trade Limited agreed to sell four different Government Securities bearing different rates of interest to the said Mahila Nagrik Co-operative Bank. Believing their representation and assurance, the said bank paid Rs. 9,68,10,666.67 to Home Trade for purchase of the said securities during the period from 31/10/2001 to 27/02/2002. However, even

after receiving the said amount, the accused did not deliver the securities to the complainant bank.

When the complainant repeatedly demanded delivery of the securities, the accused sent xerox copies of securities of IDBI and Federal Bank, representing that such securities would be delivered to the bank. However, thereafter those securities were also not delivered. The accused also issued cheques to the complainant bank towards payment, but the said cheques were returned unpaid due to insufficient balance in the account of the accused.

Thus, the accused persons, in aid of one another and by hatching a criminal conspiracy, committed criminal breach of trust to the extent of Rs. 8,59,65,655.82 with the complainant bank and caused financial loss to the bank as well as to its depositors.

In connection with the said offence, accused Sanjay Hariram Agrawal, aged about 37 years, residing at 702, Kusum Apartment, 7th Floor, Sector-17, Vashi, New Mumbai, originally residing at 7, Harisabha Street, Khedar Gole, Calcutta, was arrested on 15/01/2003 at 16:30 hours.

However, this offence has been committed in a very systematic and planned manner by hatching a criminal conspiracy, resulting in breach of trust with a co-operative bank and its depositors. In order to reach the root of this offence, it is necessary that the arrested accused be kept in Police Custody and subjected to detailed and intensive interrogation. Only then can the root of the offence be discovered. Therefore, the following grounds for remand are respectfully submitted:

Grounds for Remand

(1) In this case, the accused have cheated the Mahila Bank and obtained a huge amount of Rs. 8,59,65,655.82. This offence is an offence of conspiracy and the arrested accused is a principal accused, as he is the Chairman of Home Trade Company. Therefore, it is necessary to ascertain when, where and how the conspiracy was hatched and which accused persons were involved, which is important from the point of view of evidence. For this purpose, interrogation of the accused is necessary.

(2) The contract notes executed with the Mahila Bank for purchase of securities bear the signature of the present accused. During investigation it has also transpired that in the transactions with various banks, signatures of the present accused as well as absconding accused (1) Nandkishor Trivedi and (2) Subodh Bhandari were made. Therefore, it is necessary to ascertain in which bank accounts the cheque amounts received were deposited, from which bank accounts they were transferred, and to whose accounts the said funds were ultimately credited. Such information is known to the present accused and is very important for the investigation and evidence.

(3) It is also necessary to ascertain whether the accused have acquired any property out of the cheated amount, and if so, what property and where it is located, which would constitute important evidence in the case. For this purpose also interrogation of the accused is necessary.

(4) It is necessary to ascertain whether the securities mentioned in the contract notes executed with the Mahila Bank were actually in possession of the accused or not, and whether the securities faxed to the complainant were genuine or fabricated duplicates. Further, the xerox copies of securities of IDBI and Federal Bank were sent to the complainant; if the original securities

constitute the muddamal of the offence, it is necessary to ascertain who is presently in possession of the said securities. As the accused is the Chairman of Home Trade, it is natural that he would have knowledge of these facts, and therefore detailed interrogation of the accused is necessary.

(5) The offence relates to Government of India securities, which are available only through the debt market, and such transactions are governed by specific rules and procedures. If the accused is interrogated in detail in the presence of persons knowledgeable about the functioning of the debt market, the investigation can reach the root of the offence and important evidence can be collected. Therefore, the presence of the accused is necessary.

(6) During the course of investigation it may be necessary to proceed to Mumbai, Pune, Bangalore and Calcutta, and during such investigation the presence of the accused will be necessary.

(7) Effective police investigation is an essential aspect of criminal investigation. This offence is an economic offence, which adversely affects the financial system and may result in the complainant bank going into liquidation. The said bank has deposits of lakhs of ordinary people, and there is a serious risk that the savings of such depositors may be lost. Therefore, in order to provide justice to the depositors and to recover the cheated amount as muddamal and collect evidence sufficient to punish the accused, a thorough investigation is necessary.

The accused is an educated and intelligent person who is well-versed with legal intricacies and is deliberately attempting to exhaust the police custody period. To elicit the true facts from him, it is necessary to subject him

to intensive interrogation, which is possible only if he is kept in Police Custody.

In view of the above grounds, it is most respectfully requested that 14 days' Police Custody Remand of the said accused may kindly be granted.

Submitted for the kind consideration of the Learned Court.

Date: 16/01/2003

Sd/- Illegible
(B. V. Ramani)
Police Inspector
Umra Police Station
Surat City

Note:

(1) Xerox copies of IDBI Bonds worth Rs. 3 Crores were sent earlier, which were transferred in the name of another person. It is necessary to ascertain where those bonds are presently and to whom they were given.

Remand Warrant

(Section – 344)

Umra Police Station First C.R. No. 274/2002

Time: 03:30 p.m.

Date: 21/01/2003

To,

Police Inspector Shri B. V. Ramani,

Umra Police Station.

Whereas Sanjay Hariram Agrawal, residing at 702, Kusum Apartment, 7th Floor, has been accused of committing offences punishable under Sections 465, 467, 468 and 471 of the Indian Penal Code, and such accusation has been placed before this Court of the Chief Judicial Magistrate, Surat;

And whereas it has been considered necessary to adjourn the inquiry of the said offence until Tuesday, the 21st day of January, 2003 at 03:30 p.m.;

You are therefore hereby directed to take the said accused into your custody and to produce him before this Court at 03:30 p.m. on the aforesaid date.

Given under my hand and the seal of the Court on this 16th day of January, 2003.

Sd/- Illegible

Chief Judicial Magistrate

Surat

To,

The Medical Officer,

New Civil Hospital,

Surat.

Subject: Regarding medical examination and treatment of the accused.

With due respect, the undersigned Police Station Officer, Umra Police Station, Surat City, most respectfully submits that:

The accused Sanjay Hariram Agrawal, aged about 37 years, residing at 702, Kusum Apartment, Sector No. 17, Vashi, New Mumbai, in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420 and 120B of the Indian Penal Code, is presently under Police Custody Remand.

It is therefore requested that the said accused may kindly be medically examined and provided necessary medical treatment in accordance with the Government rules and regulations.

Submitted for your kind consideration.

Date: 18/01/2003

Sd/- Illegible

Police Station Officer

Umra Police Station

Surat City

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Request for taking the accused into Court custody.

With respectful submission, the undersigned In-charge Police Inspector, Umra Police Station, Surat City, most humbly submits that:

The accused Sanjay Hariram Agrawal, aged about 37 years, residing at 702, Kusum Apartment, 7th Floor, Sector No. 17, Vashi, New Mumbai, originally residing at 7, Harisabha Street, Khedar Gole, Calcutta, in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 114 and 120B of the Indian Penal Code, was arrested on 15/01/2003 at 16:30 hours and was sent within time to the Court custody of this Hon'ble Court.

Thereafter, Police Custody Remand up to 21/01/2003 till 03:30 p.m. was obtained from this Hon'ble Court. Upon expiry of the said remand period, the accused has been produced within time before this Hon'ble Court for being sent to Court custody.

It is therefore respectfully requested that the custody of the said accused may kindly be taken over.

Submitted for the kind consideration of the Hon'ble Court.

Date: 21/01/2003

Sd/- Illegible

In-charge Police Inspector

Umra Police Station, Surat City

To,

The Superintendent,

District Jail, Surat.

Subject: Regarding handing over custody of the accused.

Sir,

With reference to the above subject, it is respectfully submitted that the accused Nandkishor Shankarlal Trivedi, residing at Dev Bhuvan, Second Floor, Chira Bazar, Mumbai, who is involved in Varachha Police Station First C.R. No. 274/2002 for offences punishable under Sections 420, 467, 468 and 471 of the Indian Penal Code, is presently lodged in Judicial Custody at District Jail, Surat.

As the presence of the said accused is required in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 420, 467, 468 and 471 of the Indian Penal Code, you are hereby directed to hand over the custody of the said accused to Head Constable Shri Madhav Pitambar, Buckle No. 2134, Umra Police Station, Surat, and submit a report thereof to this Court. Please take note of the same.

Date: 14/11/2003

Sd/- Illegible

Judicial Magistrate First Class

First Court,

Surat

Other Pending Cases:

Outward No.: U.T. Rubaru /2003
Office of the Surat District Jail
Sagrampura Ring Road, Surat
Date: 14/11/2003

To,
Shri Madhav Pitambarbhai, Buckle No. 2134
Umra Police Station
Surat

Subject: Regarding handing over custody of the accused.

Reference: Order dated 14/11/2003 of the Learned Judicial Magistrate, 1st Court, Surat.

With reference to the above subject and reference, it is stated that the undertrial accused No. 7251 – Nandkishor Shankarlal Trivedi, involved in Varachha Police Station First C.R. No. 274/2002 under Sections 420, 467, 468 and 471 of the Indian Penal Code, has been handed over to you today in good physical and mental condition, in connection with Umra Police Station First C.R. No. 274/2002 under Sections 420, 467, 468 and 471 of the Indian Penal Code, as per the order referred to above.

After completion of the proceedings in the above offence, the said accused shall immediately be returned to this Jail. As other cases are pending

against the said accused here, he will not be handed over elsewhere nor released directly. Please take special note of the same.

Sd/- Illegible
Superintendent
Surat District Jail

Details of pending cases:

1. Rander First C.R. No. 226/2002
2. Varachha First C.R. No. 274/2002

Copy forwarded for information to:

1. The Learned Judicial Magistrate, 1st Court, Surat
2. The Learned Chief Judicial Magistrate, Chief Court, Surat
3. The Learned Judicial Magistrate, 2nd Court, Surat

Other Cases Pending

Outward No.: U.T. Rubaru /2003
Office of the Surat District Jail
Sagrampura Ring Road, Surat
Date: 14/11/2003

To,
Shri Madhav Pitambarbhai, Buckle No. 2134
Umra Police Station
Surat

Subject: Regarding handing over custody of the accused.

Reference: Order dated 14/11/2003 of the Learned Judicial Magistrate, 1st Court, Surat.

With reference to the above subject and reference, it is stated that the undertrial accused No. 7251 – Nandkishor Shankarlal Trivedi, involved in Varachha Police Station First C.R. No. 274/2002 under Sections 420, 467, 468 and 471 of the Indian Penal Code, has been handed over to you today in good physical and mental condition, in connection with Umra Police Station First C.R. No. 274/2002 under Sections 420, 467, 468 and 471 of the Indian Penal Code, as per the order referred to above.

After completion of the proceedings in the aforesaid offence, the said accused shall immediately be returned to this Jail. As other cases are pending

against the said accused here, he shall not be handed over elsewhere nor released directly. Please take special note of the same.

Sd/- Illegible
Superintendent
Surat District Jail

Details of pending cases:

1. Rander Police Station First C.R. No. 226/2002
2. Varachha Police Station First C.R. No. 274/2002

Copy forwarded for information to:

1. The Learned Judicial Magistrate, 1st Court, Surat
2. The Learned Chief Judicial Magistrate, Chief Court, Surat
3. The Learned Judicial Magistrate, 2nd Court, Surat

To,

The Learned Judicial First Class Magistrate,

First Court, Surat.

Subject: Regarding handing over custody of the accused.

With due respect, the undersigned Madhav Pitambar, Unarmed Head Constable, Buckle No. 2134, Umra Police Station, Surat City, most respectfully submits that:

The accused Nandkishor Shankarlal Trivedi, residing at Dev Bhuvan, Second Floor, Chira Bazar, Mumbai, in connection with Varachha Police Station First C.R. No. 274/2002 for offences punishable under Sections 420, 467, 468 and 471 of the Indian Penal Code, is presently in custody under your Court.

The said accused is required to be arrested in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 420, 467, 468 and 471 of the Indian Penal Code. Therefore, it is respectfully requested that the custody of the said accused may kindly be handed over to us.

A Transfer Warrant issued by the Learned Chief Judicial Magistrate, Chief Court, Surat, is enclosed herewith.

Date: 11/11/2003

Sd/- Illegible

Unarmed Head Constable

Umra Police Station, Surat City

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Request for issuance of Transfer Warrant.

With due respect, the undersigned N. N. Patel, Police Inspector, Umra Police Station, Surat City, most respectfully submits that:

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 420, 465, 467, 468, 471 and 120B of the Indian Penal Code, the accused Nandkishor Shankarlal Trivedi, residing at Dev Bhuvan, Second Floor, Chira Bazar, Mumbai, is required to be arrested in the aforesaid case.

At present, the said accused is on remand up to 11/11/2003 in connection with Varachha Police Station First C.R. No. 274/2002 for offences punishable under Sections 420, 467, 468 and 471 of the Indian Penal Code. Upon expiry of the said remand period tomorrow, the accused will be produced before the Learned Judicial First Class Magistrate, First Court, Surat.

Since the said accused is required to be arrested in the above-mentioned offence, it is respectfully requested that a Transfer Warrant may kindly be issued, and that the custody of the said accused be directed to be handed over to Head Constable Madhav Pitambar of Umra Police Station.

Date: 10/11/2003

Sd/- Illegible
(N. N. Patel)
Police Inspector
Umra Police Station, Surat City

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Regarding handing over the accused to Court custody.

With due respect, the undersigned N. N. Patel, Police Inspector, Umra Police Station, Surat City, most respectfully submits that:

The accused Nandkishor Shankarlal Trivedi, aged about 37 years, residing at 3-A, Pushpam Apartment, 3rd Floor, 6 K.D. Road, Vile Parle (West), Mumbai–56, originally residing at Bamnera Village, Taluka & District Pali (Rajasthan), in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420 and 120B of the Indian Penal Code, was arrested on 14/11/2003 at 20:00 hours.

The said accused has been produced within time and handed over to the Court custody of this Hon'ble Court. It is therefore respectfully requested that the custody of the accused may kindly be taken over.

Submitted for the kind consideration of the Hon'ble Court.

Date: 15/11/2003

Sd/- Illegible

(N. N. Patel)

Police Inspector

Umra Police Station, Surat City

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Request for grant of 10 days' Police Custody Remand of the accused.

With respectful submission, the undersigned N. N. Patel, Police Inspector, Umra Police Station, Surat City, most humbly submits that:

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 114 and 120B of the Indian Penal Code, the facts of the case are that Sanjay Hariram Agrawal, Ketan Kantilal Sheth, Nandkishor Shankarlal Trivedi and Subodh Bhandari, Directors of Home Trade Limited Company, Mumbai, together with the employees of the said company namely Neeraj Surti and Kanan Mevawala, in furtherance of one another and in pursuance of a criminal conspiracy, initially carried out purchase and sale of Government Securities with the complainant bank The Surat Mahila Nagrik Co-operative Bank, thereby gaining the confidence of the bank.

Thereafter, Home Trade Limited agreed to sell four different Government Securities bearing different rates of interest to the said Mahila Nagrik Co-operative Bank. Believing their representation and assurances, the said bank paid Rs. 9,68,10,666.67 to Home Trade for purchase of the said securities during the period from 31/10/2001 to 27/02/2002. However, even

after receiving the said amount, the accused persons failed to deliver the securities to the complainant.

When the complainant repeatedly demanded delivery of the securities, the accused persons sent xerox copies of securities of IDBI and Federal Bank, representing that they would deliver such securities. Thereafter, those securities were also not delivered. The accused persons also issued cheques towards payment, but those cheques were returned unpaid due to insufficient balance in the account.

Thus, the accused persons, in aid of one another and by hatching a criminal conspiracy, committed criminal breach of trust to the extent of Rs. 8,59,65,655.82, thereby causing financial loss to the complainant bank and its depositors.

In connection with this offence, earlier two accused persons, namely (1) Ketan Kantilal Sheth and (2) Sanjay Hariram Agrawal, were arrested and their remand was obtained.

However, this offence has been committed in a well-planned and systematic manner by hatching a criminal conspiracy, causing breach of trust with a co-operative bank and its depositors. In order to reach the root of this offence, it is necessary that the arrested accused Nandkishor Shankarlal Trivedi, aged about 37 years, residing at 3-A, Pushpam Apartment, 3rd Floor, 6 K.D. Road, Vile Parle (West), Mumbai – 56, be kept in Police Custody and subjected to detailed interrogation. Therefore, the following grounds for remand are submitted for consideration:

Grounds for Remand

(1) In this case, the complainant bank has been cheated to the extent of Rs. 8,59,65,655.82. The said amount was paid to the accused for purchasing Government Securities. It is necessary to ascertain whether the accused's firm actually purchased such securities, and if so, to whom those securities were delivered instead of delivering them to the complainant. This fact is known only to the arrested accused; hence his presence is necessary.

(2) The arrested accused was holding the post of Chief Executive of Home Trade Company and is fully aware of all the activities of the company. Whether the securities promised to the Mahila Bank were actually available in the market is a fact known only to the accused. This fact is necessary to be ascertained for evidentiary purposes, and therefore his presence is required.

(3) The accused, along with co-accused Ketan Sheth and Neeraj Surti, had personally visited the complainant bank and issued the cheques which were later returned unpaid for want of balance. Therefore, it is necessary to ascertain how much balance was actually available in the company's account at the time when those cheques were issued, which fact is known only to the arrested accused.

(4) The accused Neeraj Surti and Kanan Mevawala are presently absconding, and it is necessary to ascertain their present whereabouts and places of concealment, which the arrested accused is likely to know. Therefore, their presence is required.

(5) This offence is an offence of conspiracy, and it is necessary to ascertain whether any other persons, besides the already arrested and absconding

accused, are involved in the said conspiracy, which fact can be obtained only from the arrested accused.

In view of the above grounds, it is most respectfully requested that 10 days' Police Custody Remand of the arrested accused may kindly be granted.

Submitted for the kind consideration of the Hon'ble Court.

Date: 15/11/2003

Sd/- Illegible
(N. N. Patel)
Police Inspector
Umra Police Station
Surat City

Umra Police Station – First C.R. No. 274/2002

Date: 15/11/2003

Time: 15:30 hours

REMAND WARRANT

(Section – 344)

To,

The Police Inspector N. N. Patel,

Umra Police Station.

Whereas Nandkishor Shankarlal Trivedi, residing at 3-A, Pushpam Apartment, Mumbai, stands charged before this Court for having committed offences punishable under Sections 465, 467, 468, 471, 420 and 120B of the Indian Penal Code, and

Whereas it has been considered necessary that the inquiry in the said offence be adjourned until Tuesday, the 18th day of November, 2003 at 15:30 hours,

You are hereby directed to take the said accused into your custody and produce him before this Court at 15:30 hours on the above-mentioned date.

Given under my hand and the seal of the Court on this 15th day of November, 2003.

Sd/- Illegible

Chief Judicial Magistrate

Surat

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Regarding taking the accused into Court custody.

With respectful submission, the undersigned N. N. Patel, Police Inspector, Umra Police Station, Surat City, most humbly submits that:

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471 and 120B of the Indian Penal Code, the accused Nandkishor Shankarlal Trivedi, aged about 37 years, residing at 3-A, Pushpam Apartment, 3rd Floor, 6 K.D. Road, Vile Parle (West), Mumbai – 56, originally resident of Bamnera Village, Taluka & District Pali (Rajasthan), was arrested on 14/11/2003 at 20:00 hours in connection with the above-mentioned offence. Police custody remand of the said accused had been obtained up to 18/11/2003 till 15:30 hours. As the said remand period has expired today, the accused has been produced within time before this Hon'ble Court and handed over to the Court custody. It is therefore respectfully requested that the custody of the said accused may kindly be taken over. Submitted for the kind consideration of the Hon'ble Court.

Date: 18/11/2003

Sd/- Illegible

(N. N. Patel)

Police Inspector

Umra Police Station, Surat City

To,
The Medical Officer,
New Civil Hospital,
Surat.

Subject: Regarding medical examination / treatment of the accused.

With due respect, the undersigned K. R. Bhuva, Police Sub-Inspector, Umra Police Station, Surat City, most respectfully submits that:

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471 and 120B of the Indian Penal Code, the accused Nandkishor Shankarlal Trivedi, aged about 37 years, residing at 3-A, Pushpam Apartment, 3rd Floor, 6 K.D. Road, Vile Parle (West), Mumbai – 56, was arrested on 14/11/2003 at 20:00 hours.

The said accused has been granted Police Custody Remand up to 18/11/2003. Therefore, you are respectfully requested to kindly conduct the medical examination / treatment of the said accused as per the prescribed Government rules and procedure. Submitted for necessary action.

Date: 17/11/2003

Sd/- Illegible
Police Sub-Inspector
Umra Police Station
Surat City

Bail Application No. 1893/2003

Umra Police Station C.R. No. I–274/2003

Regarding: Appearance in person along with all case papers

Date of Hearing: 05/12/2003

Offences: Sections 467, 468 of the Indian Penal Code

To,

The Police Inspector,

Umra Police Station,

Surat.

In the matter of Nandkishor Shankarlal Trivedi, you are requested to remain present in person along with all the police investigation papers before this office on 05/12/2003 at 10:30 hours without fail.

Next date fixed: Monday, 08/12/2003 at 13:00 hours.

Sd/- Illegible

Assistant

Office of the District Government Pleader

Surat.

Bail Application No. 1622/2003

Umra Police Station C.R. No. I–274/2003

Regarding: Appearance in person along with all case papers

Date of Hearing: 13/10/2003

Offences: Sections 406, 409 of the Indian Penal Code

To,

The Police Inspector,

Umra Police Station,

Surat.

Applicant: Subodhchandra Dayalchand Bhandari

The above-named accused has filed an application for anticipatory bail in connection with the above-mentioned offence. Therefore, you are requested to remain present in person along with all police investigation papers before this office on 13/10/2003 at 10:30 hours without fail.

Sd/- Illegible

Assistant

Office of the District Government Pleader

Surat.

To,

The Learned Additional Sessions Judge,

(Court of Shri Budhavani Saheb)

Surat.

With due respect, the undersigned N. N. Patel, Police Inspector, Umra Police Station, Surat City, most respectfully submits that:

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 114 and 120B of the Indian Penal Code, the accused Subodh Chanddayal Bhandari, aged about 38 years, residing at House No. 2, Gulabview Society, near Vasant Cinema, Chembur, Mumbai, was arrested on 04/02/2004 at 11:30 hours in connection with the aforesaid offence.

However, pursuant to Application No. 9049/2003 before the Hon'ble High Court of Gujarat, the Hon'ble Court had granted anticipatory bail to the said accused on 14/11/2003, and therefore the accused was released on bail at the relevant time.

The said accused has today filed Regular Bail Application No. 194/2004 before this Hon'ble Court.

However, the photographs of the accused for the purpose of obtaining remand in the present offence are yet to be taken and his interrogation is also pending, and for that purpose a remand application is required to be submitted before the Hon'ble Chief Court today.

Therefore, in the interest of justice, it is respectfully requested that the Regular Bail Application of the accused may kindly be adjourned.

Submitted for the kind consideration of the Hon'ble Court.

Date: 10/02/2004

Sd/- Illegible
(N. N. Patel)
Police Inspector
Umra Police Station
Surat City

(TO BE RETURNED TO THIS COURT DULY EXECUTED)

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

Criminal Misc.Application No 9049 of 2003

No. Ori. : 33606

1. SUBODH CHAND DAYALCHAND BHANDARI
704-B GOVIND COMPLEX.

This the 14th day of Nov 2003

Petitioner(s)

Vs

1. STATE OF GUJARAT
P.P. HIGH COURT OF GUJARAT

Respondent(s)

To

1. ADDL. SESSIONS JUDGE
SURAT -THROUGH-
THE SESSIONS JUDGE, SURAT.

2. The Investigating Officer
UMRA POLICE STATION.

Whereas the abovenamed petitioner through his advocate presented the abovenumbered application in this Court praying
to grant ANTICIPATORY BAIL to the petitioner in connection with CR.NO:I-274/02 of Umra Police Station and refe.the order passed by Addl.S.J.,Surat on 17/10/03 in Cri.M.A.No.1622/03 and etc.....

And Whereas Upon hearing
MR ABHAYKUMAR P SHAH for the Petitioner no. 1
MR.A.D.OZA.,(P.P.), APP for the State 1
Court passed the following order :-

" COURT'S ORDER
CORAM : A.L.DAVE,J. (14.11.2003)

" 1. Rule.....5. Rule is made absolute.
6. Direct service is permitted."
(TRUE COPY OF THE ORAL ORDER IS ATTACHED HEREWITH)

Witness **BHAWANI SINGH, Esquire** Chief Justice at Ahmedabad aforesaid this 14th day of Nov, 2003.

By the Court.

Deputy Registrar.
This 14th day of Nov 2003

E.D.I
20/9/03

NATIONAL INFORMATICS CENTRE

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

CRIMINAL MISC.APPLICATION No 9049 of 2003

SUBODH CHAND DAYALCHAND BHANDARI
Versus
STATE OF GUJARAT

Appearance:
MR ABHAYKUMAR P SHAH for Petitioner No. 1
MR AD OZA, PP, for Respondent No. 1

CORAM : HON'BLE MR.JUSTICE A.L.DAVE

Date of Order: 14/11/2003

ORAL ORDER

1. Rule. Mr. Oza, learned Public Prosecutor for the State waives the service.

2. Considered the submissions of the parties and perused the materials on record. In the facts and circumstances of the case, the application is required to be allowed. The parties do not press for a reasoned order.

3. It is indicated that the petitioner, though not arrested in connection with the present offence, he has been arrested in connection with other offences and is in custody. In the event of the arrest of the petitioner in Crime Register No.I-274 of 2002 of Umra Police Station, he shall be released on bail in respect of offence/s alleged against him in this application on his executing a bond of Rs.5000/- (Rupees five thousand only) with one surety of the like amount, by the concerned police officer and on conditions that he shall,

(a) remain present before the Trial Court regularly as and when directed on the dates fixed;

(b) remain present at the concerned Police Station 2003 between 9 A.M. and 2.00 P.M. within seven days of his release, if he does not continue to be in custody even after his arrest and a release in this case. If he continues to be in custody after his arrest and release by police in connection with this offence, he shall appear before police within seven days of his actual release from custody;

(c) make himself available for interrogation by a Police Officer, whenever and wherever required;

(d) not directly or indirectly make any inducement, threat or promise to any person acquainted with the fact of the case so as to dissuade him from disclosing such facts to the Court or to any Police Officer;

(e) not to obstruct or hamper the police investigation and not to play mischief with the evidence collected or yet to be collected by the police;

(f) at the time of execution of bond, furnish the address to the Investigating Officer and the Court concerned and shall not change his residence till the final disposal of the case or till further orders;

(g) not leave India without the permission of the Court and, if having passport, shall deposit the same before the Trial Court within a week.

3. It would be open to the Investigating of Officer to file an application for remand if he considers it proper and just; and the learned Magistrate would decide it on merits.

4. This order will hold good if the petitioner is arrested at any time within 90 days from today. The order for release on bail will remain operative only for a period of ten days from the date of his arrest. Thereafter, it will be open to the petitioner to make a fresh application for being enlarged on bail in usual course which when it comes before the competent Court, will be disposed of in accordance with law, having regard to all the attending circumstances and the materials available at the relevant time uninfluenced by the fact that Anticipatory Bail was granted.

5. Rule is made Absolute.

6. Direct service is permitted.

[A. L. DAVE, J.]

gt

HIGH COURT OF GUJARAT AHMEDABAD

TRUE COPY

Assistant Registrar,
High Court of Gujarat,
Sola, Ahmedabad-60.

February 7, 2004.

From
Subodh Chanddayal Bhandari
c/o Advocate Kanubhai M Patel
25 B Maher Park "A"
Near Athwa Gate Bus Stand
Ring Road, Surat

To
The Commissionaire of Police
Surat City Police
Surat

Dear Sir,

Further to my letter dated February 6, 2004 I wish to bring to your attention that I have been issued directives by the three police stations to be present in their office for interrogation in connection with the cases of M/s Home Trade Limited on various dates.

Umra Police Station has asked me to be present on February 12, 2004, Rander Police Station has asked me to be present on February 16, 2004 and Udhna Police Station has asked me to be present on February 19, 2004 in connection with the investigation and it is my fear that they shall insist on remand.

Without any prejudice to the rights of the Investigating Officer to seek remand in connection with their investigation into the cases of M/s Home Trade Limited, I wish to state that there is no purpose being served to ask for a remand now as the charge sheet against the main accused have already been filed by these police stations and there is nothing new pertaining to these cases on which I can throw light upon. Had the Investigating Officers been so serious they could have come to seek my remand or record my statement as I was already under judicial custody. The investigating officers were perhaps aware that, I was merely an employee of this company and I had acted as per the directions of my superiors and under board resolutions and I had never in the past visited these co-operative banks in Surat or induced them to invest money in M/s Home Trade Limited.

I have already undergone 17 months of judicial custody in connection with the cases of M/s Home Trade Limited of which 12 months have been in relation to cases in Gujarat. My relatives had during my judicial custody repeatedly asked these police stations to take my custody and my wife had also written letters by way of Registered Post A/D to all the police stations individually, including to Umra, Rander and Udhna Police Station to take my remand but they had failed to do so. A representation was also made to your office in person to this effect. I had during my interrogation in the past voluntarily complied with all the queries of the Investigating Officers and have no additional information to provide as all cases are similar and the nature of offences are similar. All these cases being in the nature of economic offences are based on documentary evidences.

However, in the true spirit of law I am willing to present myself to the Investigating Officers at the police station between 8.00 AM to 8.00 pm on any number of days as they desire so as to answer all questions or comply with such formalities as are essential in connection with these

cases. However it is my belief that the purpose of remand is only to harass me and cause untold mental trauma and anxiety. I and my family have undergone tremendous hardship in the last two years and presently both my wife and son are under tremendous mental depression and undergoing psychiatric treatment.

I wish to pray to your good self to kindly intervene and ensure justice so that the investigation is completed in the true spirit of law and not held hostage to matters of procedures.

Yours Sincerely,

(SUBODH BHANDARI)

c.c.

1. Shri. N N Patel
   Police Inspector
   Umra Police Station
   Surat City

2. Shri. Pathan
   Police Inspector
   Rander Police Station
   Surat City

3. Shri J P Kotdhia
   Police Inspector
   Udhna Police Station
   Surat City

To,

The Police Inspector,

Umra Police Station,

Surat City.

Subject: Regarding appearance in investigation of accused Subodh Chanddayal Bhandari in Umra P.S. First C.R. No. 274/2002 (Home Trade Case).

Respected Sir,

In the above-mentioned case, the accused Subodh Chanddayal Bhandari was directed, as per your order dated 04/02/2004, to remain present for investigation on 12/02/2004 (today).

However, as per the orders of the Hon'ble Delhi High Court, the said accused has surrendered before the Hon'ble Court and, in connection with Pasroini Nagar Police Station C.R. No. 242/2002 and Complaint C.R. No. 280/2002, he has been lodged in Tihar Jail, Delhi.

Therefore, due to the above circumstances, the accused is unable to remain present today for investigation. It is respectfully submitted that after being released from custody, he will voluntarily remain present for the investigation.

You are requested to kindly take the above facts on record.

Surat

Date: 12/02/2004

Sd/- Illegible

Advocate for Subodh Chanddayal Bhandari

(Kanubhai N. Patel)

In the Court of the Learned Additional Sessions Judge, Surat

Criminal Bail Application No. 1893/2003

Accused: Nandkishor Shankarlal Trivedi

Versus

Opponent: State of Gujarat

AFFIDAVIT

I, N. N. Patel, Police Inspector, Umra Police Station, Surat City, do hereby solemnly affirm and state on oath as under:

1. That I am the Investigating Officer in connection with Umra Police Station First C.R. No. 274/2002 registered for offences punishable under Sections 420, 465, 467, 468, 471, 114 and 120B of the Indian Penal Code.

2. The present complaint has been lodged against (1) Home Trade Limited Company, (2) Ketan Kantilal Sheth, (3) Sanjay Hariram Agrawal, (4) Nandkishor Shankarlal Trivedi, (5) Subodh Bhandari, (6) Neeraj Surti and (7) Kanan Mevawala by the complainant Pratibhaben W/o Bhupendra Ramaniklal Pachchigar, who is the Chief Executive Officer of The Surat Mahila Nagrik Co-operative Bank Ltd.

3. The complainant bank had purchased Government Securities worth Rs. 9,68,10,666.67 from the accused persons during the period from 31/10/2001 to 27/02/2002, and the said amount was paid to Home Trade Limited through

cheques. The present accused Nandkishor Shankarlal Trivedi is the Executive Director of Home Trade Company.

4. The accused Ketan Kantilal Sheth and Neeraj Surti had introduced all the accused persons to the complainant bank.

5. The complainant bank issued the following cheques to Home Trade Company:

Rs. 2,36,28,125/- on 31/10/2001
Rs. 2,81,22,916.67 on 22/11/2001
Rs. 3,67,16,166.67 on 28/01/2002
Rs. 1,13,43,458.33 on 27/02/2002

All these cheques were drawn on HDFC Bank and were deposited in the HDFC Bank Account No. 0010400317011 of Home Trade Company at Fort, Mumbai. After receiving the said amount, the accused persons misappropriated the money for their personal use.

6. When the complainant bank demanded delivery of the securities, Home Trade failed to deliver the same, and thereby the accused persons, by hatching a criminal conspiracy, have cheated the complainant bank.

7. Investigation in this serious case is still in progress, and some of the accused persons are absconding and yet to be arrested.

8. The present accused is originally a resident of Maharashtra State, and several cases are registered against him in the States of Maharashtra and Gujarat.

9. If the accused is released on bail, there is a strong likelihood that he may abscond and tamper with the prosecution evidence.

Therefore, for the reasons stated above, it is most respectfully prayed that the Hon'ble Court may be pleased to reject the bail application of the accused.

Date: 08/12/2003

Sd/- Illegible
(N. N. Patel)
Police Inspector
Umra Police Station
Surat City

Bail Application No. _____

Umra Police Station C.R. No. I–274/2002

Subject: Regarding appearance in person along with all case papers

Date of Hearing: 25/02/2004

Offences: Sections 467, 468 of the Indian Penal Code

To,

The Police Inspector,

Umra Police Station,

Surat.

Applicant: Nandkishor

In the above matter, the applicant has prepared an affidavit in the case. You are therefore requested to remain present in person along with all the police investigation papers and the said affidavit before this office on 25/02/2004 with the application.

Submitted for necessary compliance.

Sd/- Illegible

Assistant

Office of the District Government Pleader

Surat.

BHARAT SANCHAR NIGAM LIMITED
TELEGRAM
(A Govt.Of India Enterprise)

Telegram :ORDINARY
Booked at :MUMBAIFCI
Booked on :11
Booked time:1500

Office :SURAT NANPURA T.O.
Ref :GSRSRN-GSRSRN0045
Recd on :11-02-2004
Recd time:15:22:36

C 24/11

---Delivery Instructions---
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11 FEB 2004

THE POLICE INSPECTOR
UMRA POLICE STATION
SURAT

PLEASE NOTE THAT MY HUSBAND SUBODH CHAND DAYAL BHANDARI WILL NOT BE ABLE TO ATTEND KYOUR OFFICE ON 12-02-04 AS PER YOUR ORDER IN AE NO 274/02. AS PER DELHI HIGH COURT ORDER OF 10-02-04 HE HAS KBEEN ASKED TO SURRENDER TODAY IN PATIALA COURT DELHI, HIE WILL ATTEND YOUR OFFICE AS SOON AS HE IS FREE
SUNITA KBHANDARI

Office use only:-
COMPUTER CODE :ZCZC GSRSRN0045 BBB GSRSRN EZ
PREAMBLE :O 1500 A12 MUMBAIFCI 11 069/0671

COL :COL 12-02-04 274/02 10-2-04===
GSRHFT 0086 11 15:23

NNNN

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To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Request for grant of 14 days' Police Custody Remand of the accused.

With due respect, the undersigned N. N. Patel, Police Inspector, Umra Police Station, Surat City, most respectfully submits that:

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 120B and 114 of the Indian Penal Code, the accused Subodh Chanddayal Bhandari, aged about 38 years, residing at House No. 2, Gulabview Society, near Vasant Cinema, Chembur, Mumbai – 74, was arrested on 04/02/2004 at 11:30 hours. However, pursuant to the order passed by the Hon'ble High Court of Gujarat in Application No. 9049/2003 dated 14/11/2003, the said accused had been granted anticipatory bail, and therefore he was released on bail.

The facts of the case are that Sanjay Hariram Agrawal, Ketan Kantilal Sheth, Nandkishor Shankarlal Trivedi and Subodh Chanddayal Bhandari, Directors of Home Trade Limited Company, Mumbai, along with the employees of the said company namely Neeraj Surti and Kanan Mevawala, in furtherance of one another and in pursuance of a criminal conspiracy, initially carried out purchase and sale of Government Securities with the complainant bank The Surat Mahila Nagrik Co-operative Bank, thereby gaining the confidence of the bank.

Thereafter, Home Trade Limited agreed to sell four different Government Securities bearing different rates of interest to the said Mahila Nagrik Co-operative Bank. Believing their representation and assurances, the said bank paid Rs. 9,68,10,666.67 to Home Trade for purchase of the said securities during the period from 31/10/2001 to 27/02/2002. Even after receiving the said amount, the accused persons failed to deliver the securities to the complainant bank.

When the complainant repeatedly demanded delivery of the securities, the accused persons sent xerox copies of securities of IDBI and Federal Bank, representing that such securities would be delivered. However, the said securities were also not delivered. The accused persons also issued cheques towards payment, which were returned unpaid due to insufficient balance in the account.

Thus, the accused persons, in aid of one another and by hatching a criminal conspiracy, committed criminal breach of trust to the extent of Rs. 8,59,65,655.82, thereby causing financial loss to the complainant bank and its depositors.

Earlier, three accused persons namely (1) Ketan Kantilal Sheth, (2) Sanjay Hariram Agrawal and (3) Nandkishor Shankarlal Trivedi had been arrested and their remand had been obtained. However, as this offence has been committed in a systematic and well-planned manner by hatching a criminal conspiracy, it is necessary to interrogate the present accused Subodh Chanddayal Bhandari thoroughly while in Police Custody in order to reach the root of the offence.

Therefore, the following grounds for remand are respectfully submitted for consideration:

Grounds for Remand

(1) In this offence, the complainant bank has been cheated to the extent of Rs. 8,59,65,655.82, which amount was paid by the bank to the accused for purchase of Government Securities. It is necessary to ascertain whether the accused's firm actually purchased such securities, and if so, to whom those securities were delivered instead of delivering them to the complainant bank. This fact is known only to the arrested accused, and therefore his presence is necessary.

(2) In the contract notes executed between Home Trade Company and the complainant bank, one of the contract notes bears the signature of accused Subodh Bhandari. It is therefore necessary to ascertain whether such securities were actually available with the accused and on what basis the said contract note was executed. This fact is known only to the accused.

(3) The cheques issued by the accused company to the complainant bank were returned unpaid, and one of those cheques bears the signature of accused Subodh Bhandari. It is therefore necessary to investigate why the accused issued the cheque despite there being insufficient balance in the account.

(4) The accused Subodh Bhandari is an authorised signatory of Home Trade Company, and banking transactions were carried out through his signature. The funds deposited in the Home Trade account from the complainant bank appear to have been withdrawn under his signature. It is therefore necessary

to ascertain where and how those funds were utilised or invested, which fact is known only to the accused.

(5) The transactions of Home Trade Company extend to different States across India, and such transactions were carried out under the signature of the accused. For the purpose of investigation, it may become necessary to visit Maharashtra, Kolkata, Delhi and other places, for which the presence of the accused is necessary.

In view of the above grounds, it is most respectfully prayed that the Hon'ble Court may kindly grant 14 days' Police Custody Remand of the accused. Since the accused Subodh Bhandari is presently released on anticipatory bail, it is further requested that a notice may kindly be issued directing him to remain present before the Court.

Submitted for the kind consideration of the Hon'ble Court.

Date: 10/02/2004

Sd/- Illegible
(N. N. Patel)
Police Inspector
Umra Police Station
Surat City

Criminal Bail Application No. 194/2004

ORDER

The bail application of the applicant/accused is hereby allowed.

The accused Subodhchand Dayalchand Bhandari, in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 420, 465, 467, 468, 471, 114 and 120B of the Indian Penal Code, shall be released on regular bail upon his executing a solvent surety bond of Rs. 10,000/- (Rupees Ten Thousand only) and a personal bond of the like amount, subject to the following conditions:

Conditions

1. The accused shall not tamper with the prosecution evidence nor threaten, induce or influence any witnesses.

2. The accused shall not leave the territory of India without prior permission of this Court until the final disposal of the case.

3. The accused shall submit the details of his present residential address before the Trial Court and Umra Police Station, and in case of any change of address, he shall immediately inform the Court and the said Police Station in writing.

4. The accused shall mark his presence at Umra Police Station once every English calendar month between the 1st and 10th day, on any day between 09:00 a.m. and 05:00 p.m.

5. If the accused possesses a passport, he shall deposit the same with Umra Police Station; and if he does not possess a passport, he shall file an affidavit to that effect.

6. The accused shall fully cooperate with the police investigation.

If the accused breaches any of the above conditions, his bail shall stand cancelled.

A copy of this order shall be sent to Umra Police Station and to the concerned lower Court.

Pronounced and declared in open Court on this 18th day of March, 2004.

Date: 18/04/2004

Sd/- Illegible
(A. S. Budhavani)
Additional Sessions Judge
Surat

Criminal Bail Application No. 1893/2003

ORDER

The bail application of the applicant/accused is hereby allowed.

The accused Nandkishor Shankarlal Trivedi, in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 420, 465, 467, 468, 471, 114 and 120B of the Indian Penal Code, shall be released on bail upon his executing a solvent surety bond of Rs. 10,000/- (Rupees Ten Thousand only) and a personal bond of the like amount, subject to the following conditions:

Conditions

1. The accused shall not tamper with the prosecution evidence nor threaten, induce or influence any witnesses.

2. The accused shall not leave the territory of India without prior permission of this Court until the final disposal of the case.

3. The accused shall submit the details of his present residential address before the Trial Court and Umra Police Station, and if there is any change in the address, he shall immediately inform the said Police Station and the Court in writing.

4. The accused shall mark his presence at Umra Police Station once every English calendar month between the 1st and 10th day, on any day between 09:00 a.m. and 05:00 p.m.

5. If the accused possesses a passport, he shall deposit the same with Umra Police Station; and if he does not possess a passport, he shall submit an affidavit to that effect.

6. The accused shall fully cooperate with the police investigation.

If the accused breaches any of the above conditions, his bail shall be liable to be cancelled.

A copy of this order shall be sent to Umra Police Station and to the concerned lower Court.

Pronounced and declared in open Court on this 18th day of March, 2004.

Date: 18/04/2004

Sd/- Illegible
(A. S. Budhavani)
Additional Sessions Judge
Surat.

To,

The Police Inspector,

Umra Police Station,

Surat City.

Subject: Regarding appearance for recording statement of accused Subodh Chanddayal Bhandari in Umra P.S. First C.R. No. 274/2002 (Home Trade Case).

Respected Sir,

In the above matter, I, the accused Subodhchandra Chanddayal Bhandari, was arrested on 04/02/2004 at 11:30 hours in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 120B and 114 of the Indian Penal Code. Pursuant to the orders of the Hon'ble Gujarat High Court, I was released on anticipatory bail, and thereafter my regular bail has also been granted.

At the time of granting bail, I was directed to remain present on 12/02/2004 at 11:30 a.m. for the purpose of investigation. However, as per the order of the Hon'ble Delhi High Court, I had been kept in custody at Tihar Jail, Delhi, and therefore I was unable to remain present on that date. In this regard, a written intimation had been given to Umra Police Station on 10/02/2004, stating that I would remain present after being released from custody.

Now, after obtaining bail from all the concerned courts, I have been released from jail on 19/02/2005.

Therefore, if my statement is required to be recorded in this case, kindly inform me of the date and time, so that I may remain present and give my statement.

Further, as per the order passed while granting regular bail, I hereby submit separately the details of my residential address. I also state on affidavit that my passport has been deposited with the Superintendent of Police, C.B.I., B.S.F.C., White House, Mumbai.

Submitted for your consideration.

Sd/- Illegible (19/02/05)

Subodh Chanddayal Bhandari

Enclosures:

1. Copy of Police Station Summons
2. Copy of letter submitted to the Police Station on behalf of the accused
3. Address declaration (Purshis)
4. Affidavit regarding passport
5. Relief Certificate of Surat.

To,

Shri Subodh Dayalbhai Bhandari,

House No. 2, Gulabview Society,

Near Vasant Cinema,

Chembur, Mumbai – 74.

You are hereby informed that in connection with Umra Police Station First C.R. No. 274/2002 registered for offences punishable under Sections 465, 467, 468, 471, 420, 120B and 114 of the Indian Penal Code, you were arrested today i.e., on 04/02/2004 at 11:30 hours. Thereafter, pursuant to the order of the Hon'ble High Court, you have been released on bail.

However, since your statement is required to be recorded in the said offence, you are hereby directed to remain present without fail on 12/02/2004 at 11:30 a.m. at our office, Umra Police Station, Surat City, for the purpose of recording your statement.

Date: 04/02/2004

Sd/- Illegible

Police Inspector

Umra Police Station

Surat City

To,

The Police Inspector,

Umra Police Station,

Surat City.

Subject: Declaration of residential address in Umra P.S. First C.R. No. 274/2002 (Home Trade Case).

Respected Sir,

At the time when the Hon'ble Court granted bail to the undersigned accused, the Court had directed that the accused shall declare his residential address before the Police Station and deposit the passport, if any.

Accordingly, I hereby submit that I, the accused, am presently residing at the following address:

Subodh Chanddayal Bhandari
House No. 2, Gulabview,
Near Vasant Cinema,
Chembur, Mumbai – 74.

Further, the passport of the accused has been deposited with the Superintendent of Police, C.B.I., B.S.F.C., White House, Mumbai, and an affidavit to that effect has been submitted. Submitted for your record.

Surat

Date: 19/02/2005

Sd/- Illegible

Subodh Chanddayal Bhandari

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Serial No. 913/05 Year 2005

19 FEB 2005

BEFORE THE HON'BLE CHIEF JUDICIAL MAGISTRATE, SURAT.

Case No. I 274/2002 of Umara Police Station (Surat)

SUBODH CHANDAYAL CHAND BHANDARI
~~Presently detained in Surat~~
~~Sub-Jail, Surat.~~ .....Applicant

V/s.

The State Of Gujarat .....Respondent
(Original complainant)

I, Accused / Applicant SUBODH CHANDDAYAL CHAND BHANDARI resident of House No. 2, Gulab View, Next To Basant Cinema, Chembur, Mumbaui-74, presently at SURAT ~~presently detained in Surat Sub-Jail, Surat,~~ do hereby state on solemn oath as under:

That, I state that I have filed the Crim. Misc. ~~Applicant~~ Application No. 194 of 2004 before Hon'ble District & Sessions Jugde at Surat for Regular Bail after Hon'ble Gujarat High Court had granted Anticipatory bail vide its order dated 14-11-2003 vide Crim. Misc Application No. 9049/2003. The Hon'ble District & Sessions Jugde at Surat vide its order no. 1529 dated 18.03.2004 has granted Regular Bail on certain conditions. That one of the condition is that I have to surrender my passport before the concerned court, if I have already not surrendered the passport before any other court, and in case I have surrendered the passport then details of the same shall have to be furnished by me before the concerned Court on oath.

That I, Applicant/Accused state on oath that I have surrendered my passport to the Superintendent of Police CBI, BS & FC., White House, Mumbai vide my Advocates covering letter date 15.01.2003 and the same has been received on the same day. (A certified true copy of the Advocate's letter & a Xerox copy of the passport is also attached herewith for your perusal).

That the above stated facts are true & correct to the best of my knowledge and belief and I also understand that to make a false affidavit is a criminal offence .

Place : Surat
Date: 14.02.2005

.....
Subodh Chanddayal Chand Bhandari

Solemnly affirmed and signed before me by SUBODH CHANDDAYAL CHAND BHANDARI, ~~presently detained in Surat Sub-Jail, Surat, Gujarat, India~~, who is identified to me by Mr. Vimal J. Rana of Surat to whom I know personally.

(Vimal Nagar-2, Katargam)

I Know the Signatory and identified by me.

.....

Vimal Jayantilal Rana
Advocate

Place: Surat
Date: 19/2/05

(V.J. Rana)

BEFORE ME

S. C. Champaneria

(S. C. Champaneria)
NOTARY
SURAT DISTRICT
State of Gujarat

rial No. 913/05 Year 2005

19 FEB 2005

All Correspondence at:-
911 T, Block No. 1, Room No. 65, 2nd Floor,
Chandanwadi, Mumbai - 400 002. Tel.: 205 6910

High Court Law Library, Room No. 39, 2nd Flo
Mumbai - 400 032. Tel.: 282 3821 / 282 3410
Date :

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15th January, 2002

To
The Superintendent of Police,
B. S. & F.C.,
White House,
Mumbai.

Re.: R. C. No. 1(E) of 2002

Sub: Surrendering of Passport No. T 145101 belonging to Mr.Subodh Chand Dayal Bhandari.

Sir,

This is to inform you that my client Mr.Subodh Chand Dayal Bhandari, was shown arrested by your office on 5-9-2002. The Hon'ble Special Court, CBI vide its Order dated 18-12-2002 directed my client to be released on Bail, with certain conditions. One of the conditions in the said Order was to surrender the Pasport of my client to the investigating officer.

I therefore, under the instructions of my client do hereby surrender your office aforesaid Passport, be pleased to receive the same and acknowledge.

Yours faithfully,

(EVA ALMEIDA)
Advocate for Mr.Subodh
Chand Dayal Bhandari.

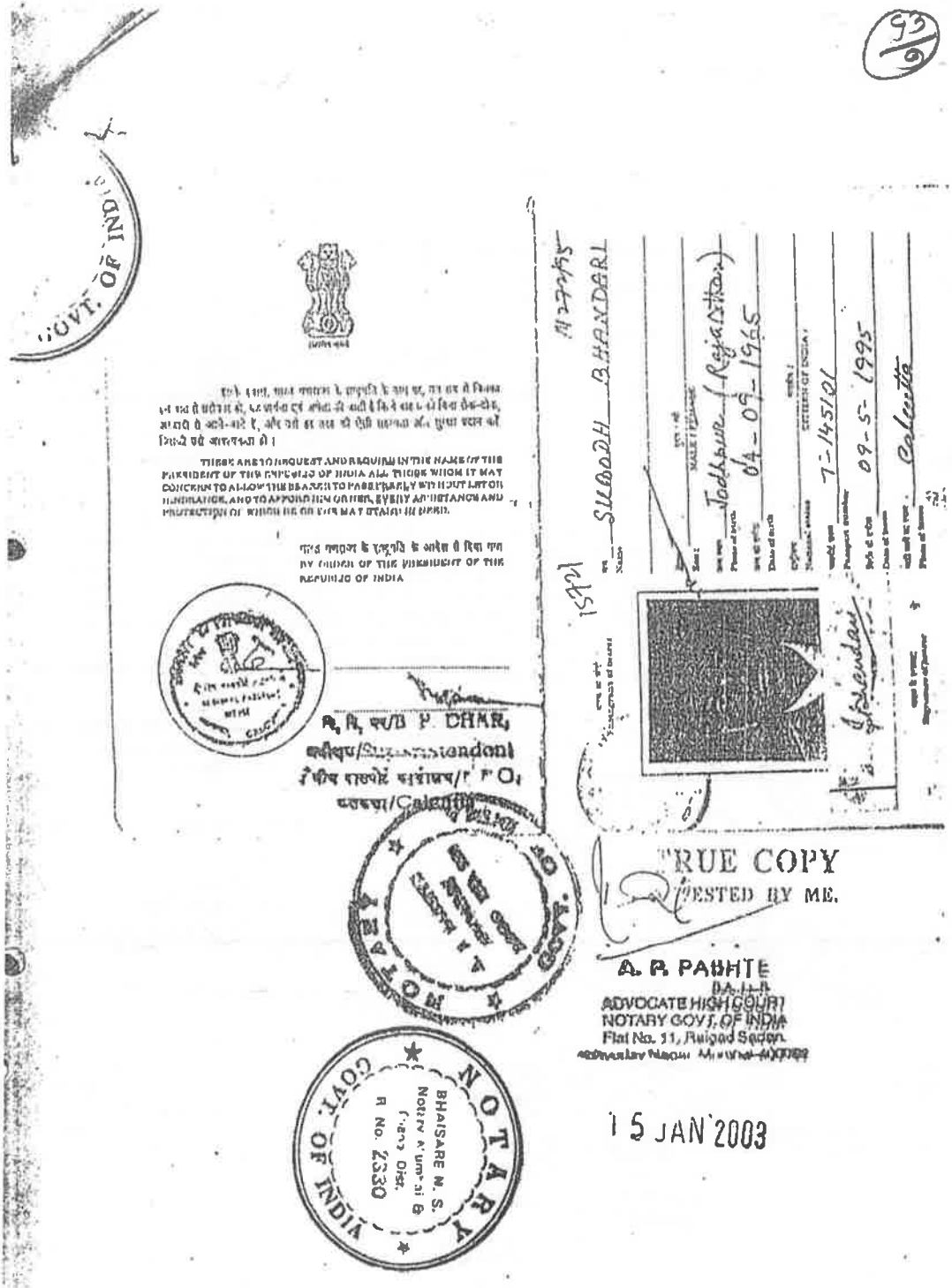
NOTARY GOVT. OF INDIA BHAISARE N. S. Notary Mumbai & Thane Dist. R No. 2330

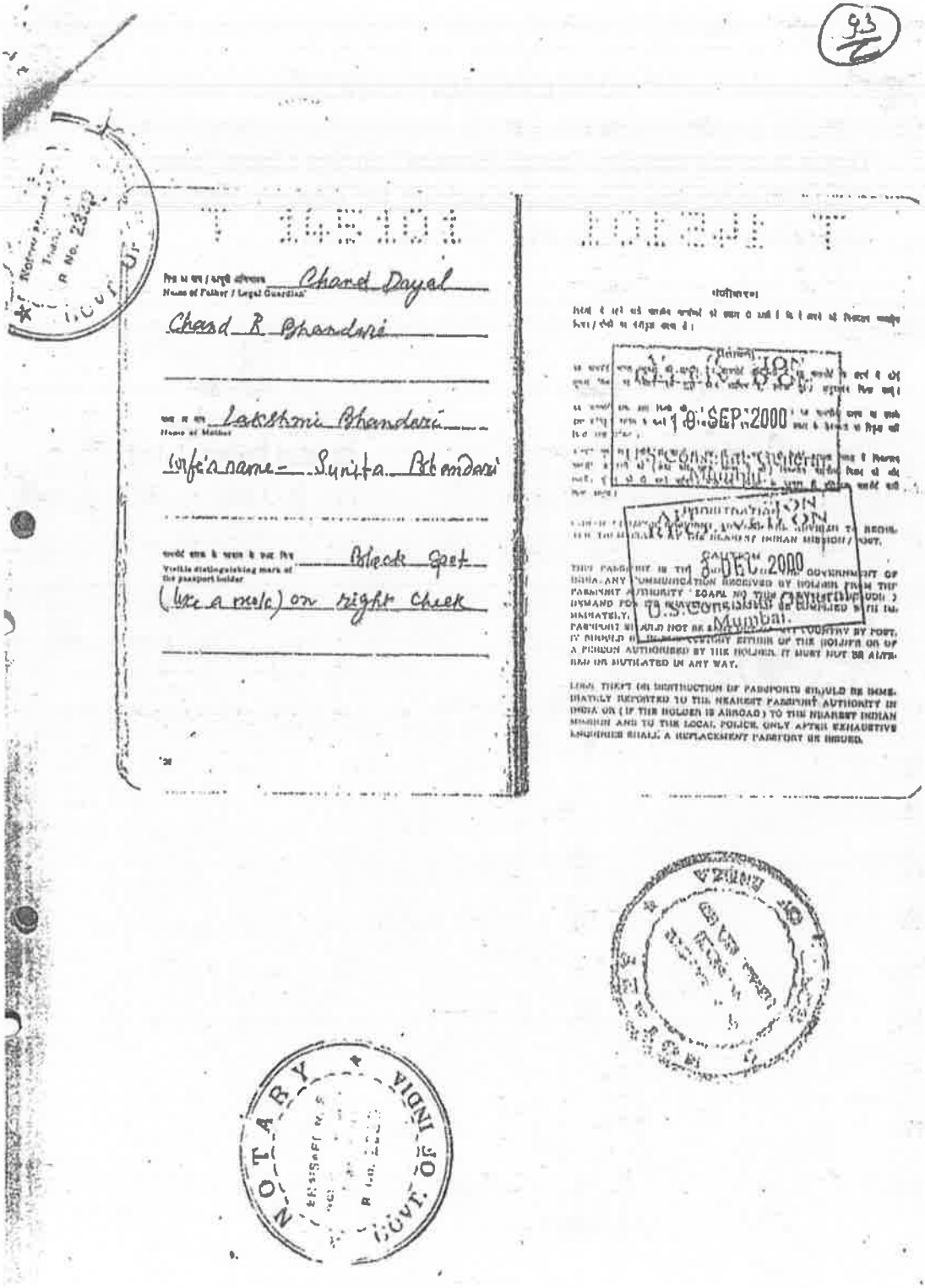
TRUE COPY ATTESTED BY ME
N. S. BHAISARE
B.A., LL.B. Adv. & NOTARY GOVT. OF INDIA MUMBAI & THANE DIST.
1 SEP 2003

Received Passport of Sh. Subodh Bhand till 05.9.2002 (1)
5/1/03
SANDEEP MEHRA
INSPECTOR OF POLICE
CBI BS & FC MUMBAI

TRUE COPY ATTESTED BY ME
N. S. BHAISARE
B.A., LL.B. Adv. & NOTARY GOVT. OF INDIA MUMBAI & THANE DIST.
27 AUG 2003

Near Bill Berry 203 Opp Corporation Bank, I.C. Colony, Borivli (w), Mumbai - 400 103.


GOVT. OF INDIA
THESE ARE TO REQUEST AND REQUIRE IN THE NAME OF THE PRESIDENT OF THE REPUBLIC OF INDIA ALL THOSE WHOM IT MAY CONCERN TO ALLOW THE BEARER TO PASS FREELY WITHOUT LET OR HINDRANCE, AND TO AFFORD HIM OR HER, EVERY ASSISTANCE AND PROTECTION OF WHICH HE OR SHE MAY STAND IN NEED.
BY ORDER OF THE PRESIDENT OF THE REPUBLIC OF INDIA
R. R. 9/B P. CHAR,
Superintendent
Calcutta
SUBODH BHANDARI
Jodhpur (Rajasthan)
04-09-1965
7-145101
09-5-1995
Calcutta
TRUE COPY
TESTED BY ME.
A. R. PABHTE
ADVOCATE HIGH COURT
NOTARY GOVT. OF INDIA
Flat No. 11, Raigad Sadan
15 JAN 2003
NOTARY
GOVT. OF INDIA
BHAISARE N. S.
Notary Umrati
R No. 2330


Chand Dayal
Chand R Bhandari
Lakshmi Bhandari
wife's name - Sunita Bhandari
Black Spot
(1/2 c m/c) on right Cheek
U.S. CONSULATE
19 SEP 2000
Mumbai.
8 DEC 2000
U.S. CONSULATE
Mumbai.
NOTARY
GOVT. OF INDIA

TO WHOMIT MAY CONCERN

This is to certify that Shri Subodh Bhandari s/o Shri Chand Dayal Chand Bhandari was in judicial custody till 19th February 2005 and has been released from Surat District Prison on this date.

Place: Surat
Date: 19th February 2005

Superintendent
District Prison, Surat

To,

The Police Inspector,

Umra Police Station, Surat City.

Subject: Regarding appearance in investigation of accused Subodh Chanddayal Bhandari in Umra P.S. First C.R. No. 274/2002 (Home Trade Case).

Respected Sir,

In the above-mentioned matter, the accused Subodh Chanddayalchand Bhandari was directed, as per your order dated 04/02/2004, to remain present for investigation on 12/02/2004 (today) at 11:30 a.m.

However, the said accused, in compliance with the order of the Hon'ble Delhi High Court, has surrendered before the Court and, in connection with Pasroini Nagar Police Station C.R. No. 242/2002 and Complaint C.R. No. 280/2002, has been lodged in Tihar Jail, Delhi.

Therefore, due to the said circumstances, the accused is unable to remain present today for the purpose of investigation. It is respectfully submitted that upon being released from custody, he shall voluntarily remain present for the investigation.

You are requested to kindly take the above facts on record.

Surat

Date: 12/02/2004

Sd/- Illegible

Advocate for Subodh Chanddayal Bhandari

(Kanubhai N. Patel)

SUMMONS UNDER SECTION 160 Cr.P.C.

Inward / Outward No.: 809/2005

Umra Police Station, Surat City

Date: 07/03/2005

To,

Shri Subodh Dayalbhai Bhandari

House No. 2, Gulabview Society,

Near Vasant Cinema, Chembur, Mumbai – 74.

You are hereby informed that in connection with Umra Police Station First C.R. No. 274/2002 registered for offences punishable under Sections 465, 467, 468, 471, 420, 120B and 114 of the Indian Penal Code, you were arrested on 04/02/2004 at 11:30 hours and thereafter released on bail pursuant to the order of the Hon'ble Gujarat High Court. At present, you have also been released on bail in all the concerned offences by the Hon'ble Court.

However, your statement in the present offence is yet to be recorded.

Therefore, you are hereby directed to remain present without fail at our office, Umra Police Station, Surat City, within three (3) days from the receipt of this notice for the purpose of recording your statement.

Date: 07/03/2005

Sd/- Illegible

(R. G. Jadeja)

Police Inspector

Umra Police Station

Surat City, Surat.

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Request for issuing Transfer Warrant of the accused.

With due respect, the undersigned R. G. Jadeja, Police Inspector, Umra Police Station, Surat, most respectfully submits that:

In connection with Umra Police Station First C.R. No. 274/2002 registered for offences punishable under Sections 471, 420, 465, 466, 468, 120B and 114 of the Indian Penal Code, the accused Neerajbhai Amidhar Surti, residing at Plot No. 55, Pritam Society, Division–1, Maksampur Road, Bharuch, Gujarat, is required to be arrested in the said offence.

However, the said accused has presently been arrested on 17/11/2005 at 20:00 hours in connection with Udhna Police Station First C.R. No. 64/2002 for offences punishable under Sections 405, 406, 409, 420, 471, 422 and 34 of the Indian Penal Code, and he has been remanded to Police Custody up to 23/11/2005 till 17:00 hours.

Upon completion of the said remand period tomorrow, the accused will be produced before the Court of the Learned 5th Additional Senior Civil Judge and Judicial Magistrate First Class.

Since the said accused is required to be arrested in the above-mentioned offence of Umra Police Station, it is most respectfully requested that a

Transfer Warrant may kindly be issued for the said accused. It is further requested that the custody of the accused may be handed over to P.S.I. Shri L. D. Bagdiya of this Police Station.

Submitted for the kind consideration of the Hon'ble Court.

Date: 22/11/2005

Sd/- Illegible
(R. G. Jadeja)
Police Inspector
Umra Police Station
Surat.

TRANSFER WARRANT

To,

The Learned 5th Additional Senior Civil Judge and

Judicial Magistrate First Class,

Surat.

You are hereby informed that the accused Neerajbhai Amidhar Surti, residing at Plot No. 55, Pritam Society, Makarmapur Road, Bharuch, Gujarat, is presently in jail custody under your Court in connection with Udhna Police Station First C.R. No. 64/2002 for offences punishable under Sections 405, 406, 409, 420, 471, 422 and 34 of the Indian Penal Code.

The said accused Neerajbhai Amidhar Surti is required to be arrested in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 471, 420, 465, 466, 468, 120B and 114 of the Indian Penal Code.

You are therefore requested to hand over the custody of the said accused to Police Sub-Inspector Shri L. D. Bagdiya of Umra Police Station for the purpose of investigation in the above case.

After completion of the said proceedings, the accused shall be produced back before your custody under proper police escort.

Given under my hand and the seal of the Court on this 22nd day of November, 2005.

Sd/- Illegible

In-Charge Chief Judicial Magistrate, Surat

To,

The Learned Fifth Additional Senior Judge

and Judicial Magistrate First Class,

Surat City, Surat.

Subject: Regarding handing over the custody of the accused.

With Jai Bharat, this is a request report of L. D. Vagadia, Police Sub-Inspector, Umra Police Station, Surat, stating that:

The accused named Neeraj Amidhar Surti, residing at: 55, Pritam Society, Section-1, Maksampur Road, Bharuch, in connection with Udhna Police Station First C.R. No. 64/2002 for offences punishable under Sections 405, 406, 409, 420, 471, 422, and 34 of the Indian Penal Code, is currently in your custody.

The aforementioned accused is required in connection with the offence registered at Umra Police Station vide First C.R. No. 274/2002 for offences punishable under Sections 471, 420, 465, 466, 468, 120 (B), and 114 of the Indian Penal Code.

Therefore, it is requested to hand over the custody of the said accused to us. The transfer warrant issued by the Learned Fifth Additional Senior Judge and J.M.F.C., Surat, is enclosed herewith for your kind perusal.

Date: 22/11/05

Signature/- Illegible

(L. D. Vagadia)

Police Sub-Inspector,

Umra Police Station, Surat.

Date: 23-11-05

5th Additional Senior Civil Judge and Judicial Magistrate First Class, Surat.

To,

The Jail Superintendent,

Surat.

Subject: Regarding producing the accused before the Chief Judicial Court.

In connection with the aforementioned subject, I state that the accused Neeraj Amidhar Surti, in connection with Udhna Police Station First C.R. No. 64/02 for offences punishable under Sections 405, 406, 409, 420, 471, 422, and 34 of the Indian Penal Code, is required to be produced before the Learned Chief Judicial Magistrate First Class, Surat, at 11:00 hours on 24/11/05.

As his statement is to be recorded in connection with Umra First C.R. No. 274/02 for offences punishable under Sections 471, 420, 465, 466, 468, 120-B, and 114 of the Indian Penal Code, you are hereby directed to produce him before the Learned Chief Judicial Magistrate First Class, Surat, at 11:00 hours on 24/11/2005.

Signature/- Illegible

5th Additional Senior Civil Judge and

Judicial Magistrate First Class, Surat.

Note: Second Case Pending, Not to be Released.

Outward No. UT/In-Person/2005
Office of the Superintendent,
Surat District Jail, Surat.
Date: 24/11/2005

To,
The Police Sub-Inspector,
Shri L. D. Vagadia,
Umra Police Station,
Surat.

Subject: Regarding handing over the custody of an undertrial prisoner for investigation.

Reference: Outward No. 1134/05 dated 24/11/05 of the Learned Chief Judicial Magistrate, Chief Court, Surat.

In connection with the aforementioned subject and reference, **I state that**, pursuant to the order cited in the reference, the undertrial prisoner named **Neerajkumar Amidhar Surti** in connection with the pending case of **Udhna Police Station First C.R. No. 64/02** for offences punishable under **Sections 406, 420, 409, 421, 422, and 34 of the Indian Penal Code**, is hereby handed over to you today in a physically and mentally healthy condition for the purpose of investigation in **Umra Police Station First C.R. No. 274/05**.

Immediately upon completion of the investigation regarding the said undertrial prisoner, he must be returned to this jail. As other cases against the said undertrial prisoner are pending here, he must not be handed over elsewhere nor be released directly. This must be specifically noted. Strict

compliance with **Section 57 of the Cr.P.C.** must be maintained as per the order of the Honorable Court, and no ill-treatment of any kind shall be meted out.

Signature/- Illegible

Superintendent,

Surat District Jail.

Copy respectfully forwarded to:

(1) The Learned Chief Judicial Magistrate, Chief Court, Surat, for information in connection with the reference.

Outward Number 1143/2005

Chief Judicial Magistrate Court, Surat

Date: 24/11/05

To,

The Jail Superintendent,

District Jail, Surat.

Subject: Regarding handing over the custody of the accused.

Sir,

With Jai Bharat, in connection with the aforementioned subject, I state that the accused named Neerajbhai Amidhar Surti, residing at: Plot Number 55, Pritam Society, Section-1, Maksampur Road, Bharuch, is currently in judicial custody in connection with the offence registered at Udhna Police Station vide First C.R. No. 64/2002 for offences punishable under Sections 405, 406, 409, 420 etc. of the Indian Penal Code.

As the said accused is required in connection with the offence registered at Umra Police Station vide First C.R. No. 274/2002 for offences punishable under Sections 471, 420, 465 etc. of the Indian Penal Code, his custody shall be handed over to the appearing Police Sub-Inspector, Shri L. D. Vagadia, Umra Police Station.

Instructions must be given to him to maintain strict compliance with Section 57 of the Cr.P.C. and that no ill-treatment of any kind shall be meted out. Furthermore, the custody of the accused shall be handed over after recording the date and time, and a report regarding the handing over of the accused must be submitted to this Court.

Signature/- Illegible

Chief Judicial Magistrate, Surat.

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Regarding handing over the custody of the accused.

With **Jai Bharat**, this is a request report of **L. D. Vagadia, Police Sub-Inspector, Umra Police Station**, stating that:

In connection with the offence registered at **Umra Police Station vide First C.R. No. 274/2002** for offences punishable under **Sections 471, 420, 465, 466, 468, 120 (B), and 114 of the Indian Penal Code**, the accused named **Neerajbhai Amidhar Surti**, residing at: Plot No. 55, Pritam Society, Section-1, Maksampur Road, Bharuch, has been subjected to preliminary questioning. As sufficient evidence has been found against the accused to effect an arrest in the said case, the accused is required to be formally arrested for the purpose of the said offence.

Therefore, it is requested to hand over the custody of the said accused for the purpose of investigation.

Date: 24/11/2005

Signature – Illegible

Police Sub-Inspector,

Umra Police Station,

Surat.

Date: 24/11/2005

My name is Neerajkumar Amidhar Surti, aged 36 years, occupation: Chartered Accountant, residing at: 55, Pritam Society, Section-1, Maksampur Road, Bharuch. Phone (O) 02642-264197, Mo. 93277 26423, (R) 240007.

Upon being questioned in person, I state that I reside at the aforementioned address with my family. My office is situated on the first floor, Surya Flats, Sevashram Road, Bharuch, under the name and style of "Neeraj A. Surti and Associates, Chartered Accountants." I am a B.Com graduate and have completed my studies as a Chartered Accountant (C.A.). I completed my C.A. studies in 1993 and have been running this office since then. My wife's name is Kruti. I was married in the year 1995. My in-laws reside at Narmadanagar Society, Near Hostel Ground, Bharuch. My wife has studied up to B.Sc. and M.S.W.; she is a homemaker. I have one child, a daughter named Palak, aged 9 years, who is studying in the 4th grade in English medium. My father is an Income Tax Consultant. I have one younger brother named Kaushal, aged 39 years, who lives with my father and assists in his business. My father resides at "Matruashish Bungalow," Mazmudar Compound, Sidhwai Road, Bharuch; my younger brother resides there with his family and my parents.

After passing the C.A. examination in 1993, I initially **served** as a C.A. for approximately one and a half years at the "Overseas Group of Companies" situated behind Sumul Dairy in Surat, where I received a monthly salary of Rs. 9,000/-. Thereafter, due to the heavy workload and because I was commuting daily from Bharuch, I resigned from that job. Approximately one month later, I joined "Growth Avenue Ltd." situated at Supertex Tower, Ring Road. In this company, my duties involved managing the investment of funds

of co-operative banks and limited companies located in South Gujarat, as well as transactions related to the purchase and sale of various securities. I received a salary and commission from this company. I **served** in this company for approximately two to two and a half years. During that period, as I had to devote more time to the job, I resigned from Growth Avenue Ltd. and started my independent office at the aforementioned address from the year 1997.

While I was **serving** at Growth Avenue Ltd., I used to visit Mahila Bank, Panchsheel Bank, and Diamond Bank in Surat. I facilitated the placement of deposits from these banks with GNFC Bharuch, as GNFC provided higher interest rates to these banks. When these deposits were placed by the banks, they received higher interest and our company received brokerage from GNFC.

In the year 1997, I left Growth Avenue Ltd. and I now practice my own independent consultancy. While I was serving at Growth Avenue Ltd., as our company conducted transactions with Shri Ketanbhai Seth of "Ketan Seth and Company," Mumbai, I have known him since then. Ketan Seth was the owner of that company and was a member of the Pune Stock Exchange. He informed me that approximately 100 to 125 banks across Gujarat and Maharashtra conduct purchase and sale of Government Securities through him, and furthermore, he managed the P.F. (Provident Fund) work of large companies. Shri Ketan Seth provided a list of names to the person on whose behalf I was working, after which direct transactions commenced between the banks and Ketan Seth and Company, wherein the banks conducted direct dealings with Ketan Seth via checks. Additionally, I facilitated direct transactions for the banks with J.M. Morgan Stanley Ltd., A.J. Securities, Kotak Securities, etc. I received my fees for these transactions from the banks or the respective companies. All these transactions were proceeding systematically.

Subsequently, in the year 1998-99, Ketan Seth informed me that as per Reserve Bank regulations, it is necessary to be a member of the National

Stock Exchange (NSE) to conduct transactions in Governmcnt Securities. He stated that while his company was a member of the Pune Stock Exchange, this work would be handled by his other company which is a member of the NSE, namely "Euro Asian Securities Ltd." The office of this company was situated at Mittal Court, Nariman Point, Mumbai. He stated that he was a Director in this company, and the other main Directors were Sanjay Agrawal and Nandkishore Trivedi. He mentioned that this company, in addition to the NSE, was a member of the Mumbai Stock Exchange, Pune Stock Exchange, and the Over the Counter Exchange of India Ltd. (OTCEI). He further stated that this company was many times larger than his previous one. He showed and provided the certificate of NSE membership issued by the Securities and Exchange Board of India (SEBI). Thereafter, these banks conducted direct transactions with Euro Asian Securities Ltd., which proceeded as before, and I received my professional fees.

Approximately one year later (I do not recall the exact year at present), the company informed everyone that it had changed its name from Euro Asian to "Home Trade Limited," and all future transactions should be conducted in the name of Home Trade. Thereafter, the purchase and sale of securities by the aforementioned banks were conducted in the name of Home Trade. During that period, all transactions handled by me through Home Trade were conducted properly.

I recall that during the Diwali vacation, I, along with my family members, my parents, and my brother, went to Singapore and Malaysia. I do not recall my passport number at present; I obtained the said passport in the year 2000-2001. I went abroad for fifteen to twenty days. During that period, this Mahila Bank conducted direct transactions with Home Trade through Ketan Seth. In the first week of January 2002, news appeared in the *Economic Times*, Mumbai, stating that another company of Home Trade named "Ways India Ltd." did not have funds even to pay staff salaries. Subsequently, on

08/01/2002, this news was also published in the newspapers in Ahmedabad, due to which I felt that Home Trade might also face difficulties. Therefore, I sent copies of the aforementioned newspapers to the banks I was working for and informed them via telephone that since this was a branch of Home Trade, it appeared advisable not to conduct further transactions with it. I gave such information to the concerned parties. Consequently, upon being informed by the bank and requested to assist, I met with the bank officials. The bank contacted Ketan Seth and Nandkishore Trivedi and summoned them in person. I was also present at that time. I questioned them as to the actual facts regarding the negative news about Ways India Ltd. When the Directors of the bank questioned Ketan Seth and Trivedi in person, they informed the bank in writing that the representation of this news was false. They claimed that the "Ways Side" they were developing at Home Trade was a competitor to a similar website of the *Economic Times*, and therefore, false and distorted representations were made in the paper to defame them. They represented to the bank that, in fact, their company had achieved very good sales and profits. When the bank sought my advice, I stated that they should immediately recover the securities for which money had been paid, and if they do not provide the securities, then recover the money. I gave such advice to them at the material time. The bank informed me over the phone that such efforts were ongoing.

Thereafter, I had no desire to conduct any further transactions with Home Trade. However, subsequently, the bank called me on 27/02/02, and I arrived at the office of Surat Mahila Bank situated at Athwa Lines. At that time, the Directors and Chairman of the bank, as well as Pratibhaben Pachchigar, were present. Furthermore, Ketan Seth and Nandkishore Trivedi of Home Trade were also present. When the Directors and Chairman of the bank demanded the pending delivery or the money, Ketan Seth and Trivedi stated that they had purchased securities from a party in Calcutta which they

had not yet received, but they were making efforts and would provide them as soon as they were received. **I recall that** they also provided this in writing. They further stated that they intended to pay the money and asked the bank to accept post-dated checks (PDC). They provided these PDCs towards the sale price of the old securities. Additionally, they provided contracts for the purchase of new securities. I opposed this and pointed out to the Mahila Bank that until the old securities are received, it is not advisable to sell them and purchase new securities. Nevertheless, the bank accepted these post-dated checks.

Subsequently, in early April 2002, reports were published in the papers that a difficulty had arisen in a company associated with a finance portal. Upon learning of such reports, I informed the banks again. Thereafter, I, along with the Directors of Mahila Bank, went to the office of Home Trade and Ketan Seth in Mumbai. They stated that they would give the money the following day or would provide some property to the bank. However, upon going there again the next day, no one was found. Thereafter, I remained in contact with the bank and advised them to file an appropriate police complaint.

The securities purchased by Mahila Bank on 27/02/02 were taken by ignoring my advice.

I am not a member or Director in any company. However, as a Chartered Accountant, I was initially paid consultancy fees. Later, the bank stopped paying specific fees and stated that I should recover my fees from the respective brokers. Accordingly, I received my fees from the brokers for the transactions conducted. Kanan Mewawala was working as a dealer in this company, Home Trade. Any correspondence on behalf of Home Trade was conducted through Kanan Mewawala, and we used to meet her at the company. I do not have information as to where she resided, but I can identify her by sight. I have not committed any fraud or breach of trust with the bank.

This much of my facts as stated above are correct and true.

Before me,

Sd/- Illegible

Police Inspector

Umra Police Station

Surat.

Date: 25/11/2005

My name is Neerajkumar Amidhar Surti, aged 36 years, occupation: Chartered Accountant, resident of: 55, Pritam Society, Section-1, Maksampur Road, Bharuch.

Upon being questioned in person, I state that I reside at the aforementioned address. My office is situated on the first floor, Surya Flats, Sevashram Road, Bharuch, under the name and style of "Neeraj A. Surti and Associates, Chartered Accountants."

Today, as you, Sir, have read out to me my statement recorded yesterday, dated 24/11/05, I state that the same is correct and true as recorded. Upon further questioning, I state in that regard that I have been arrested by you, Sir, yesterday on 24/11/05 at 19:30 hours in connection with the offence registered at Umra Police Station vide First C.R. No. 274/02 [noted as 247/02 in the Gujarati text], and the information regarding my arrest has been provided to my father via telephone.

This much is my supplementary fact.

Before me
Sd/- Illegible
Police Inspector
Umra Police Station
Surat.

To,
The Medical Officer,
New Civil Hospital,
Surat.

Subject: Regarding providing medical treatment to the accused.

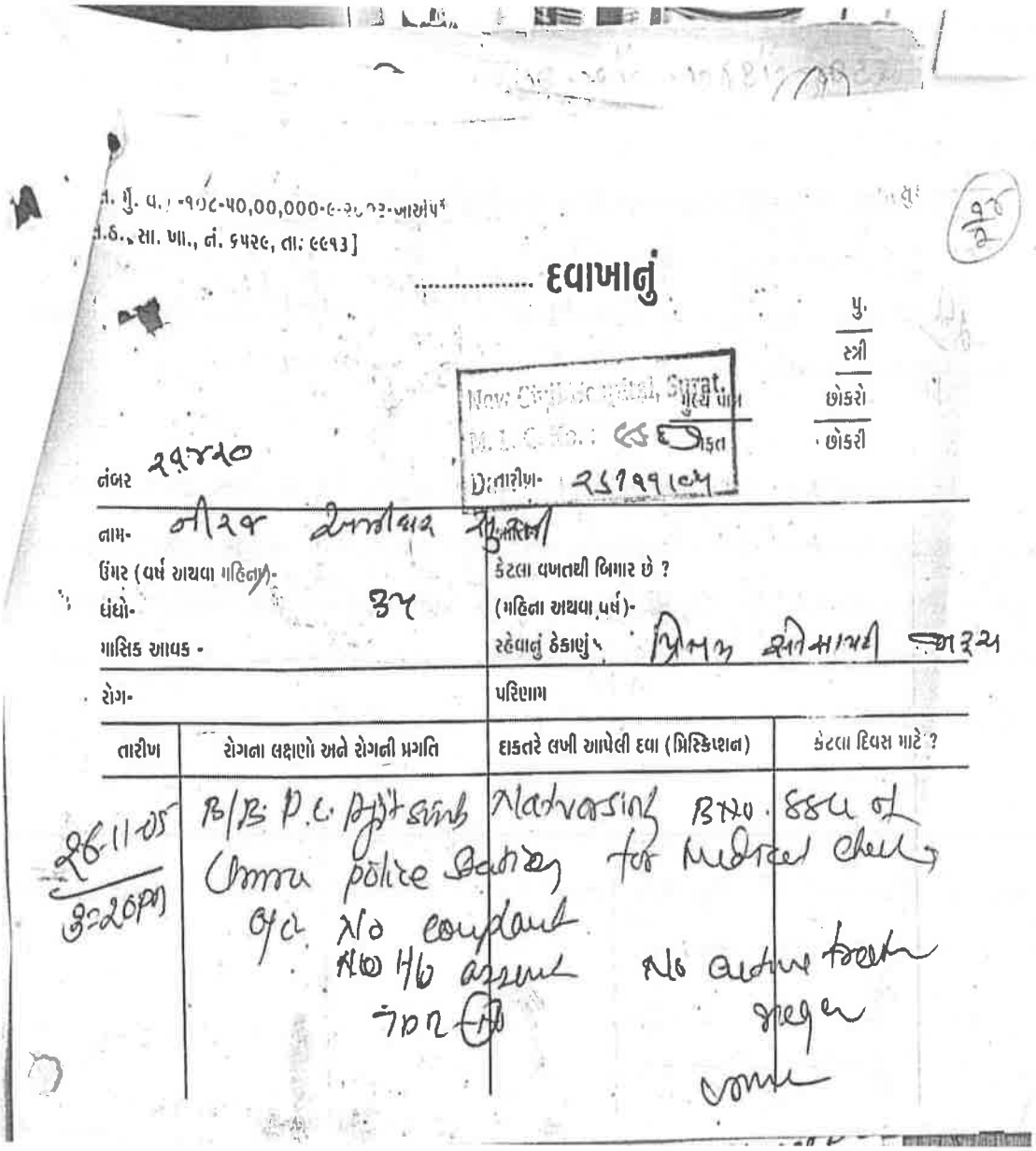
With due respect, it is submitted by the Police Station Officer, Umra Police Station, Surat City, that:

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 406, 420, 120B and 114 of the Indian Penal Code, the accused Neeraj Amidhar Surti, residing at 55, Pritam Society, Division-1, Maktampur Road, Bharuch, is presently under police remand.

Therefore, it is requested that medical examination/treatment of the said accused may kindly be carried out in accordance with the rules and regulations of the Government.

Date: 26/11/2005

Sd/- Illegible
Police Station Officer
Umra Police Station
Surat City.



ગ. ધું. ધ. ... -૧૦૮-૫૦,૦૦,૦૦૦-૯-૨૮૧૨-આમંપ
ગ.ઉ.ર.રા. ખા., નં. ૬૫૨૯, તા: ૯૯૧૩]

..... દવાખાનું

Navi Civil Hospital, Surat.
M. L. C. No.: 6
Date: 25/9/2002

પુ. / સ્ત્રી / છોકરો / છોકરી

નંબર ૨૯૪૨૦

નામ- મીરજ દેસાઈભાઈ મુસ્તફા

ઉંમર (વર્ષ અથવા મહિના)- ૩૫

ધંધો-

માસિક આવક -

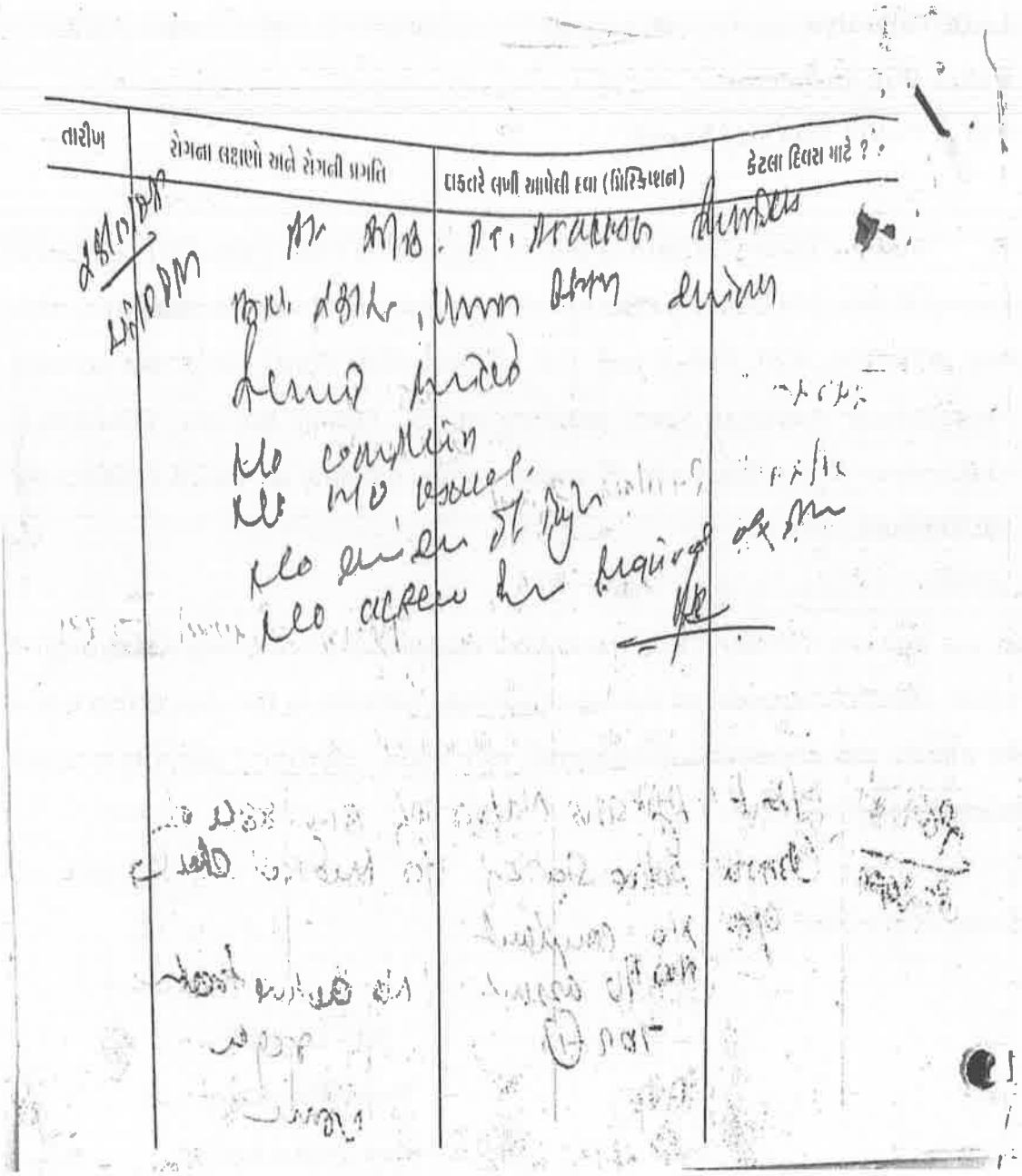
કેટલા વખતથી બિમાર છે ?
(મહિના અથવા વર્ષ)-

રહેવાનું ઠેકાણું :- પ્રિયમ સોસાયટી ઉમરા

રોગ-

પરિણામ

તારીખ	રોગના લક્ષણો અને રોગની પ્રગતિ	દાકતરે લખી આપેલી દવા (પ્રિસ્ક્રિપ્શન)	કેટલા દિવસ માટે ?
26-11-02 3:20pm	B/B: P.C. Police Station Umra C/c No complaint No 46 against him	Medicine for Medical check No advice taken	



તારીખ	રોગના લક્ષણો અને રોગની પ્રગતિ	ડાકતરે લખી આપેલી દવા (પ્રિસ્ક્રિપ્શન)	કેટલા દિવસ માટે ?

To,

L. D. Vagodiya

Police Sub-Inspector

Umra Police Station, Surat

You are hereby informed that in connection with Umra Police Station First C.R. No. 274/2002, for the offences punishable under Sections 465, 467, 468, 471, 406, 420, 120-B and 114 of the Indian Penal Code, the accused Neerajkumar Amidhar Surti, residing at 55, Pritam Society, Division-1, Maktampur Road, Bharuch, is under police remand up to 29/11/2005 till 10:30 hours.

You are therefore directed to take the said accused along with you and make efforts to apprehend the other accused persons in the said offence and to obtain the necessary documents, and upon returning, submit a report accordingly.

Date: 26/11/2005

Sd/- Illegible

Police Inspector

Umra Police Station

Surat City, Surat.

Inward/Outward No. 4557/05
Umra Police Station, Surat City
Date: 26/11/2005

To,
The Deputy Commissioner of Police,
South Division,
Surat City, Surat.

Subject: Request for permission to proceed to Maharashtra for investigation in Umra Police Station First C.R. No. 274/2002 under Sections 465, 467, 471, 406, 420, 120B and 114 of the Indian Penal Code.

With due respect, R. G. Jadeja, Police Inspector, Umra Police Station, Surat, most respectfully submits that:

In connection with Umra Police Station First C.R. No. 274/2002 under Sections 465, 467, 471, 406, 420, 120B and 114 of the Indian Penal Code, the accused Neerajbhai Amidhar Surti, residing at 55, Pritam Society, Division-1, Maktampur Road, Bharuch, who is presently under police remand, is required to be taken to Mumbai, Maharashtra for the purpose of investigation in the said offence.

Therefore, it is requested that permission may kindly be granted for the following police personnel of this police station to proceed for the said investigation:

Note:

1. PSI Shri L. D. Vagadiya
2. Head Constable Dilip Gopalbhai (Buckle No. 2234)
3. Police Constable Mahesh Jivrajbhai (Buckle No. 1085)

Submitted for necessary permission.

Sd/- Illegible
Police Inspector
Umra Police Station
Surat City, Surat.

(97)

प्रति
पोलीस सब इन्स्पेक्टर
मरीन ड्राइव पो. स्टे.
मुंबई - २०

अधि भारत सह पोलीस सब इन्स्पेक्टर
उमरा पो. स्टे. सुरत यांची फिर्यादी [illegible]

सुरत उमरा पो. स्टे. I गु.र.नं. 274/02 क.
IPC 465, 467, 468, 471, 420, 406, 114, 120 B. ३४
या गुन्हा चे अनुषंगाने श्रीमती [illegible]
रहे. अंधेरी [illegible] माळ [illegible] ३४
मरीन ड्राईव, मुंबई, [illegible] या गुन्हा या कामात
[illegible] अटक करावयाची असल्याने ते मा. कोर्ट
आदेश वर गुजरात सुरत उमरा पो. स्टे. फोन नं.
2669428 वर कळविणे बाबत फिर्याद आहे.
दि. 27.11.05

पो. सब-इन्स्पे.
उमरा पो. स्टे.
सुरत.
गुजरात

INSPECTOR OF POLICE MARINE DRIVE POLICE STATION MUMBAI

To,

The Medical Officer,

New Civil Hospital,

Surat.

Subject: Regarding providing medical treatment to the accused.

With due respect, it is submitted by the Police Station Officer, Umra Police Station, Surat, that:

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 470, 406, 420, 120B and 114 of the Indian Penal Code, the accused Neeraj Amidhar Surti, residing at 55, Pritam Society, Division-1, Maktampur Road, Bharuch, is presently under police remand.

The said accused had been given medical treatment on 26/11/2005 under M.S.C. Case No. 9687. Therefore, it is requested that further medical treatment may kindly be provided to him in accordance with the Government rules and regulations.

Date: 28/11/2005

Sd/- Illegible

Police Station Officer

Umra Police Station, Surat.

No./RB/SOUTH/2576/2005

Office of the Deputy Commissioner of Police,South Zone, IInd floor, M/S Bldg, Nanpura,Surat City, Gujarat,India.
Tel.0261-2463738.
Dt.30/11/2005

CERTIFICATE

This is to certify that the holder of this certificate is Shri L.D.Vagadiya, Police Sub Inspector of Umra Police Station, Surat City (Gujarat State).

The team comprising of above P.S.I, One H.C & One Police Constables is deputed for investigation on Umra Police Station I C.R.No.274/05, IPC. 465, 467, 471, 406, 420, 120B, 114. The team is to visit at Mumbai (Maharashtra).

It is requested that the said P.S.I may please be rendered necessary assistance.

P.I. UMARA
30 NOV 2005

(Khursheed Ahmed)
Deputy Commissioner of Police
South Zone, Surat city.

No.: R.B./2576/2005
Office of the Deputy Commissioner of
Police, South Division, Surat City.
Date: 30/11/2005

Subject: Grant of permission to proceed outstation for investigation.

Reference: Your Letter No. 4557 dated 28/11/2005

With reference to the above subject and the letter cited, permission is hereby granted in connection with the investigation of Umra Police Station First C.R. No. 274/2005 under Sections 465, 467, 471 and 406 of the Indian Penal Code, for PSI Shri L. D. Vagadiya, along with 1 Head Constable and 1 Police Constable, to proceed to Mumbai, State of Maharashtra, for the purpose of investigating the accused/witness in the said case.

While proceeding for the investigation, every police officer and police personnel shall carry their identity cards. Further, the PSI shall carry the service revolver, and the police personnel shall carry necessary arms and ammunition, and any required police assistance may be obtained from the local police station.

After returning from the investigation, a detailed progress report regarding the outcome of the investigation shall be submitted to this office.

During the monthly visit/inspection, no outstation investigation should be undertaken.

Sd/- Illegible
(Khursheed Ahmed)
Deputy Commissioner of Police
South Division, Surat City

Copy to:
Police Inspector
Umra Police Station
Surat City.

Date: 27/11/2005

My name is Hansaben, wife of Vasantbhai Devjibhai Mevawala, aged 53 years, occupation: Homemaker, resident of: Jayant Mahal Society, 27-B Road, Churchgate, Mumbai-20. Phone No. 022-22819290.

Upon being questioned in person, I state that I reside at the aforementioned address with my family and perform household work. My husband leads a retired life. I have one child, a son named Bharat, aged 34 years, who is serving at "Forum Jewellers" at Opera House. I have one daughter named Kanan, who is currently 29 years of age. My daughter Kanan was serving in the "Home Trade" company. She left home three years ago without informing us of anything. In this regard, we have also filed a missing person's report for my daughter at the Azad Maidan Police Station. My daughter was serving at Home Trade in Vashi, where she received a monthly salary of Rs. 15,000/-. My daughter Kanan had completed studies up to M.B.A. after B.Com. She served in this Home Trade from the year 2000 to 2002. Thereafter, upon my daughter Kanan Mevawala being arrested by the Bombay C.I.D., we had secured her release on bail. Subsequently, for some unknown reason, she left home without informing us of anything. Regarding this matter, I have also submitted an application to the Azad Maidan Police Station, which was filed on 29/06/2002. No trace of my daughter Kanan has been found to this day. Furthermore, should she ever be found, I shall inform the Surat Umra Police Station on Phone No. 2669428.

This much of my facts as stated above are correct and true.

Before,

Signature/- Illegible

Police Sub-Inspector,

Umra Police Station, Surat.

(20)

FROM: HANSA VASANT MEVAWALA
27-B Jayant Mahal, 'D' Road,
Churchgate, Mumbai 400 020.

Date: 26.6.2002.

TO

The Senior Inspector in charge,
Azad Maidan Police Station,
Mumbai 400 001.

Dear Sir,

I am a citizen of India and domiciled in the State of Maharashtra. I am residing at the above address with my husband, my son, my daughter in law and with my daughter called Kanan Vasant Mevawala. My daughter Kanan Vasant Mevawala is a spinster.

2. My daughter was rrested by Inspector of Police Economic Offence Wing GBCBCID Unit-I, Bombay and on 12.6.2002 my daughter Kanan Vasant Mevawala was ordered to be released on bail in the sum of Rs. 25,000/- with one solvent surety for the like amount, or cash in lieu of surety. However she was directed to attend the office of GB CB CID Mumbai between 12.30 p.m. to 4.30 p.m. for 15 days except Saturday and Sunday. Accordingly my daughter after depositing the Cash amount of Rs. 25,000/- in lieu of surety was released on bail; and thereafter from 13th June 2002 on words she was giving her attendanc before the GB CB CID Mumbai. During thetime she was giving attendance she was in a dippressed state of mind.

contd. 2.

Date: 27/11/2005

My name is Bharatbhai Vasantbhai Mevawala, age 35 years, occupation jewellery business, residing at 27-B, Jayant Mahal Society, Churchgate, Mumbai. Phone No.: 22819290.

Upon being asked in person, I state that I reside at the above-mentioned address with my parents and my wife named Falguni. I run a shop named Forum Jewellers at Opera House in partnership. My partner's name is Nafisa.

I have a sister named Kanan. In the year 2002, she left our house without informing us about anything. Regarding this matter, my mother Hansaben had given a missing complaint at Azad Maidan Police Station, City Mumbai.

Due to certain differences with my parents, I live separately with my family. After my sister Kanan went missing, we have made inquiries, but she has not been traced till date, and I have no information about her present whereabouts. My sister Kanan was also not married.

The above statement is true and correct as stated by me.

Before me

Sd/- Illegible

Police Sub-Inspector

Umra Police Station, Surat.

Date: 27/11/2005

My name is Tanaji Laxman Kubekar, aged 58 years, occupation: Security Head Officer, resident of: Yashwant Building, Lalbaug No. 6, S.S. Rao Road, Mumbai.

Upon being questioned in person, I state that I reside at the aforementioned address. I am currently serving as the Security Head Officer in the 'A' wing of the Mittal Court Building. I have been serving in security in this building for the last 18 years.

Today, as you, Sir, have questioned me regarding the company named "Home Trade" situated here, I state in that regard that a police offence was registered against this company named Home Trade. Subsequently, the police had sealed the said Home Trade office. As the office of Home Trade was on lease, the owners thereof, Shri D. H. Udani and L. H. Udani, obtained an order from the Honorable Court and consequently, approximately one to one and a half years ago, removed the seal and affixed a board in their own name. Currently, there is no office at this location, and it is vacant. Furthermore, I do not have any information as to the current whereabouts of the owners of Home Trade.

This much of my facts as stated above are correct and true.

In Person
Signature/- Illegible
Police Sub-Inspector,
Umra Police Station, Surat.

To,

The Police Inspector,

Umra Police Station,

Surat.

With due respect, L. D. Vagodiya, Police Sub-Inspector, Umra Police Station, most respectfully submits that:

As per your directions, I, along with Head Constable Dilip Gopalbhai and Police Constable Mahesh Jivrajbhai, proceeded with the accused Shri Neeraj Amidhar Surti in connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 406, 420, 114 and 120B of the Indian Penal Code, to conduct investigation at the residence of the absconding accused Ms. Kanan Mevawala.

During the course of investigation at her residence, she was not found present. Statements were therefore recorded from her mother, Hansaben, wife of Vasantbhai Devjibhai Mevawala, and her brother, Bharatbhai Vasantbhai Mevawala.

In her statement, Hansaben stated that her daughter Kanan had left home without informing anyone, and that she had also submitted an application regarding her daughter being missing at Azad Maidan Police Station, Mumbai. She further stated that till date no information regarding her whereabouts has been received.

The statements recorded from them, along with the copy of the application submitted by them, and the communication addressed to

Marine Drive Police Station (formerly Azad Maidan Police Station), Mumbai, as well as the statement of the Security Officer of the premises where the office of Home Trade was located, are enclosed herewith.

The same are submitted for being taken on record and included in the course of investigation.

Date: 28/11/2005

Sd/- Illegible
Police Sub-Inspector
Umra Police Station
Surat.

Umra Police Station First C.R. No. 274/2002

Remand Warrant

(Section – 344)

To,

The Officer-in-Charge,

Umra Police Station.

Whereas the Police Inspector R. G. Jadeja of Umra Police Station has produced before this Court the accused Neerajkumar Amidhar Surti, aged 36 years, residing at 55, Pritam Society, Division-1, Maktarpur, Bharuch, on the allegation that he has committed offences punishable under Sections 404, 406, 409, 420, 464, 465, 467, 468, 120B and 114 of the Indian Penal Code, and whereas the inquiry/investigation in the said case has been adjourned until Tuesday, the 29th day of November, 2005, it is considered necessary to remand the said accused.

Therefore, you are hereby commanded to receive the said accused into your custody and produce him before this Court at 10:30 a.m. on the aforesaid date.

Given under my hand and the seal of the Court this 25th day of November, 2005.

Sd/- Illegible

Chief Judicial Magistrate

Surat.

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Request to take the accused into the custody of the Court.

With due respect, R. G. Jadeja, Police Inspector, Umra Police Station, Surat City, most respectfully submits that:

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 404, 406, 409, 420, 464, 465, 467, 468, 120B and 114 of the Indian Penal Code, the accused Shri Neerajkumar Amidhar Surti, aged 36 years, residing at 55, Pritam Society, Division-1, Maktampura Road, Bharuch, was arrested on 24/11/2005 at 19:30 hours in connection with the aforesaid offence.

He is therefore produced before this Hon'ble Court and it is respectfully requested that he may kindly be taken into the custody of the Court.

Date: 25/11/2005

Sd/- Illegible
Police Inspector
Umra Police Station
Surat City, Surat.

To,

The Learned Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Request for grant of 7 days' police custody remand of the accused.

With due respect, R. G. Jadeja, Police Inspector, Umra Police Station, Surat City, most respectfully submits that:

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 406, 409, 420, 464, 465, 467, 468, 120B and 114 of the Indian Penal Code, the facts of the case are as follows:

The Directors of Home Trade Ltd., Mumbai, namely
(1) Sanjay Hariram Agrawal,
(2) Ketan Kantillal Sheth,
(3) Nandkishor Shankarlal Trivedi, and
(4) Subodh Bhandari,

along with the employees of the said company Neeraj Amidhar Surti and Kanan Mevawala, first gained the confidence of the complainant bank, The Surat Mahila Nagrik Cooperative Bank Ltd., by arranging purchase and sale of Government securities.

Thereafter, Home Trade Ltd. agreed to sell four different Government securities carrying different rates of interest to the said Mahila Nagrik

Cooperative Bank. Believing the representations made by them, the said bank paid a total amount of Rs. 9,68,10,666.67 to Home Trade Ltd. during the period from 31/10/2001 to 27/02/2002 for purchase of the said securities.

However, even after receiving the said amount, Home Trade Ltd. did not deliver the securities to the complainant bank. When the complainant repeatedly demanded delivery of the securities, the accused persons sent photocopies of securities of IDBI and Federal Bank and assured that the same would be delivered to the bank. However, the securities were never delivered.

Instead, the accused issued cheques towards payment, but the said cheques were dishonoured due to insufficient balance in the accounts of the accused.

Thus, the accused persons, in collusion with each other and by entering into a criminal conspiracy, have committed breach of trust and cheating, thereby causing financial loss of Rs. 8,59,65,655.82 to the complainant bank and its depositors.

In connection with the said offence, the accused Neeraj Amidhar Surti, residing at Plot No. 55, Pritam Society, Division-1, Maksampur Road, Bharuch, was arrested on 24/11/2005 at 19:30 hours.

This offence has been committed through a well-planned criminal conspiracy, resulting in cheating of a cooperative bank and its depositors. Therefore, in order to reach the root of the offence, it is necessary to keep the arrested accused in police custody and conduct a detailed interrogation.

Hence, the following grounds for remand are submitted for consideration:

Grounds for Remand:

(1) The accused (arrested) in this case is very cunning and clever and is not cooperating or giving satisfactory answers in the investigation of the offense. Therefore, it is likely to take time to extract the true facts by taking him into confidence and interrogating him, and his presence is necessary during this interrogation.

(2) In this case, has the Home Trade Company paid money to the accused towards commission and salary from the funds obtained from the complainant bank? Whether the accused has acquired any property from that money? Or where has he invested that money? For the investigation of these matters, the presence of the accused is necessary.

(3) The arrested accused in this case has received commission. Whether he received commission or was a partner in Home Trade? And how many rupees have come to his share? It is necessary to investigate this.

(4) Since he had identified himself as a director of Home Trade, was he a director or not? It is necessary to verify the documents regarding this.

(5) If the arrested accused was a director, has he signed any documents? For the purpose of this investigation, it appears necessary to go to other states as well. Therefore, it is necessary to conduct the investigation by keeping the accused with us.

(6) Earlier, four accused persons have been arrested in this case. While one accused in this case named Mrs. Kanan Mewawala is yet to be arrested. The said accused herself is absconding to avoid police arrest. Only the arrested accused knows the said accused. Moreover, the arrested accused might also know about her hiding places/shelters, and as the accused himself frequently visits Mumbai and knows the absconding accused very well, it is necessary to

investigate the absconding accused by keeping the said accused with us. Investigation is required regarding this. Furthermore, where the said accused himself has stayed after committing the offense—all information regarding this is yet to be collected. For which his presence is necessary.

(7) In this case, out of such a large amount of Rs. 8,59,65,666.82 invested by the complainant bank, the accused receives money towards commission and salary. Has he acquired any property from it? Also, where has he invested that money, and the muddamal (case property) in this case is yet to be recovered. For which the presence of the accused is necessary.

(8) In this case, the complainant bank, Surat Mahila Nagarik Sahakari Bank, had given HDFC Bank checks to Home Trade to purchase securities, and all those checks were deposited into the account of Home Trade. So, in which banks has this company deposited this money and in what manner and by whose signatures has it been withdrawn? As it is very necessary to investigate these matters, the interrogation of the accused as well as his presence is necessary.

For the reasons stated above, it is requested to grant 7 days' police custody remand of the accused.

Date: 25/11/2005

Sd/- Illegible
(R. G. Jadeja)
Police Inspector
Umra Police Station, Surat

Inward/Outward No.: 4617/2005
Umra Police Station, Surat City
Date: 20/11/2005

To,
The Learned Chief Judicial Magistrate,
Chief Court, Surat.

Subject: Request to take the accused into Court custody.

With due respect, R. G. Jadeja, Police Inspector, Umra Police Station, Surat, most respectfully submits that:

In connection with Umra Police Station First C.R. No. 274/2002 for offences punishable under Sections 465, 467, 468, 471, 420, 114 and 120B of the Indian Penal Code, the accused Shri Neeraj Kumar Amidhar Surti, aged 36 years, residing at 55, Pritam Society, Division-1, Maktampura Road, Bharuch, was arrested on 24/11/2005 at 19:30 hours in connection with the said offence.

He was produced before this Hon'ble Court within the prescribed time, and police custody remand up to 29/11/2005 at 10:30 hours was granted by this Hon'ble Court.

As the said period of police custody remand has now expired, the accused is hereby forwarded to the custody of this Hon'ble Court to be kept in judicial custody.

It is therefore respectfully requested that the accused may kindly be taken into Court custody.

Date: 29/11/2005

Sd/- Illegible
Police Inspector
Umra Police Station
Surat City, Surat.

Date: 29/11/2005

My name is Neerajkumar Amidhar Surti, age 36 years, occupation Chartered Accountant, residing at 55, Pritam Society, Division No. 1, Maktampur Road, Bharuch.

Upon being asked in person, I state that I reside at the above-mentioned address. I run my office as a Chartered Accountant on the first floor of Surya Flats, Sevashram Road, Bharuch, under the name and style of Neeraj A. Surti & Associates.

Today, when you read over to me the statements recorded by me yesterday dated 24/11/2005 and 25/11/2005, the same are true and correct as stated by me. Upon further inquiry, I state that the commission which I received for the deposits placed with the Mahila Bank through my mediation was utilized by me for my personal expenses. I do not have the exact information regarding the total amount of commission received by me. I used to receive commission (remuneration) ranging from 0.05 to 0.015, and the said amount was spent by me for my personal use.

The above is my additional statement, and it is true and correct as stated by me.

Before me,
Sd/- Illegible
Police Inspector
Umra Police Station, Surat.

ARREST MEMO

1. Name of Police Station: Umra Police Station

2. Crime Register Number and Sections:

First C.R. No. 274/2002, under Sections 471, 420, 465, 466, 468, 120B and 114 of the Indian Penal Code

3. Name and Address of the Arrested Person:

Neerajkumar Amidhar Surti,

55, Pritam Society, Division–1, Maktampur Road, Bharuch

4. Date, Time and Place of Arrest:

24/11/2005 at 19:30 hours,

Umra Police Station

5. Name of the Person Informed (Relative/Associate):

The father of the accused, Amidhar Hiralal Surti, was informed on telephone No. 02642-240007.

6. Relationship with the Arrested Person:

Father – Son

7. Signature of the Arrested Person:

Sd/- Illegible

(Neeraj A. Surti)

8. Signature of Relative/Associate of the Arrested Person:

Sd/- Illegible

(Kiran S. Gohil – Friend of the accused)

Resident of Sheth Faliyu, near Bajperawadni Wadi, Bharuch

Sd/- Illegible

Police Inspector

Investigating Officer

Umra Police Station

Surat

Chargesheet

Police Station: Umra Police Station, District: Surat

Chargesheet No. Date: **FIR No.** I-274/2002 Date: 2/7/02

Name, address and occupation of the complainant /informant: Pratibhaben w/o Bhupendrabhai Ramniklal Pachchigar, Res. 302, Ham Terrace Apartment, behind Saragam Complex, Umra, near Old Jakat Naka, Surat.

Name and Address of accused person sent up for trial In custody or on Bail	Name and address of accused person not sent up for trial, whether arrested or not addressed including absconders (show absconder in red ink)	Property (including weapons) found with particulars of where, when by and by whom found and whether forwarded to magistrate	Name and address of witness	Charge of information, name of offence and circumstance connected with it, in consice detail and under what section of law charged
1	2	3	4	5
Accused The accused Neerajkumar Amidhar Surti, aged 36 years, residing at 55, Pritam Society, Division-1, Maktampur Road, Bharuch,	Accused Yet to be Arrested 1. Kanan Mevawala, Resident of Jayant Mahal, 5th Floor, Opposite Wankhede	-	(1). The complainant Pratibhaben w/o Bhupendrabhai Ramnikbhai Pachchigar, Res. 302, Hem Terrace, Umra, Juna Jakatnaka, Surat.	Under Sections 465, 467, 468, 471, 420, 114 and 120B of the Indian Penal Code The accused mentioned in Column Nos. 1 and 2 established a firm named Home Trade Ltd., through which

was arrested on 24/11/2005 at 19:30 hours and has been forwarded within the prescribed time to remain in the custody of your Hon'ble Court.	Stadium, Marine Drive, Mumbai. Accused Arrested 1. Ketan Kantillal Sheth, Age 40 years 2. Sanjay Hariram Agrawal 3. Nandkishor Shankarlal Trivedi 4. Subodh Bhandari		Witnesses W-2: Shailaben, W/o Kiranbhai Haribhai Desai Resident of 11, Sarvodaya Park Society, Bhatar Road, Surat W-3: Kashmiraben, W/o Jimmy Naval Shah Kharadi Resident of Harkishan Baug, Adarsh Society, Athwalines, Surat W-4: Dharmishtaben, W/o Nitinkumar Dineshchandra Navab Resident of 68, Vrindavan, Subhashnagar Society, near Jamna Nagar, Dhod Dod Road, Surat W-5: Bhanumatiben, W/o Tulsidas Jethalal Zaveri Resident of	they used to carry out the business of brokerage in the purchase and sale of securities issued either by the Government of India or by private entities, for institutions or individuals requiring such securities. The accused mentioned in Column Nos. 1 and 2, in collusion with each other and pursuant to a criminal conspiracy, contacted the complainant bank in the present case and induced the complainant and the Directors of the bank to believe that if the bank purchased Government securities through their firm Home Trade, the bank would earn substantial profit. By creating such belief, the accused obtained from the complainant bank a

			2/45005, Shivdas Zaveri ni Sheri W-6: Umaben, Widow of Premalkumar Lalit Mohan Gandhi Resident of 8-C, Vandan Tribhuvan Complex, Ghoda Dod Road, Surat W-7: Kalaben, W/o Mahendrabhai Ishwarlal Shroff Resident of Block No. 8, First Floor, Building No. 2, Athwa Gate, Surat W-8: Kamalben, W/o Arunbhai Krishnanath Pradhan Resident of Kamal Building, Third Floor, behind T. & T.V. School, near Athwagate, Nanpura, Surat W-9: Gitaben, W/o Niranjanbhai Venilal Dalal	total amount of Rs. 9,68,10,166.67 through cheques during the period from 31/10/2001 to 27/02/2002, on the pretext of purchasing Government securities. However, after receiving the said amount, the accused failed to deliver the securities. When the complainant demanded delivery of the securities, the accused persons provided photocopies of securities of IDBI and Federal Bank, stating that securities of such nature would be delivered. Despite this representation, the accused did not deliver the said securities. Thus, the accused persons cheated the complainant bank and dishonestly misappropriated an amount of Rs. 8,59,65,655.82,

			Resident of 16/21, Maskati Plot, behind Kutchhi Super Stores, Parle Point, Surat W-10: Rekhaben, W/o Nimishbhai Pravinbhai Choksi Resident of 10/9, Siddhakruti Apartment, Sarela Wadi, Ghoda Dod Road, Surat W-11: Rajeshriben, W/o Ashokbhai Jagdishbhai Doctor Resident of 9/1962, Balaji Road, Surat W-12: Vinitaben, W/o Dipakbhai Ishwarbhai Lakdawala Resident of 501, Jal Darshan Building, near Bahumali Building, Nanpura, Surat W-13: Knowledgeable	thereby committing the aforesaid offences.

			Officer of HDFC Bank, Parle Point Branch, Surat W-14: Knowledgeable Officer of HDFC Bank, Fort Branch W-15: B. V. Ramani, Police Inspector (at the relevant time), presently at Athwa Police Station, Surat W-16: A. M. Rathod, Police Inspector (at the relevant time), presently at Special Branch, Surat W-17: R. G. Jadeja, Police Inspector (at the relevant time), Umra Police Station, Surat.	

Note:

1. In this case, the First Information Report (FIR) has already been forwarded earlier.

2. In this case, the identification sheet of the accused (face and marks), photograph, and arrest memo are enclosed herewith.

3. In this case, copies of the case papers required to be furnished to the Hon'ble Court and to the accused are enclosed herewith.

4. It is requested that summons be issued to the witnesses to remain present on the scheduled dates of hearing.

5. If the examination of additional witnesses becomes necessary, they will be produced before the Court during the course of the trial.

6. Necessary arrangements for the prosecution have already been made in this case.

Forwarded to:
The Learned Chief Judicial Magistrate, Chief Court, Surat.

Sd/- Illegible
Police Inspector
Umra Police Station
Surat City, Surat.

(69)

Criminal No. 53 of 2006.

Copy forwarded with compliments to :-

1. The Chief Judicial Magistrate, Surat.

2. The Police Inspector, Umra Police Station, Surat.

for information and necessary action.

By Order,

Deputy Registrar,
Sessions Court, Surat.

Sessions Court, Surat.....)
Date : 12 - 7 -2006.....)

In the Court of the Sessions Judge at Surat

Criminal Misc. Bail Application No. 1148 / 2006

Applicant: Kruti Neeraj Surti, Age approx. 38, Occupation: Housewife, R/o - Pritam Society Part-1, Maktampur Road, Bharuch.

Accused: Neeraj Amichand Surti, Age approx. 36, Occupation: Chartered Accountant, R/o - Pritam Society Part-1, Maktampur Road, Bharuch.

Versus

Opponent: State of Gujarat

Appearance:

For the Applicants: Ld. Advocate Shri K.C. Panwala

For the Opponent: Ld. Public Prosecutor Shri J. J. Gandhi

JUDGMENT

1. The applicant has filed this application under Section 439 of the Code of Criminal Procedure to release her husband, accused Neeraj Amichand Surti, on bail. The accused has been arrested in connection with Umra Police Station First C.R. No. 274/2002 for offenses under Sections 406, 409, 420, 464, 465, 467, 468, 471, 120 (B), and 114 of the Indian Penal Code.

2. Briefly, the facts of the incident are that the accused persons established a firm named Home Trade Ltd. Through this firm, they acted as brokers for the purchase and sale of securities issued by the Government of India or private

firms to interested institutions or individuals. The present and other accused, aiding each other, hatched a criminal conspiracy. They gained the trust of the complainant and the bank directors by assuring them of significant profits if they purchased Government Securities through their firm, Home Trade. Between 31-10-2001 and 27-02-2002, they obtained a total of Rs. 9,68,10,666.67 from the complainant's bank via checks for the purchase of securities but failed to provide them. When the complainant demanded the securities, the accused provided photocopies of I.D.B.I. and Federal Bank securities, claiming they would be provided, but failed to do so. Based on the complaint regarding cheating the bank of Rs. 8,59,65,655.82, the present accused has been arrested.

3. I have heard the Ld. Advocate Shri Panwala for the accused and the Ld. Public Prosecutor Shri J.J. Gandhi for the prosecution. The police investigation papers have been perused.

4. The submission of Ld. Advocate Shri Panwala for the accused is that the present accused is innocent and wishes to defend himself after being released on bail. The complaint was filed significantly late. A charge sheet has already been filed in this case, and upon reviewing it, no prima facie involvement of the present accused in the alleged crime appears. The present accused has not provided any assurance or trust to the bank, nor has he committed any cheating, breach of trust, or forgery. A transaction of a civil nature has been given a criminal color. The present accused is not the main accused. The main accused, Ketan Sheth, has been released on bail. The present accused is merely a Chartered Accountant and, in that capacity, only introduced Ketan Sheth. This case is based on documentary evidence. The present accused holds no position in Home Trade Ltd. The lower courts have jurisdiction to try such cases, and given the heavy caseload, it may take years for such a case to conclude. The accused has been in jail for a long time. Other accused in this case—Nandkishore Trivedi, Subodh Dayashankar Bhandari, and Sanjay

Agrawal—have been released on bail; therefore, based on the Rule of Parity, the accused should be released on bail. Furthermore, the evidence against the present accused is even weaker than against them. The accused is not likely to abscond, and there is no question of tampering with evidence. Under all circumstances, the accused should be released on bail.

5. The main accused in this case, Ketan Kantilal Sheth, filed Criminal Misc. Applications No. 6757/2006 and 6758/2006 before the Hon'ble High Court of Gujarat, which were allowed, and an order was passed to release him on bail. The prosecution has also not raised an objection against releasing the present accused on bail. Considering this and the Rule of Parity, it is deemed appropriate to release the present accused on a high bail amount subject to strict conditions. Moreover, the Hon'ble High Court of Gujarat has already released the present accused on bail in another similar complaint filed at Varachha Police Station. Under these circumstances, as it appears in the interest of justice to release the accused on bail, I finally pass the following order.

ORDER

Criminal Misc. Bail Application No. 1148/2006 is hereby allowed. Accused Neeraj Amichand Surti is ordered to be released on bail in connection with Umra Police Station First C.R. No. 274/2002, upon executing a personal bond of Rs. 1,00,000/- (Rupees One Lakh) and providing two solvent sureties of Rs. 50,000/- each, subject to the following conditions:

1. During the bail period, the accused shall not tamper with the prosecution evidence or cause any disruption.
2. The accused shall not take any undue advantage of his release on bail nor misuse his liberty.

3. During the bail period and until the conclusion of the case, the accused shall not leave the State of Gujarat without the written permission of this Court.

4. Until further orders, the accused shall mark his presence regularly at Umra Police Station on the third Tuesday of every month between 10:00 AM and 12:00 PM.

5. At the time of release on bail, the accused shall provide his full residential address and shall not change the place of residence without the prior permission of this Court.

Bail shall be furnished before the lower court and accepted only upon presentation of solvency certificates.

A necessary memorandum shall be issued in this regard.

Date: 11/07/2006

Sd/- [Illegible]
(M.H. Shah)
Sessions Judge, Surat

(29)

Criminal No. 93 of 2006.

Copy forwarded with compliments to :-

1. The Chief Judicial Magistrate, Surat.

2. The Police Inspector, Umra Police Station, Surat.

for information and necessary action.

By Order,

Deputy Registrar,
Sessions Court, Surat.

Sessions Court, Surat.....)
Date :12 - 7 -2006.....)

In the Court of the Learned Principal District and Sessions Judge at Surat

Criminal Misc. Application No. 2100 / 2006

Applicant: Neeraj Amichand Surti, caste: Hindu, age approx: 36, occupation: Chartered Accountant, R/o: Pritam Society Part-1, Maktampur Road, Bharuch.

Versus

Opponent: The State of Gujarat (Notice to be served to the D.G.P., Surat.)

Subject: Application for modification of bail conditions.

I, the applicant, humbly pray that:

1. In connection with Umra Police Station First C.R. No. 274/2002 for offenses under Sections 406, 409, 420, 464, 465, 467, 468, 471, 120 (B), 114, etc., of the I.P.C., a bail application was filed on behalf of the applicant under Section 439 of the Cr.P.C. vide Criminal Bail Application No. 1148/2006. In the said matter, the Learned District and Sessions Judge of Surat, Shri M.H. Shah, passed an order on 11-07-2006 to release the accused on bail upon executing a personal bond of Rs. 1,00,000/- and providing two solvent sureties of Rs. 50,000/- each, subject to the following conditions:

Conditions:

1. During the bail period, the accused shall not tamper with the prosecution evidence or cause disruption.
2. The accused shall not take any undue advantage of his release on bail nor misuse his liberty.
3. Until the conclusion of this case during the bail period, the accused shall not leave the State of Gujarat without the written permission of this Court.
4. Until further orders, the accused shall mark his presence regularly at Udhna Police Station (Note: originally Umra) on the third Tuesday of every month between 10:00 AM and 12:00 PM.
5. Upon release on bail, the applicant shall provide his full residential address and shall not change the place of residence without the prior permission of this Court.

The applicant is currently out on bail and has strictly followed the bail conditions to date, and will continue to do so. This application is filed to delete the aforementioned Conditions No. 3 and 4.

2. The applicant is a Chartered Accountant by profession and a member of The Institute of Chartered Accountants of India. The applicant practices under the name Neeraj A. Surti Associates, and his wife, Kruti Neeraj Surti, also conducts business as an investment consultant for the purchase and sale of securities.
3. Being a Chartered Accountant, the applicant frequently needs to travel outside the State of Gujarat for professional work. Since the applicant's clients are located in states outside of Gujarat, he must travel out of the state for consultancy. Furthermore, as the headquarters of The Institute of Chartered Accountants of India is in Delhi, it is necessary to travel there to participate in organized seminars. Participation in activities organized by the Institute is mandatory to keep the professional practice active. Additionally, travel is

required to attend educational courses for the CA profession. However, per the Court's bail order, the accused cannot leave the limits of Gujarat and thus cannot attend these essential engagements, causing significant professional hardship.

4. As a practicing Chartered Accountant, the applicant needs to travel outside Gujarat for seminars such as: "Full Day Seminar on Project Finance and IPO Consultancy," "Full Day Seminar on Income Tax," "Seminar on Emerging Trends in CA Profession," "Seminar on Up-to-date Various Laws," and "International Taxation Conference." Due to the bail condition, the applicant is unable to attend, causing professional loss. Under these circumstances, allowing the applicant to leave the limits of Gujarat would be considered just. I humbly pray to delete or, in the alternative, modify Condition No. 3.

5. The investigation in this case is complete, and the charge sheet has been submitted to the Court. Per Condition No. 4, the applicant regularly marks his presence at the Umra Police Station on the third Tuesday of every month. Apart from this case, there are three other cases against the applicant in different cities of Gujarat. On the scheduled dates for those matters, the applicant must and does remain present in the respective Courts. Occasionally, the Court dates and the required presence at the Umra Police Station coincide, causing great difficulty. Since the investigation is complete, deleting this condition would be in the interest of justice. Therefore, I humbly pray to delete Condition No. 4.

6. In the three other cases against the applicant, the Hon'ble High Court of Gujarat, considering similar circumstances, has modified the bail conditions. A copy of that order will be produced during the proceedings. If Conditions No. 3 and 4 in this matter are deleted or modified, it will be consistent with the Hon'ble High Court's order.

7. The applicant is a permanent resident of Bharuch, practices as a CA, and is a member of the M.I. Patel Youth Center and the Bharuch CA Association. He

has a prominent reputation in the profession and is a respected person with social standing. He owns movable and immovable property, possesses a PAN card, pays income tax, and is a responsible citizen of India. He is married and has a family. Under these circumstances, the accused is not likely to abscond. Moreover, as the entire case is based on documentary evidence, there is no possibility of tampering. Considering all these factors, I humbly pray to delete or modify Conditions No. 3 and 4.

8. The applicant will strictly adhere to any other conditions the Court may impose in lieu of deleting or modifying Conditions No. 3 and 4.

9. Therefore, it is prayed that:

1. In connection with Criminal Bail Application No. 1148/2006 for offenses under Umra Police Station First C.R. No. 274/2002, please be pleased to delete or, in the alternative, modify Condition No. 3: "Until the conclusion of this case during the bail period, the accused shall not leave the State of Gujarat without the written permission of this Court" and Condition No. 4: "Until further orders, the accused shall mark his presence regularly at Udhna Police Station on the third Tuesday of every month between 10:00 AM and 12:00 PM" in the interest of justice.

2. Grant any other special order as the Court deems fit.

Surat.

Date: 14-12-2006

Sd/- [Illegible]

Kirit C. Panwala

Advocate for the Applicant

(1) Police Station: Umra Police Station

(2) C.R. No: First C.R. No. 274 / 2002

(3) Sections: 406, 409, 420, 464, 465, 467, 468, 471, 120-B, 114 IPC

(4) Office Verification: Bail Application No. 1148/06 previously filed.

(5) Advocate Name: Shri K.C. Panwala

Sd/- [Illegible]

Deputy Registrar

Summons Court, Surat

Criminal Misc. Application No. 2100 / 2006

Hearing Date: 16/12/2006 (Note: Text shows 16/11, likely a typo for 12)

Notice to be given to the Public Prosecutor.

Date: 16/12/2006

Sd/- [Illegible]

Sessions Judge, Surat

Criminal Misc. Application No. – 2100 / 2006

Order below Exhibit - 1:

1. The applicant, **Neeraj Amichand Surti**, has filed this Criminal Miscellaneous Application to delete **Conditions No. 3 and 4** which were imposed at the time of releasing **him** on bail. An offense was registered against **him** at Umra Police Station vide First C.R. No. 274/2002 under Sections 406, 409, 420, 464, 465, 467, 468, 471, 120-B, 114, etc., of the Indian Penal Code. In connection with said offense, Criminal Misc. Bail Application No. 1148/2006 filed on behalf of the applicant was allowed by this Court on 11-07-2006 subject to certain conditions, and the present applicant was released on bail. Among the conditions imposed at the time of release, **Condition No. 3** stipulated that during the bail period and until the conclusion of the case, the accused shall not leave the State of Gujarat without the written permission of this Court; and **Condition No. 4** required the accused to mark **his** presence regularly at Umra Police Station every third Tuesday of the month between 10:00 AM and 12:00 PM until further orders.
2. As the applicant is a **Chartered Accountant** by profession, **he** frequently needs to travel outside the State of Gujarat. Since **his** clients are also located in states outside Gujarat, **he** must travel out of the state for consultancy. Furthermore, as the applicant is a Chartered Accountant and **The Institute of Chartered Accountants of India** is located in Delhi, it is necessary for **him** to travel there to participate in organized seminars. However, due to the condition prohibiting leaving the limits of Gujarat, **he** is unable to attend such seminars, resulting in professional hardship. Therefore, the present application is filed to delete the said condition. Similarly, the investigation of this case has

been completed and the charge sheet has also been submitted. Other cases have also been filed against the applicant in different cities, and on the scheduled dates of those matters, **he** has to remain present in the respective Courts; occasionally, the dates of Court production and marking presence coincide, causing great difficulty. Under all these circumstances, the present application is filed to delete or modify the condition of marking presence on the third Tuesday of every month.

3. **I** have heard the Ld. Advocate Shri Panwala for the applicant and the Ld. A.P.P. Ms. V.C. Panchal for the prosecution. The documents produced have been perused.

4. As the present applicant is a Chartered Accountant, there appears to be substance in the submission that **he** faces difficulty in marking presence and professional work due to the need to travel frequently outside Gujarat and remain present in different cities for other cases. Furthermore, the investigation of the case against the accused is complete and the charge sheet has been filed; under these circumstances, the Ld. A.P.P. has also stated that there is no objection if these conditions are now deleted. In view of these circumstances, it is in the interest of justice to allow the present application and delete both the imposed conditions. Accordingly, **I** finally pass the following order.

ORDER

Criminal Misc. Application No. 2100 / 2006 is hereby allowed.

In the order dated 11-07-2006, while allowing Criminal Misc. Bail Application No. 1148 / 2006 in connection with Umra Police Station First C.R. No. 274/2002 against accused **Neeraj Amichand Surti**, **Conditions No. 3 and 4** are hereby deleted.

All other conditions of the order in Criminal Misc. Bail Application No. 1148 / 2006 remain unchanged.

A necessary memorandum shall be issued in this regard.

Date: 16-12-2006

Sd/- [Illegible]

(M.H. Shah)

Sessions Judge, Surat.

CC No. 83/02

In the Court of Chief Judicial Magistrate First Class , Surat
C.C.No. of 2002

RESERVE BANK OF INDIA statutory corporation
(Statutory Corporation constituted under Reserve Bank of India Act,1934)
having its Central Office at Shaheed Bhagat Singh Marg,
Fort, Mumbai 400 001 and having an Office at La Gajjar Chambers,
Ahmedabad Gujarat – Represented by
Mr. Alampallam Venkataraman Sabhapathy, Deputy General Manager,
Urban Banks Department, Reserve Bank of India,
Ahmedabad
..... Complainant

Versus

1] Surat Nagrik Sahakari Bank Ltd., Surat.

2] Shri Bansilal M. Fudnawala,
[Chairman, Surat Nagrik Sahakari Bank Ltd., Surat]
"Nirant" 6-A, Adarsh Society, Near Parikshit Chhatralaya, Athwa Lines, Surat

3] Shri Mahendrabhai N. Katargamvala,
[Director, Surat Nagrik Sahakari Bank Ltd.],
"Bhakti Baug" Dholi Kui, Opposite Hotel Priya, Varaccha Road, Surat

4] Shri Chandrakantbhai C. Shah,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
10/623, Khapatia Chakla, Near Dr. Kagalvala's lane, Surat

5] Shri Sureshbahi P. Patel,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
1, Santokba Society, Behind Railway Police Lines, Varaccha Road, Surat

6] Shri Vallabhbhai Laxmanbhai Patel,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
Maskati Plot No. 2, "Hare Krishna" Bunglow No. 28, Parle Point, Surat

7] Shri Jayantilal R. Gandhi,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
C- 3-4, Shree Anand Society, Takshashila Apartments, Opposite Petrol Pump, Anand Mahal Road, Bhulka Bhuvan, Adajan, Surat

8] Shri Balkrishnabhai C. Dalal,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
4/2890, "Gokul", Mumbaivad, Begumpura, Surat

9] Shri Amrutlal R. Contractor,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
7/3970, Sitamata's Lane, Raghunathpura, Surat

10] Shri Ramanbhai D. Patel,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
Bunglow No. 92, SardarNagar Society, Sumul Dairy Road, Surat

11] Shri Dhirubhai R. Desai,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
203, Sannivas Flats, Opposite Choksi Villa, Chikuvadi, Ghoddaud Road, Surat

12] Shri Chhotalal L. Shah,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
6/639, Kumbharvad, Navapura, Behind Tower, Surat

13] Shri Jayantilal C. Jarivala,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
6/1649, Gundi Sheri, Lal Darwaja, Surat

14] Shri Pankajbhai C. Patel,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
7/3438, Rampura Main Road, Surat

15] Shri Vadilal B. Shah,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
2nd Floor, Vaibhav Chambers, Near Sadhna School, Varaccha Road, Surat

16] Meher K. Vaid,
[Manager, Head Office branch, Surat Nagrik Sahakari Bank Ltd., Surat]
Sherdiwala Blocks, Shahpore, Surat

Complaint under Sections 20, 21, 35A, 46, 47 and 56 of Banking Regulation Act, 1949 (AACS) r/w.Section 34 of Indian Penal Code

The complainant most respectfully submits that –

1. The Complainant is a statutory corporation established under the Reserve Bank of India Act 1934, having its Central Office at Shaheed Bhagat Singh Marg, Fort, Mumbai 400 001 and office at La Gajjar Chambers Ahmedabad Gujarat. The Complainant has filed this complaint through Shri Alampallam Venkataraman Sabhapathy, Dy.General Manager, Urban Banks Department,

Reserve Bank of India, Ahmedabad who has been duly authorized to sign, verify, present, file and prosecute the present complaint.

2. The accused No.1 is a Primary Co-operative Bank registered on March 15, 1973 under the Gujarat Co-operative Societies Act, 1961 having its registered office at Varaccha Road, Surat, and carries on business of banking within the area of Surat Municipal Corporation and its agglomeration of 10 Kms. from its registered office. The complainant has issued licence to the accused No.1 under Section 22 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies,) to carry on banking business vide Licence No. GJ. 1087 P dated September 14, 1994. The accused No.2 is the Chairman of the Accused No.1 and the Accused No.3 to 15 are Directors of Accused No.1 at the time of commission of the offence. The accused No.2 to 15 are directors of the Accused No.1 and were responsible for the conduct of the business, supervision and control of the affairs of the Accused No.1 at the time of commission of the offence. The accused No. 16 is the Manager at Head Office branch and Chief Executive Officer of the accused No.1. All the accused were in the charge of the affairs of the Accused No.1 and were responsible for the conduct of the banking business at the time of contravention of the provisions of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies). All the accused have committed offence, with common intention and with connivance with each other, punishable under Section 46 of the Banking Regulation Act, 1949 [As Applicable to Co-operative Societies] and under Section 34 of Indian Penal Code. Hence this complaint.

3. The accused No.1, for its banking activities, is governed by the provisions of Banking Regulation Act, 1949 (As applicable to Cooperative Societies), rules

made thereunder and directions, instructions and guidelines issued by the Complainant from time to time under the Banking Regulation Act (AACS). Accused 2 to 16 are also legally obliged to conduct the affairs of the Accused No.1 in accordance with the provisions of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies), Rules made thereunder, directions, instructions and guidelines issued by the complainant from time to time.

4. The complainant Reserve Bank on April 30, 2002 conducted a statutory scrutiny of the transactions in government securities of the Accused No.1 under Section 35 of the Banking Regulation Act, 1949 (AACS). During the said scrutiny, it was revealed to the complainant that the Accuseds entered into following transactions in the Government Securities as per the books of accounts through M/s. Home Trade :-

[Rs. In crore]

Sr. No.	Date of Purchase/ Sale	Name of Counter Party	Particulars of Securities	Face Value	Total consi-deration	Remarks
1.	Sale 27-06-01	M/s Home Trade Ltd., Mumbai	G.O.I. 11.03% 2012. G.O.I. 12.40% 2013- G.O.I. 12.25% 2008 G.O.I. 12.10% 2008	1.00 2.50 2.00 1.00	1.09 2.97 2.36 1.13 7.55	Securities at item No. 2 were purchased in lieu of these securities
2.	Purchase 27.06.01	- DO -	G.O.I. 10.70% 2020 G.O.I. 10.47% 2015 G.O.I. 10.50% 2014	3.00 1.50 2.50	3.21 1.63 2.62 7.46	
3.	Sale 6.12.01	- DO -	G.O.I. 10.70% 2020 G.O.I. 10.47% 2015	4.95 7.50	6.15 9.16 15.31	Securities at item No. 4 were purchased in lieu of these securities. Delivery of which was not received by the bank
4.	Purchase 6.12.01	- DO -	G.O.I. 7.00% 2009 G.O.I. 7.50% 2010	5.00 1.00	5.01 1.01 6.02	
5.	Sale 21.02.02	- DO -	G.O.I. 7.50% 2010 G.O.I. 7.00% 2009	10.00 5.00	10.50 5.12 15.62	Securities at item No 6 were purchased in lieu of these securities. Delivery of which was not received by the bank
6.	Purchase 21.02.02	- DO -	G.O.I. 8.07% 2017	15.00	16.10	The bank has not received delivery of these securities.

The accused entered into sale and purchase transactions of Government securities in physical form to the tune of Rs.68.06 crore. Out of which Rs. 29.58 crore was towards purchase transactions and Rs. 38.48 crore was towards sale transactions. All these transactions entered into by the accuseds with M/s Home Trade Ltd. were in contravention of directives issued by the complainant. The accuseds did not frame any investment policy nor submitted the same to the Board of Directors for approval as required under directive UBD No. Plan. 13/UB.81/92-93 dated 15 September 1992, UBD No. Plan. 74/UB81/92-93 dated May 17, 1993, UBD No. 21/12.15.00.93/94 dated September 21, 1993, UBD No. 3/09.29.00/ 93-94 dated August 2, 1993, UBD No.Plan.PCB.32/09.29.00/94/95 dated November 24, 1994, UBD No. Plan. PCB.69/09.29.01/95-96 dated June 21, 1996, UBD No. Plan. PCB.Clr.19/09.29.00/97-98 dated November 19, 1997 and UBD No.Plan.PCB.Clr.22/09.29.00/00-01 dated December 30, 2000, UBD No.BR.Clr.42/16.26.00/2000-01 dated April 19, 2001 and UBD No.BR.6/16.26.00/2000-01 dated August 9, 2001. The accused did not submit any quarterly review of the transactions in Government securities to their Board of Directors. Further, the Government securities transactions were neither audited by the Chartered Accountant nor the half yearly reports were submitted to Reserve Bank of India. The bank did not maintain its investments in government securities only in SGL accounts with Reserve Bank of India, or in Constituent SGL Account of Public Sector / Commercial Banks and Primary Dealers. The accuseds entered into contract for the sale and purchase of these Government securities with M/s Home Trade Ltd., a broker company. The accuseds also made short sales without having actual possession of the Government securities. While entering into transactions for purchase and sale of Government securities, the accuseds were required to submit the transfer deed in the prescribed form along with the scrips duly signed by the transferor and transferee to Reserve Bank of India for transfer of security in the records of the

Reserve Bank of India in the name of the purchaser and/the seller in terms of Rule 7 of Public Debt Rules, 1946. The alleged transactions of purchase are nothing but clean advance to the broker M/s Home Trade Ltd. by the accuseds as no securities were delivered by the broker M/s Home Trade Ltd. The transactions were in contravention of section 21 of Banking Regulation Act, 1949 (As Applicable to Cooperative Societies). The accuseds have violated the provisions of section 21 and directives issued by the Reserve Bank under section 21 read with section 35 of B. R. Act from time to time in respect of unsecured advance as well as maximum exposure limit to a single party. In the present case the maximum limit of unsecured advance to a single party was Rs. 50,000/-.

6. The accuseds have not obtained any Government security from the broker Home Trade Ltd, in respect of the transactions mentioned in paragraph 4. However, in the return filed by the Accused No.1 with the complainant in Form I and Form IX, accuseds have shown investment in Government securities for the purposes of SLR under section 24 of the B. R. Act whereas in the absence of securities these investment cannot be shown for the purposes of Statutory Liquidity Ratio (SLR). In fact, on being advised, the bank furnished fresh Returns excluding the value of securities which were not in their name / possessions. Therefore, the bank themselves had admitted initial wrong reporting in Form I and IX. The accuseds contravened the provisions of section 24 of the B.R. Act by showing incorrect information in their returns submitted to the complainant as per details furnished in the list of documents. The accuseds have failed to maintain SLR of 25% of their net demand and time liability as required under section 24 of the B. R. Act. The Accused No.1 has committed default in maintenance of SLR on three occasions as mentioned in the list of documents.

accuseds entered into transactions with a broker as counter party. They did not frame any investment policy required under extant directives for entering into Government securities transactions nor they fixed any limit of 5% for dealing through a single broker. The accuseds violated provisions of the directive UBD.Plan.PCB.32/09.29.00/94-95 dated 24 November 1994. The accuseds entered all the transactions through Home Trade Ltd. in blatant violations of the directives.

8. It is submitted that the accused bank was to deal only with the member of a Bombay Stock Exchange, OTC Exchange of India and National Stock Exchange. The accuseds were not permitted to enter into direct deal as counter party with the broker. The accuseds in contravention of the instructions entered into transactions in Government securities with Home Trade Ltd. which was not member of any of these stock exchanges. The accuseds also contravened the instructions of the complainant in this respect issued vide directive UBD.No. Plan.PCB.32/09.29.00/94-95 dated 24 November 1994. The accused No.1 is likely to suffer huge loss of Rs. 16.10 crore.

9. The accused 2 to 16 were in charge of accused No.1 and were responsible for the conduct of the business of accused No.1 at the time of commission of the offence. The accused were responsible for complying with the provisions of the Banking Regulation Act, 1949 and directions issued thereunder as members of the Board of Directors of the accused No.1 and as Chief Executive Officer. All accused are thus responsible for the acts of commissions and omissions by them. The offences committed by them are continuing offences. All accused did not take any steps to prevent the commission of the offences and all accused are responsible for contravention of the provisions of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies). The accused

have thus committed offences and are liable for prosecution and punishment under Section 46 read with Section 56 of the Banking Regulation Act, 1949 (AACS,).

10. The accuseds have committed offence punishable under section 46 read with section 56 of the B. R. Act, 1949. The offence has been committed within the local limits jurisdiction of the Honorable Court. Accused No.1 has its registered office within the local limits of the Honorable Court and the accuseds carry on business and work for gain within the local limits of the Honorable Court. Therefore this Honorable Court has got jurisdiction to entertain the complaint against the accuseds.

11. The complainant came to know about the commission of offence after the scrutiny of investment portfolio conducted on April 30, 2002 by its officer, the complaint is being filed within the time limit prescribed under the Code of Criminal Procedure, 1973.

12. The complainant has not imposed any penalty on the accused for these violations in pursuance of section 47A of the Banking Regulation Act. Therefore the present complaint is maintainable.

3. The complainant is a public servant and the present complaint is filed in official capacity. Therefore oral examination of the complainant may be dispensed with. The complainant is a public servant and is required to attend to his official duties and is represented by a Counsel. Therefore his personal presence may kindly be exempted by the Honorable Court. The complainant will appear as and when specifically required by the Honorable Court.

The complainant therefore humbly prays that:-

(a) Process please be issued against all accused under Sections 35A, 46, 47, 56 of the Banking Regulation Act, of 1949 r/w Section 34 of Indian Penal Code.

(b) All accused please be tried and punished deterently for the offences committed by them.

Surat-

Date : June 12th 2002.

Advocate for Complainant

For Reserve Bank of India

[Alampallam Venkataraman Sabhapathy]
Deputy General Manager
Urban Banks Department
Reserve Bank of India
La Gajjar Chambers
Ahmedabad – 380 009.

The list of witnesses of the complainant under Section 204 (2) of Criminal Procedure Code is as follows:-

1. Shri Alampallam Venkataraman Sabhapathy, Dy.Gen. Manager, RBI, UBD, Ahmedabad
2. Shri A H Shah, Manager, RBI, UBD, Ahmedabad
3. Shri M. K. Vaid, Manager, Surat Nagarik Sahakari Bank Ltd. with all the relevant documents –

Verification.

ફરિયાદી અલામપલ્લમ વેંકટરામન સભાપથી
એવા હું સોગંદ ઉપર એવું જાહેર કરું છું કે
ઉપરની ૧ થી ૧૨ કલમોમાં જણાવેલ હકીકતો
મારી જાણમાં છે. કેટલીક હકીકતો મારી
અંગત તપાસ ઉપરથી અને કેટલીક હકીકતો
મારી માહિતી મુજબ સાચી છે.

Verification

I, the complainant, Alam Palam Venkataraman Sabhapati, Deputy General Manager of the Reserve Bank of India (RBI), Ahmedabad, Gujarat, aged 56, occupation: service, address: Urban Banks Department, Reserve Bank of India, Ahmedabad, do hereby solemnly affirm on oath as per my religion that:

The Reserve Bank of India is established as a statutory corporation under the Reserve Bank of India Act, 1934. Its central office is located in Mumbai, and it has a regional office in Ahmedabad, Gujarat. The Reserve Bank has authorized me to file this complaint. Based on that authorization, I have filed the present complaint.

Accused No. 1, Surat Nagrik Bank Ltd., is registered under the Gujarat Co-operative Societies Act. The Reserve Bank has granted it a license for banking activities. Its registered office is located in Surat. The banking business in Surat city and Surat district is conducted from the aforementioned registered office. Accused No. 2 is the Chairman of the said bank, Accused Nos. 3 to 15 are its Directors, and Accused No. 16 is the Manager. In this manner, the responsibility for the management and supervision of the business conducted by Accused No. 1 Bank, as per the law, was and is theirs. Thus, all the accused are liable for the violation of the Banking Regulation Act, 1949 (as applicable to Co-operative Societies).

All the accused, with common intention and in collusion with one another, have committed offenses under the sections mentioned in the complaint of the Banking Regulation (B.R.) Act, 1949 (as applicable to Co-operative Societies) and have committed punishable offenses under Section 46 of the B.R. Act; under these circumstances, this complaint is filed.

Regarding the activities of Accused No. 1, Accused No. 1 is bound to perform activities in accordance with the provisions of the B.R. Act, 1949 (as applicable to Co-operative Societies). Furthermore, it was mandatory to remain bound by any guidelines issued by the Reserve Bank. The entire responsibility to ensure that the banking transactions of Accused No. 1 are conducted accordingly was and is that of Accused Nos. 2 to 15.

According to the inspection conducted by the Reserve Bank of India on 30/04/02, the accused had entered into transactions of Government Securities (G-Sec) totaling Rs. 68.06 Crores with Home Trade. This included purchases worth Rs. 29.58 Crores and sales worth Rs. 38.48 Crores. Conducting the aforementioned transactions with Home Trade was in violation of the directions issued by the RBI. The accused had not determined any policy or rules regarding investments. The accused did not present the quarterly report of investment in Government Securities before the Board of Directors. Such investments were neither audited by any Chartered Accountant (CA) nor was the quarterly report regarding this sent to the Reserve Bank. As per RBI orders, such investments should have been made only through SGL (Subsidiary General Ledger) accounts, which they failed to do.

The accused carried out the purchase and sale of Government Securities through a broker company. Despite not actually possessing Government Securities, the accused acted against the orders of the RBI. The accused did not follow the proper procedure to transfer the Government Securities into their own name. Therefore, all these transactions are considered as unsecured lending to Home Trade, because the accused did not receive any securities in these transactions. In doing so, the accused violated Section 21 of the B.R. Act, 1949 (as applicable to Co-operative Societies). They violated the limit which stipulates that unsecured lending to a single party should be [limited to] Rs. 50,000/-. Due to the aforementioned acts of the accused, a loss of Rs. 16.10 Crores has occurred.

Despite not possessing Government Securities, they periodically mentioned non-existent securities in the information provided to the Reserve Bank on behalf of the bank in Form Nos. 1 and 9. When this matter was brought to the bank's attention, they submitted revised Form 1-9 to the Reserve Bank, in which the Government Securities not in their possession were deducted. Thus, they have [effectively] admitted their offense. The accused have violated Section 24 of the B.R. Act, 1949 (as applicable to Co-operative Societies). The accused conducted these transactions with a broker and violated the order issued via the Reserve Bank circular dated 24/11/94, which mandates that transactions with any single broker should not exceed 5% of the total purchase-sale. The bank was required to conduct its investment transactions only through members of the Bombay Stock Exchange (BSE), OTCEI, or the National Stock Exchange (NSE). The accused were not permitted to deal directly with a broker. Nevertheless, by doing so, the accused violated the orders. Furthermore, the accused are still continuing to violate the aforementioned sections and the orders of the Reserve Bank. They have not taken any steps to prevent these violations. All the accused, with common intention and in collusion with one another, have committed offenses under the aforementioned sections of the B.R. Act. In doing so, they have committed punishable offenses related to Sections 46 and 56 of the B.R. Act. Therefore, my complaint is filed to take legal action against all the accused.

Date: 12/06/02

Sd/- [Illegible]

Before me,

Chief Judicial Magistrate, Surat

ORDER

An order is hereby passed to issue summons against the accused under **Sections 20, 21, 35-A, 46, 47, and 56** of the Banking Regulation Act, 1949

(as applicable to Co-operative Societies) and under **Section 34 of the I.P.C.,** upon payment of the process fee.

Date:-12/06/02

Sd/- [Illegible]

Chief Judicial Magistrate, Surat

Sd/- [Illegible]

Registrar,

Chief Judicial Magistrate Court, Surat

C.C.No. 8062/02

In the Court of Chief Judicial Magistrate First Class , Surat
C.C.No. of 2002

RESERVE BANK OF INDIA statutory corporation
(Statutory Corporation constituted under Reserve Bank of India Act,1934)
having its Centra. Office at Shaheed Bhagat Singh Marg,
Fort, Mumbai 400 001 and having an Office at La Gajjar Chambers,
Ahmedabad Gujarat – Represented by
Mr. Alampallam Venkataraman Sabhapathy, Deputy General Manager,
Urban Banks Department, Reserve Bank of India,
Ahmedabad
..... Complainant

Versus

1] Adajan Nagarik Sahakari Bank Ltd., Adajan.

2] Haribhai Ranchhodji Patel
[Chairman, Adajan Nagarik Sahakari Bank Ltd.],
B-4, Nandan Appt.,
B/H. Watertank
Adajan Road,
Surat – 395 009.

3] Naginbhai Punjabhai Patel
[Director, Adajan Nagarik Sahakari Bank Ltd.],
70-B, Rain Basera,
Sugam Society
Rander Road
Surat.

4] Amrutlal Nagindas Patel
[Director, Adajan Nagarik Sahakari Bank Ltd.],
C-4, Gitanagar,
Adajan Road
Surat.

5] Pankajbhai Dhansukhlal Shah
[Director, Adajan Nagarik Sahakari Bank Ltd.],
B/8,Nandan Appt., B/h. Watertank
Adajan Road
Surat.

6] Ramanlal Ranchhodji Patel
[Director, Adajan Nagarik Sahakari Bank Ltd.],
25, Vandana Society
B/h. Watertank
Adajan Road
Surat.

7] Pravinsinh Naharsinh Mahida
[Director, Adajan Nagarik Sahakari Bank Ltd.],
A-1, Nandan Appt.,
B/h. Watertank
Adajan Road
Surat.

Complaint under Sections 20, 21, 35A, 46, 47 and 56 of Banking Regulation Act, 1949 (AACS) r/w.Section 34 of Indian Penal Code

The complainant most respectfully submits that –

1. The Complainant is a statutory corporation established under the Reserve Bank of India Act 1934, having its Central Office at Shaheed Bhagat Singh Marg, Fort, Mumbai 400 001 and office at La Gajjar Chambers, Ashram Road, Ahmedabad, Gujarat. The Complainant has filed this complaint through Shri Alampallam Venkataraman Sabhapathy, Dy.General Manager, Urban Banks Department, Reserve Bank of India, Ahmedabad who has been duly authorized to sign, verify, present, file and prosecute the present complaint.

2. The accused No.1 is a Primary Co-operative Bank registered on 20-10-1997 under the Gujarat Co-operative Societies Act, 1961 having its registered office at Surat and carries on business of banking within the area of Surat from its registered office. The complainant has issued licence to the accused No.1 under Section 22 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies,) to carry on banking business vide Licence No. GUJ-1537-P dated 12-01-98. The accused No.2 is the Chairman of the Accused No.1 and the Accused No.3 to 13 are Directors of Accused No.1 at the time of commission of the offence. The accused No.2 to 13 are directors of the Accused No.1 and were responsible for the conduct of the business, supervision and control of the affairs of the Accused No.1 at the time of commission of the offence. The accused Nos. 14 and 15 are the Chief Executive Officers of the accused No.1. All the accused were in the charge of the affairs of the Accused No.1 and were responsible for the conduct of the banking business at the time of contravention of the provisions of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies). All the accused have committed offence, with common intention and with connivance with each other, punishable under Section 46 of the Banking Regulation Act, 1949 [As Applicable to



8] Parbatbhai Bholabhai Davaria
[Director, Adajan Nagarik Sahakari Bank Ltd.],
B-5, Aaruti, Arogyanagar
Athwalines
Surat.

9] Laxmiben Narottambhai Patel
[Director, Adajan Nagarik Sahakari Bank Ltd.],
Navrang Society
Adajan
Surat.

10] Varshaben Maheshbhai Desai
[Director, Adajan Nagarik Sahakari Bank Ltd.],
4, Anand Kunj Society
Adalaj Road
Surat.

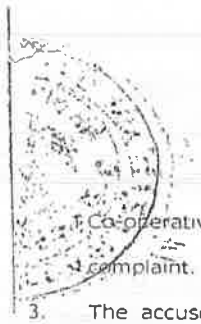
11] Induben Mahendbhai Shah
[Director, Adajan Nagarik Sahakari Bank Ltd.],
1, Riddhi Siddhi
Pragati Society
Rander Road
Surat.

12] Dolatsinh Kabhaysinh Sindra
[Director, Adajan Nagarik Sahakari Bank Ltd.],
2-B, Chandan Park
Nr. Sardar Bridge
Adajan Road
Surat.

13] Kanchanlal Dittabhai Daruwala
[Director, Adajan Nagarik Sahakari Bank Ltd.],
Bhandariwad
Adajan
Surat.

14] Mukesh Ranchhodji Naik
[Manager, Adajan Nag.Sahakari Bank Ltd.][15-3-99 to 30-4-20
33, Narayan Appt.
Asha Nagar
Navsari – 396 445.

15] Ashokbhai Jayantilal Sheth
[Manager, Adajan Nag.Sahakari Bank Ltd.] [1-5-2001 onwards
20, Giriraj Society
New Rander Road
Surat.



Co-operative Societies] and under Section 34 of Indian Penal Code. Hence this complaint.

3. The accused No.1, for its banking activities, is governed by the provisions of Banking Regulation Act, 1949 (As applicable to Cooperative Societies), rules made thereunder and directions, instructions and guidelines issued by the Complainant from time to time under the Banking Regulation Act (AACS). Accused 2 to 15 are also legally obliged to conduct the affairs of the Accused No.1 in accordance with the provisions of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies), Rules made thereunder, directions, instructions and guidelines issued by the complainant from time to time.

4. The complainant Reserve Bank on 30th April 2002 conducted a statutory scrutiny of the transactions in government securities of the Accused No.1 under Section 35 of the Banking Regulation Act, 1949 (AACS). During the said scrutiny, it was revealed to the complainant that the Accuseds entered into following transactions in the Government Securities as per the books of accounts through M/s. Home Trade: -

[Rs. In crores]

Date of Purchase/ Sale	Name of Counter Party	Particulars of Securities	Face Value	Total consider ation	Remarks
Purchase 30.08.01	Home Trade	G.O.I.2021 10.25%	0.50	0.52	Sold against delivery
Sale 7.12.01	"	Tamil Nadu 12.00% 2012	1.00	1.21	
		G.O.I. 2012 10.25%	0.50	0.58	
		G.O.I. 2021 10.25%	0.50	0.59	
Purchase 7.12.01	"	G.O.I.2010 7.50%	3.00	3.06	
Sale 30.03.02	"	G.O.I. 2010 7.50%	3.00	3.16	
Purchase 30.03.02	"	G.O.I. 2017 8.07%	3.00	3.20	

5. The accused entered into sale and purchase transactions of Government securities of the face value of Rs.11.50 crore. Out of which Rs. 5.00 crore was sale and Rs.6.50 crore purchase transactions. All these transactions entered into by the

accuseds with Home Trade Ltd. were in contravention of directives issued by the complainant. The accuseds did not frame any investment policy nor submitted the same to the Board of Directors for approval as required under directive UBD No.Plan.13/UB.81/92-93 dated 15 September 1992, UBD No.Plan.74/UB81/92-93 dated May 17, 1993, UBD No.21/12.15.00.93/94 dated September 21, 1993, UBD No.3/09.29.00/93-94 dated August 2, 1993, UBD No.Plan.PCB.32/09.29.00/94/95 dated November 24, 1994, UBD No.Plan.PCB.69/09.29.01/95-96 dated June 21, 1996, UBD No.Plan.PCB.Cir.19/09.29.00/97-98 dated November 19, 1997 and UBD No.Plan.PCB.Clr.22/09.29.00/00-01 dated December 30, 2000, UBD No.BR.Cir.42/16.26.00/2000-01 dated April 19, 2001 and UBD No.BR.6/16.26.00/2000-01 dated August 9, 2001. The accused did not submit any quarterly review of the transactions in Government securities to their Board of Directors. Further, the Government securities transactions were neither got audited by the Chartered Accountant nor the half yearly reports were submitted to Reserve Bank of India. The bank did not maintain its investment in Government Seeurities only in S.G.L. accounts with Reserve Bank of India or in constituent S.G.L. account of Public Sector / Schedueld Commercial Banks and Primary Dealers. The accuseds entered into contract for the sale and purchase of these Government securities with Home Trade Ltd., a broker company. The accuseds also made short sales without having actual possession of the Government securities. While entering into transactions for purchase and sale of Government securities, the accuseds were required to submit the transfer deed in the prescribed form along with the scrips duly signed by the transferor and transferee to Reserve Bank of India for transfer of security in the records of the Reserve Bank of India in the name of the purchaser and/the seller in terms of Rule 7 of Public Debt Rules, 1946. The alleged transactions of purchase are nothing but clean advance to the broker Home Trade Ltd. by the accuseds as no securities were delivered by the broker Home Trade Ltd. The transactions were in contravention of

8. It is submitted that the accused bank was to deal only with the member of a Bombay Stock Exchange, OTC Exchange of India and National Stock Exchange. The accuseds were not permitted to enter into direct deal as counter party with the broker. The accuseds in contravention of the instructions entered into transactions in Government securities with Home Trade Ltd., which was not member of any of these stock exchanges. The accuseds also contravened the instructions of the complainant in this respect issued vide directive UBD.No. Plan.PCB.32/09.29.00/94-95 dated 24 November 1994. The accused No.1 is likely to suffer huge loss of Rs.3.20 crore.

9. The accused 2 to 15 were in charge of accused No.1 and were responsible for the conduct of the business of accused No.1 at the time of commission of the offence. The accused were responsible for complying with the provisions of the Banking Regulation Act, 1949 and directions issued thereunder as members of the Board of Directors of the accused No.1 and as Chief Executive Officers. All accused are thus responsible for the acts of commissions and omissions by them. The offences committed by them are continuing offences. All accused did not take any steps to prevent the commission of the offences and all accused are responsible for contravention of the provisions of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies). The accused have thus committed offences and are liable for prosecution and punishment under Section 46 read with Section 56 of the Banking Regulation Act, 1949 (AACS,).

10. The accuseds have committed offence punishable under section 46 read with section 56 of the B.R. Act, 1949. The offence has been committed within the local limits jurisdiction of the Hon'ble Court. Accused No.1 has its registered office within the local limits of the Hon'ble Court and the accuseds carry on business and work for gain within the local limits of the Hon'ble Court. Therefore this Hon'ble Court has got jurisdiction to entertain the complaint against the accuseds.



Section 21 of Banking Regulation Act, 1949 (As Applicable to Cooperative Societies). The accuseds have violated the provisions of section 21 and directives issued by the Reserve Bank under section 21 read with section 35 of B.R. Act from time to time in respect of unsecured advance as well as maximum exposure limit to a single party. In the present case the maximum limit of unsecured advance to a single party was Rs.25,000/-.

6. The accuseds have not obtained any Government security from the broker Home Trade Ltd, in respect of the transactions mentioned in paragraph 4. However, in the return filed by the Accused No.1 with the complainant in Form I and IX, accuseds have shown investment in Government securities for the purposes of SLR under section 24 of the B.R. Act whereas in the absence of securities these investment cannot be shown for the purposes of Statutory Liquidity Ratio (SLR). In fact, on being advised, the bank furnished fresh Returns excluding the value of securities which were not in their name / possessions. Therefore, the bank themselves had admitted initial wrong reporting in Form I and IX. The accuseds contravened the provisions of section 24 of the B.R. Act by showing incorrect information in their returns submitted to the complainant as per details furnished in the list of documents. The accuseds have failed to maintain SLR of 25% of their net demand and time liability as required under section 24 of the B.R. Act. The Accused No.1 has committed default in maintenance of SLR on 11 occasions as mentioned in the list of documents.

7. The accuseds entered into transactions with a broker as counter party. They did not frame any investment policy required under extant directives for entering into Government securities transactions nor they fixed any limit of 5% for dealing through a single broker. The accuseds violated provisions of the directive UBD.Plan.PCB.32/09.29.00/94-95 dated 24.November 1994. The accuseds entered all the transactions through Home Trade Ltd. in blatant violations of the directives.



The complainant came to know about the commission of offence after the scrutiny of investment portfolio conducted on 30th April 2002 by its officer, the complaint is being filed within the time limit prescribed under the Code of Criminal Procedure, 1973.

12. The complainant has not imposed any penalty on the accused for these violations in pursuance of section 47A of the Banking Regulation Act. Therefore the present complaint is maintainable.

13. The complainant is a public servant and the present complaint is filed in official capacity. Therefore oral examination of the complainant may be dispensed with. The complainant is a public servant and is required to attend to his official duties and is represented by a Counsel. Therefore his personal presence may kindly be exempted by the Hon'ble Court. The complainant will appear as and when specifically required by the Hon'ble Court.

14. The complainant therefore humbly prays that: -

(a) Process please be issued against all accused under Sections 35A, 46, 47, 56 of the Banking Regulation Act, of 1949 r/w Section 34 of Indian Penal Code.

(b) All accused please be tried and punished deterrently for the offences committed by them.

Surat

Date : June 2002.

Advocate for Complainant

For Reserve Bank of India

[Alampallam Venkataraman Sabhapathy]
Deputy General Manager
Urban Banks Department
Reserve Bank of India
La Gajjar Chambers
Ahmedabad – 380 009.

9

The list of witnesses of the complainant under Section 204 (2) of Criminal Procedure Code is as follows:-

1. Shri Alampallam Venkataraman Sabhapathy, Dy.Gen. Manager, RBI, UBD, Ahmedabad.
2. Shri A H Shah, Manager, RBI, UBD, Ahmedabad.
3. Shri Mukesh Ranchhodji Naik, Manager, Adajan Nagarik Sahakari Bank Ltd.
4. Ashokbhai Jayantilal Sheth, Manager, Adajan Nagarik Sahakari Bank Ltd.

with all the relevant documents.

List of documents relied on by the complainant.

1. Books of Accounts of the Accused No 1 for the years 2001 to 2002.

In the Court of Chief Judicial Magistrate First Class, Surat

C.C.No. of 2002

Reserve Bank of India

Vs

Adajan Nagarik Sahakari Bank Ltd. Surat

List of documents filed by the complainant Reserve Bank of India

Sr. No.	Particular	Annexure/ Exhibit	Page No.
1	Authorisation dated June 6, 2002 in favour of Shri Alampallam Venkataraman Sabhapathy, DGM, for filing complaint	P1	--
2	Extract from scrutiny report dated 4 May 2002	P2	--
3	Circulars UBD No.Plan.13/UB .81/92-93 dated 15 September 1992	P3	Booklet Page 1
4	Circular UBD No.Plan.74/UB 81/92-93 dated May 17, 1993.	P4	Booklet Page 8
5.	UBD No.3/09.29.00/93-94 dated August 2, 1993.	P5	Booklet Page 10
6.	UBD No.21/ 12.15.00. 93/94 dated September 21, 1993.	P6	Booklet Page 14
7.	UBD No.Plan.PCB. 32/09.29.00 /94/95 dated November 24, 1994	P7	Booklet Page 43
8	UBD No.Plan.PCB.69/09.29.01/ 95-96 dated June 21, 1996.	P8	Booklet Page 48
9	UBD No.Plan.PCB.Cir. 19/09 .29.00/97-98 dated November 10, 1997	P9	Booklet Page 49
10	UBD No.Plan.PCB.Cir. 22/09. 29. 00/ 00-01 dated December 30, 2000.	P10	Booklet Page 51
11	UBD No.BR.Cir.42/16.26.00/ 2000-01 dated April 19, 2001.	P11	Booklet Page 53
12	UBD No BR 6/16 26.00/ 2000-01 dated August 9, 2001.	P12	Booklet Page 55
13	RBI Circular No. DS.CIR.31/13.05.00/ 1999-2000 dated 1.4.2000 regarding maximum limit on individual credit exposure	P13	Booklet Page 50
14	Copy of Central Office letter UBD No.DS. PCB.CIR 39/13.05.00/95-96 dated January 16, 1996 regarding limits on credit exposure to individual and group of borrowers	P14	Booklet Page 45
15	Statutory return in Form I and IX submitted by the accused to the Reserve Bank of India for the period 2001-2002.	P15	--
16	Details of defaults in maintenance of SLR under section 24 of the B.R. Act (AACS)	P16	--
17	Details of incorrect information furnished in Returns submitted to RBI – Revised Returns furnished by the bank.	P17	--

Verification

I, the complainant, **Mr. Alam Palam Venkataraman Sabhapati**, Deputy General Manager of the **Reserve Bank of India (RBI)**, Ahmedabad, Gujarat, aged 58, occupation: service, address: Urban Banks Department, Reserve Bank of India, Ahmedabad, do hereby solemnly affirm on oath as per my religion that:

The Reserve Bank of India is established as a statutory corporation under the **Reserve Bank of India Act, 1934**. Its central office is located in Mumbai, and it has a regional office in Ahmedabad, Gujarat. The Reserve Bank has appointed **me** to file this complaint. Based on that appointment, **I** have filed the present complaint.

Accused No. 1, Adajan Nagrik Sahkari Bank Ltd., Adajan, is registered under the Gujarat Co-operative Societies Act, 1961, and the Reserve Bank has granted it a license for banking activities. Its registered office is located in Surat. The banking business is conducted from its registered office. **Accused No. 2** is the Chairman of the said bank, **Accused Nos. 3 to 13** are its Directors, and **Accused Nos. 14 and 15** are its Managers. Accused Nos. 2 to 15 have and had the responsibility to manage and supervise the business conducted by Accused No. 1 as per the law. Thus, all the accused are liable for the violation of the **Banking Regulation Act, 1949** (as applicable to Co-operative Societies).

All the accused were bound to perform activities according to the provisions of the Banking Regulation Act, 1949 (as applicable to Co-operative Societies) and, in addition, were bound to follow any guidelines issued by the complainant under this Act. According to the investigation conducted by the Reserve Bank of India on **30/04/02**, the accused had entered into transactions of Government Securities totaling **Rs. 11.50 Crores**. This included sales worth **Rs. 5 Crores** and purchases worth **Rs. 6.50 Crores**,

which were conducted with **Home Trade**. All these transactions with Home Trade were in violation of the directions issued by the complainant. The accused had not determined any policy or rules regarding investments. They did not present the quarterly reports of investment in Government Securities before the Board of Directors.

Such investments were neither audited by any Chartered Accountant (CA) nor was the quarterly report regarding this sent to the Reserve Bank. As per Reserve Bank orders, such investments should have been made only through **SGL (Subsidiary General Ledger) accounts**, which they failed to do. The accused carried out the purchase and sale of Government Securities through a broker company. Despite not actually possessing Government Securities, the accused acted against the orders of the Reserve Bank. The accused did not follow the proper procedure to transfer the Government Securities into their own name. Therefore, all these transactions are treated as **unsecured lending** to Home Trade, as the accused did not receive securities in these transactions. In doing so, the accused violated **Section 21** of the B.R. Act, 1949 (as applicable to Co-operative Societies). Due to the aforementioned acts of the accused, a loss of **Rs. 3.28 Crores** has occurred. The limit for unsecured lending to a single party is **Rs. 50,000/-**, which has been violated.

Despite not possessing Government Securities, they periodically mentioned non-existent securities in the information provided to the Reserve Bank on behalf of the bank in **Form Nos. 1 and 9**. When this matter was brought to the bank's attention, they submitted Form Nos. 1 and 9 to the Reserve Bank, in which the government securities not in their possession were deducted. Thus, they have violated **Section 24** of the B.R. Act (as applicable to Co-operative Societies). The accused conducted these transactions with a broker and violated the order assigned via the Reserve Bank circular dated **24/11/94**, which mandates that transactions with any single broker should not

exceed **5%** of the total purchase-sale. The bank was required to conduct its investment transactions only through members of the **Bombay Stock Exchange (BSE)**, **OTCEI**, or the **National Stock Exchange (NSE)**. The accused were not permitted to deal directly with a broker. Nevertheless, by doing so, the accused violated the orders.

Thus, all the aforementioned accused have violated the sections mentioned above and the orders of the Reserve Bank, and continue to do so. They have not taken any steps to prevent such violations. Therefore, they have committed a serious offense and, in connection with **Section 46 of the B.R. Act**, have committed punishable offenses. All the accused, with common intention and in collusion with one another, have committed the aforementioned crime. Consequently, all the accused have become liable for all the offenses mentioned in the complaint. Therefore, this complaint is filed to initiate legal action against them.

Date: 12/06/02

Sd/- [Illegible]

Before me,

Chief Judicial Magistrate, Surat

ORDER

An order is hereby passed to issue summons against the accused under **Sections 20, 21, 35-A, 46, 47, and 56** of the **Banking Regulation Act, 1949** (as applicable to Co-operative Societies) and under **Section 34 of the I.P.C.**, upon payment of the process fee.

Sd/- [Illegible]

Chief Judicial Magistrate

Surat

C.C.No. 8869/02

In the Court of Chief Judicial Magistrate First Class , Surat
C.C.No. of 2002

RESERVE BANK OF INDIA statutory corporation
(Statutory Corporation constituted under Reserve Bank of India Act,1934)
having its Central Office at Shaheed Bhagat Singh Marg,
Fort, Mumbai 400 001 and having an Office at La Gajjar Chambers,
Ahmedabad Gujarat – Represented by
Mr. Alampallam Venkataraman Sabhapathy, Deputy General Manager,
Urban Banks Department, Reserve Bank of India,
Ahmedabad
..... Complainant

Versus

1] Surat Mahila Nagrik Sahakari Bank Ltd., Surat.

2] Dr. Shailaben Kiranbhai Desai,
[Chairman of Surat Mahila Nagrik Sahakari Bank Ltd., Surat]
Sarvoday Park Society, Bhatar Road, Surat

3] Ms. Geetaben Niranjanbhai Dalal,
[Director, Surat Mahila Nagrik Sahakari Bank Ltd., Surat]
'Harihar' Maskati Plot, Parle Point, Surat

4] Ms. Bhanumatiben Tulsidas Zaveri
[Director, Surat Mahila Nagrik Sahakari Bank Ltd., Surat]
2/4505, Shivdas Zaveri Ni Sheri, Sagrampura, Surat

5] Ms. Kalaben Mahendrabhai Shroff
[Director, Surat Mahila Nagrik Sahakari Bank Ltd., Surat]
2nd floor, Gyandeep Society, Athwagate, Surat

6] Ms. Rajshreeben Ashokbhai Doctor
[Director, Surat Mahila Nagrik Sahakari Bank Ltd., Surat]
Dr. Ramlal Ni Gali, Balaji Road, Surat.

7] Ms. Keshmiraben Jimibhai Kharadi
[Director, Surat Mahila Nagrik Sahakari Bank Ltd., Surat]
'Naval', 355/B, Harkishan Bag, Adarsh Society, Athwagate, Surat

8] Ms. Kamiben Arunbhai Pradhan
[Director, Surat Mahila Nagrik Sahakari Bank Ltd., Surat]
'Kamal' Building, Athwagate, Surat



Ms. Umaben Premalkumar Gandhi
[Director, Surat Mahila Nagrik Sahakari Bank Ltd., Surat]
8, floor, Tribhuvan Complex, Ghod Dod Road, Surat

10] Ms. Dharmisthaben Nitinbhai Nawab
[Director, Surat Mahila Nagrik Sahakari Bank Ltd., Surat]
68, Shubashnagar, Ghod Dod Road, Surat

11] Ms. Binitaben Dipakbhai Lakdawala
[Director, Surat Mahila Nagrik Sahakari Bank Ltd., Surat]
501, Jaldarshan Apartment, Nanpura, Surat

12] Ms. Sarojben Shantilal Merchant
[Director, Surat Mahila Nagrik Sahakari Bank Ltd., Surat]
Samrat - 65, Someshver Enclave, Udhna Magdalla Road, Surat

13] Ms. Rekhaben Nimishbhai Choksi
[Director, Surat Mahila Nagrik Sahakari Bank Ltd., Surat]
10-G, Siddhakruti apartment, Sarelawadi, Ghod Dod Road, Surat

14] Ms. Pratibhaben Bhupendrabhai Pachchigar
[Chief Executive Officer, Surat Mahila Nagrik Sahakari Bank Ltd., Surat]
302, Hem Terrace, Umara Jakat Naka, Surat

Complaint under Sections 20, 21, 35A, 46, 47 and 56 of Banking Regulation Act, 1949 (AACS) r/w.Section 34 of Indian Penal Code

The complainant most respectfully submit that –

1. The Complainant is a statutory corporation established under the Reserve Bank of India Act 1934, having its Central Office at Shaheed Bhagat Singh Marg, Fort, Mumbai 400 001 and office at La Gajjar Chambers, Ashram Road, Ahmedabad Gujarat. The Complainant has filed this complaint through Shri Alampallam Venkataraman Sabhapathy, Dy.General Manager, Urban Banks Department, Reserve Bank of India, Ahmedabad who has been duly authorized to sign, verify, present, file and prosecute the present complaint.



2. The accused No.1 is a Primary Co-operative Bank registered on March 20, 1974 under the Gujarat Co-operative Societies Act, 1961 having its registered office at Athwa Gate, Surat, and carries on business of banking within the area of District of Surat from its registered office. The complainant has issued licence to the accused No.1 under Section 22 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies,) to carry on banking business vide Licence No. GUJ .1240P dated May 28, 1996. The accused No.2 is the Chairman of the Accused No.1 and the Accused No.3 to 13 are Directors of Accused No.1 at the time of commission of the offence. The accused No.2 to 13 are directors of the Accused No.1 and were responsible for the conduct of the business, supervision and control of the affairs of the Accused No.1 at the time of commission of the offence. The accused No. 14 is the Manager at Head Office branch of the accused No.1. All the accused were in the charge of the affairs of the Accused No.1 and were responsible for the conduct of the banking business at the time of contravention of the provisions of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies). All the accused have committed offence, with common intention and with connivance with each other, punishable under Section 46 of the Banking Regulation Act, 1949 [As Applicable to Co-operative Societies] and under Section 34 of Indian Penal Code. Hence this complaint.

3. The accused No.1, for its banking activities, is governed by the provisions of Banking Regulation Act, 1949 (As applicable to Cooperative Societies), rules made thereunder and directions, instructions and guidelines issued by the Complainant from time to time under the Banking Regulation Act (AACS). Accused 2 to 14 are also legally obliged to conduct the affairs of the Accused No.1 in accordance with the provisions of the Banking Regulation Act, 1949

(As Applicable to Cooperative Societies), Rules made thereunder, directions, instructions and guidelines issued by the complainant from time to time.

4. The complainant Reserve Bank on April 30, 2002 conducted a statutory scrutiny of the transactions in government securities of the Accused No.1 under Section 35 of the Banking Regulation Act, 1949 (AACS). During the said scrutiny, it was revealed to the complainant that the Accuseds entered into following transactions in the Government Securities during the year 2001-2002 as per the books of accounts through M/s. Home Trade Ltd., Mumbai.

Purchase

[Rs. in lakh]

Value Date	Face Value	Nomenclature of loan	Accrued interest	Total consi-deration	Rate
31-10-01	225.00	10.18% GoI 2026	3.18	236.28	103.60
19-11-01	250.00	10.70% GoI 2020	2.01	281.01	111.60
22-11-01	250.00	-do-	2.23	281.23	111.60
28-01-02	300.00	IDBI 11.5% 2011	1.92	337.17	111.75
27-02-02	100.00	9.39% GoI 2011	1.43	113.43	112.00
Total	1125.00			1249.12	

Sale

[Rs. in lakh]

Value Date	Face Value	Nomenclature of loan	Accrued interest	Total consi-deration	Rate
06-03-02	250.00	10.70% GoI 2020	9.88	322.38	125.00
21-03-02	100.00	10.18% GoI 2026	5.37	109.48	104.11
Total	350.00			431.86	

Sale

[Rs. in lakh]

Value Date	Face Value	Nomenclature of loan	Accrued interest	Total consi-deration	Rate
30-03-02	125.00	10.18% GoI 2026	0.67	150.93	120.21
30-03-02	250.00	10.70% GoI 2020	1.17	314.24	121.00
30-03-02	300.00	IDBI 11.5% 2011	7.86	343.86	112.00
30-03-02	100.00	9.39% GoI 2011	2.30	114.50	112.20
Total	775.00			923.53	

Purchase

[Rs. in lakh]

Value Date	Face Value	Nomenclature of loan	Accrued interest	Total consi-deration	Rate
30-03-02	300.00	11.03% GoI 2012	6.62	381.62	125.00
30-03-02	500.00	8.07% GoI 2017	8.41	536.51	105.62
30-03-02	5.00	-do-	.08	5.36	105.62
Total	**805.00**			923.49	

5. The accused entered into sale and purchase transactions of Government securities in physical form to the tune of Rs.35.28 crore. Out of which Rs. 21.73 crore was towards purchase transactions and Rs. 13.55 crore was towards sale transactions. All these transactions entered into by the accuseds with M/s Home Trade Ltd. were in contravention of directives issued by the complainant. The accuseds did not frame any investment policy nor submitted the same to the Board of Directors for approval as required under directive UBD No. Plan. 13/UB.81/92-93 dated 15 September 1992, UBD No. Plan. 74/UB81/92-93 dated May 17, 1993, U3D No. 21/12.15.00.93/94 dated September 21, 1993, UBD No. 3/09.29.00/ 93-94 dated August 2, 1993, UBD No.Plan.PCB.32/09.29.00/94/95 dated November 24, 1994, UBD No. Plan. PCB.69/09.29.01/95-96 dated June 21, 1996, UBD No. Plan. PCB.Clr.19/09.29.00/97-98 dated November 19, 1997 and UBD No.Plan.PCB.Cir.22/09.29.00/00-01 dated December 30, 2000, UBD No.BR.Cir.42/16.26.00/2000-01 dated April 19, 2001 and UBD No.BR.6/16.26.00/2000-01 dated August 9, 2001. The accused did not submit any quarterly review of the transactions in Government securities to their Board of Directors. Further, the Government securities transactions were neither audited by the Chartered Accountant nor the quarterly reports were submitted to Reserve Bank of India. The bank did not maintain its investments in government securities only in SGL accounts with Reserve Bank of India, or in Constituent SGL Account of Public Sector / Scheduled Commercial Banks and Primary Dealers. The accuseds entered into contract for the sale and purchase of these



Government securities with M/s Home Trade Ltd., a broker company. The accuseds also made short sales without having actual possession of the Government securities. While entering into transactions for purchase and sale of Government securities, the accuseds were required to submit the transfer deed in the prescribed form along with the scrips duly signed by the transferor and transferee to Reserve Bank of India for transfer of security in the records of the Reserve Bank of India in the name of the purchaser and/the seller in terms of Rule 7 of Public Debt Rules, 1946. The alleged transactions of purchase are nothing but clean advance to the broker M/s Home Trade Ltd. by the accuseds as no securities were delivered by the broker M/s Home Trade Ltd. The transactions were in contravention of section 21 of Banking Regulation Act, 1949 (As Applicable to Cooperative Societies). The accuseds have violated the provisions of section 21 and directives issued by the Reserve Bank under section 21 read with section 35 of B. R. Act from time to time in respect of unsecured advance as well as maximum exposure limit to a single party. In the present case the maximum limit of unsecured advance to a single party was Rs.50,000/-.

6. The accuseds have not obtained any Government security from the broker Home Trade Ltd, in respect of the transactions mentioned in paragraph 4. However, in the return filed by the Accused No.1 with the complainant in Form I and Form IX, accuseds have shown investment in Government securities for the purposes of SLR under section 24 of the B. R. Act whereas in fact in absence of securities these investment cannot be shown for the purposes of Statutory Liquidity Ratio (SLR). In fact, on being advised, the bank furnished fresh Returns excluding the value of securities which were not in their name / possessions. Therefore, the bank themselves had admitted initial wrong reporting in Form I and IX. The accuseds contravened the provisions of section 24 of the B.R. Act by showing



incorrect information in their return submitted to the complainant as per details furnished in the list of documents.

7. The accuseds entered into transactions with a broker as counter party. They did not frame any investment policy required under extant directives for entering into Government securities transactions nor they fixed any limit of 5% for dealing through a single broker. The accuseds violated provisions of the directive UBD.Plan.PCB.32/09.29.00/94-95 dated 24 November 1994. The accuseds entered all the transactions through Home Trade Ltd. in blatant violations of the directives.

8. It is submitted that the accused bank was to deal only with the member of a Bombay Stock Exchange, OTC Exchange of India and National Stock Exchange. The accuseds were not permitted to enter into direct deal as counter party with the broker. The accuseds in contravention of the instructions entered into transactions in Government securities with Home Trade Ltd. which was not member of any of these stock exchanges. The accuseds also contravened the instructions of the complainant in this respect issued vide directive UBD.No. Plan.PCB.32/09.29.00/94-95 dated 24 November 1994. The accused No.1 is likely to suffer huge loss of Rs. 8.43 crore.

9. The accused 2 to 14 were in charge of accused No.1 and were responsible for the conduct of the business of accused No.1 at the time of commission of the offence. The accused were responsible for complying with the provisions of the Banking Regulation Act, 1949 and directions issued thereunder as members of the Board of Directors of the accused No.1 and as Chief Executive Officer. All accused are thus responsible for the acts of commissions and omissions by them. The offences committed by them are continuing offences. All accused did not

take any steps to prevent the commission of the offences and all accused are responsible for contravention of the provisions of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies). The accused have thus committed offences and are liable for prosecution and punishment under Section 46 read with Section 56 of the Banking Regulation Act, 1949 (AACS,).

10. The accuseds have committed offence punishable under section 46 read with section 56 of the B. R. Act, 1949. The offence has been committed within the local limits jurisdiction of the Honorable Court. Accused No.1 has its registered office within the local limits of the Honorable Court and the accuseds carry on business and work for gain within the local limits of the Honorable Court. Therefore this Honorable Court has got jurisdiction to entertain the complaint against the accuseds.

11. The complainant came to know about the commission of offence after the scrutiny of investment portfolio conducted on April 30, 2002 by its officer, the complaint is being filed within the time limit prescribed under the Code of Criminal Procedure, 1973.

12. The complainant has not imposed any penalty on the accused for these violations in pursuance of section 47A of the Banking Regulation Act. Therefore the present complaint is maintainable.

13. The complainant is a public servant and the present complaint is filed in official capacity. Therefore oral examination of the complainant may be dispensed with. The complainant is a public servant and is required to attend to his official duties and is represented by a Counsel. Therefore his personal presence may kindly be

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exempted by the Honorable Court. The complainant will appear as and when specifically required by the Honorable Court.

14. The complainant therefore humbly prays that:-

i. Process please be issued against all accused under Sections 35A, 46, 47, 56 of the Banking Regulation Act, of 1949 r/w Section 34 of Indian Penal Code.

ii. All accused please be tried and punished deterently for the offences committed by them.

Surat

Date : June 12th, 2002.

Advocate for Complainant

For Reserve Bank of India

[Alampallam Venkataraman Sabhapathy]
Deputy General Manager
Urban Banks Department
Reserve Bank of India
La Gajjar Chambers
Ahmedabad – 380 009.

The list of witnesses of the complainant under Section 204 (2) of Criminal Procedure Code is as follows:-

1. Shri Alampallam Venkataraman Sabhapathy, Dy.Gen. Manager, RBI, UBD, Ahmedabad
2. Shri M K Adenwala, Manager, RBI, UBD, Ahmedabad
3. Ms. Pratibhaben B Pachchigar, Chief Executive Officer, Surat Mahila Nagarik Sahakari Bank Ltd. with all the relevant documents.

Verification

I, the complainant, **Mr. Alam Palam Venkataraman Sabhapati,** Deputy General Manager of the **Reserve Bank of India (RBI)**, Ahmedabad, Gujarat, aged 58, occupation: service, address: Urban Banks Department, Reserve Bank of India, Ahmedabad, do hereby solemnly affirm on oath as per my religion that:

The Reserve Bank of India is established as a statutory corporation under the **Act of 1934**. Its central office is located in Mumbai, and it has a regional office in Ahmedabad, Gujarat. The Reserve Bank has authorized **me** to file this complaint. Based on that authorization, **I** have filed the present complaint.

Accused No. 1, **Surat Mahila Nagrik Bank Ltd.**, is registered under the Gujarat Co-operative Societies Act, and the Reserve Bank has granted it a license for banking activities. Its registered office is located at Athwagate, Surat. The banking business in Surat city and Surat district is conducted from the aforementioned registered office. **Accused No. 2** is the Chairman of the said bank, **Accused Nos. 3 to 13** are its Directors, and **Accused No. 14** is the Chief Executive Officer (CEO) of the bank. In this manner, the responsibility for the management and supervision of the business conducted by Accused No. 1, as per the law, was and is theirs. Thus, all the accused are liable for the violation of the **Banking Regulation Act, 1949** (as applicable to Co-operative Societies).

All the accused, with common intention and in collusion with one another, have committed offenses under **Section 46** of the Banking Regulation Act, 1949 (as applicable to Co-operative Societies) and have also committed an offense under **Section 34 of the I.P.C.**; therefore, this complaint is filed.

Accused No. 1 is bound to perform its activities according to the provisions of the Banking Regulation Act, 1949 (as applicable to Co-operative Societies). Furthermore, it was mandatory to remain bound by any guidelines issued by the complainant under this Act. The responsibility to ensure that the transactions of Accused No. 1 are conducted in this manner was and is that of Accused Nos. 2 to 14.

According to the investigation conducted by the Reserve Bank of India on **30/04/02**, the accused had entered into transactions totaling **Rs. 35.28 Crores** with **Home Trade**. This included purchases worth **Rs. 21.73 Crores** and sales of government securities worth **Rs. 13.55 Crores**. All these transactions with Home Trade were in violation of the directions issued by the complainant. The accused had not determined any policy or rules regarding investments. They did not present the quarterly reports of investment in government securities before the Board of Directors. Such investments were neither audited by any Chartered Accountant (CA) nor was the quarterly report regarding this sent to the Reserve Bank. As per Reserve Bank orders, such investments should have been made only through **SGL (Subsidiary General Ledger) accounts**, which they failed to do.

The accused carried out the purchase and sale of government securities through a broker company. Despite not actually possessing government securities, the accused acted against the orders of the Reserve Bank. The accused did not follow the proper procedure to transfer the government securities into their own name. Therefore, all these transactions are treated as **unsecured lending** to Home Trade, as the accused did not receive securities in these transactions. In doing so, the accused violated **Section 21** of the B.R. Act, 1949 (as applicable to Co-operative Societies). They violated the limit which stipulates that unsecured lending to a single party should be [limited to] **Rs. 50,000/-**. Through these types of transactions, the bank has suffered a loss of **Rs. 8.43 Crores**.

Despite not possessing government securities, they periodically mentioned non-existent securities in the information provided to the Reserve Bank on behalf of the bank in **Form Nos. 1 and 9**. When this matter was brought to the bank's attention, they submitted revised Form 1-9 to the Reserve Bank, in which the government securities not in their possession were deducted. Thus, they have [effectively] admitted their offense. The accused have violated **Section 24** of the B.R. Act, 1949 (as applicable to Co-operative Societies).

The accused conducted these transactions with a broker and violated the order assigned via the Reserve Bank circular dated **24/11/94**, which mandates that transactions with any single broker should not exceed **5%** of the total purchase-sale. The bank was required to conduct its investment transactions only through members of the **Bombay Stock Exchange (BSE)**, **OTCEI**, or the **National Stock Exchange (NSE)**. The accused were not permitted to deal directly with a broker. Nevertheless, by doing so, the accused violated the orders.

Accused Nos. 2 to 14 were the key persons (karta-harta) of Accused No. 1, and the responsibility to ensure that the administration of Accused No. 1 was conducted legally rested with them. The accused are still continuing to violate the aforementioned sections and the orders of the Reserve Bank. They have not taken any steps to prevent these violations. Therefore, they have committed a serious offense and, in connection with **Sections 46 and 56 of the Banking Regulation Act**, have committed punishable offenses. Therefore, my complaint is filed to take legal action against them.

Date: 12/06/02

Sd/- [Illegible]

Before me,

Chief Judicial Magistrate, Surat

ORDER

An order is hereby passed to issue summons against the accused under **Sections 20, 21, 35-A, 46, 47, and 56** of the **Banking Regulation Act, 1949** (as applicable to Co-operative Societies) and under **Section 34 of the I.P.C.,** upon payment of the process fee.

Date: 12/06/02

Sd/- [Illegible]

Chief Judicial Magistrate, Surat

TRUE COPY

Sd/- [Illegible]

Registrar, Chief Judicial Magistrate Court, Surat

C.C.No. 6863/02

In the Court of Chief Judicial Magistrate First Class , Surat
C.C.No. of 2002

RESERVE BANK OF INDIA statutory corporation
(Statutory Corporation constituted under Reserve Bank of India Act,1934)
having its Central Office at Shaheed Bhagat Singh Marg,
Fort,.Mumbai 400 001 and having an Office at La Gajjar Chambers,
Ahmedabad Gujarat – Represented by
Mr. Alampallam Venkataraman Sabhapathy, Deputy General Manager,
Urban Banks Department, Reserve Bank of India,
Ahmedabad .....Complainant

Versus

1] Surat Nagrik Sahakari Bank Ltd., Surat.

2] Shri Bansilal M. Fudnawala,
[Chairman, Surat Nagrik Sahakari Bank Ltd., Surat]
"Nirant" 6-A, Adarsh Society, Near Parikshit Chhatralaya, Athwa Lines, Surat

3] Shri Mahendrabhai N. Katargamvala,
[Director, Surat Nagrik Sahakari Bank Ltd.],
"Bhakti Baug" Dholi Kui, Opposite Hotel Priya, Varaccha Road, Surat

4] Shri Chandrakantbhai C. Shah,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
10/623, Khapatia Chakla, Near Dr. Kagalvala's lane, Surat

5] Shri Sureshbahi P. Patel,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
1, Santokba Society, Behind Railway Police Lines, Varaccha Road, Surat

6] Shri Vallabhbhai Laxmanbhai Patel,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
Maskati Plot No. 2, "Hare Krishna" Bunglow No. 28, Parle Point, Surat

7] Shri Jayantilal R. Gandhi,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
C- 3-4, Shree Anand Society, Takshashila Apartments, Opposite Petrol Pump, Anand Mahal Road, Bhulka Bhuvan, Adajan, Surat

8] Shri Balkrishnabhai C. Dalal,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
4/2890, "Gokul", Mumbaivad, Begumpura, Surat

9] Shri Amrutlal R. Contractor,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
7/3970, Sitamata's Lane, Raghunathpura, Surat

10] Shri Ramanbhai D. Patel,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
Bunglow No. 92, SardarNagar Society, Sumul Dairy Road,
Surat

11] Shri Dhirubhai R. Desai,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
203, Sannivas Flats, Opposite Choksi Villa, Chikuvadi,
Ghoddaud Road, Surat

12] Shri Chhotalal L. Shah,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
6/639, Kumbharvad, Navapura, Behind Tower, Surat

13] Shri Jayantilal C. Jarivala,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
6/1649, Gundi Sheri, Lal Darwaja, Surat

14] Shri Pankajbhai C. Patel,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
7/3438, Rampura Main Road, Surat

15] Shri Vadilal B. Shah,
[Director, Surat Nagrik Sahakari Bank Ltd., Surat]
2nd Floor, Vaibhav Chambers, Near Sadhna School,
Varaccha Road, Surat

16] Meher K. Vaid,
[Manager, Head Office branch, Surat Nagrik Sahakari
Bank Ltd., Surat]
Sherdiwala Blocks, Shahpore, Surat

Complaint under Sections 20, 21, 35A, 46, 47 and 56 of Banking Regulation Act, 1949 (AACS) r/w.Section 34 of Indian Penal Code

The complainant most respectfully submits that –

1. The Complainant is a statutory corporation established under the Reserve Bank of India Act 1934, having its Central Office at Shaheed Bhagat Singh Marg, Fort, Mumbai 400 001 and office at La Gajjar Chambers Ahmedabad Gujarat. The Complainant has filed this complaint through Shri Alampallam Venkataraman Sabhapathy, Dy.General Manager, Urban Banks Department,

EL 3

Reserve Bank of India, Ahmedabad who has been duly authorized to sign, verify, present, file and prosecute the present complaint.

2. The accused No.1 is a Primary Co-operative Bank registered on March 15, 1973 under the Gujarat Co-operative Societies Act, 1961 having its registered office at Varaccha Road, Surat, and carries on business of banking within the area of Surat Municipal Corporation and its agglomeration of 10 Kms. from its registered office. The complainant has issued licence to the accused No.1 under Section 22 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies,) to carry on banking business vide Licence No. GJ. 1087 P dated September 14, 1994. The accused No.2 is the Chairman of the Accused No.1 and the Accused No.3 to 15 are Directors of Accused No.1 at the time of commission of the offence. The accused No.2 to 15 are directors of the Accused No.1 and were responsible for the conduct of the business, supervision and control of the affairs of the Accused No.1 at the time of commission of the offence. The accused No. 16 is the Manager at Head Office branch and Chief Executive Officer of the accused No.1. All the accused were in the charge of the affairs of the Accused No.1 and were responsible for the conduct of the banking business at the time of contravention of the provisions of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies). All the accused have committed offence, with common intention and with connivance with each other, punishable under Section 46 of the Banking Regulation Act, 1949 [As Applicable to Co-operative Societies] and under Section 34 of Indian Penal Code. Hence this complaint.

3. The accused No.1, for its banking activities, is governed by the provisions of Banking Regulation Act, 1949 (As applicable to Cooperative Societies), rules

made thereunder and directions, instructions and guidelines issued by the Complainant from time to time under the Banking Regulation Act (AACS). Accused 2 to 16 are also legally obliged to conduct the affairs of the Accused No.1 in accordance with the provisions of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies), Rules made thereunder, directions, instructions and guidelines issued by the complainant from time to time.

4. The complainant Reserve Bank on April 30, 2002 conducted a statutory scrutiny of the transactions in government securities of the Accused No.1 under Section 35 of the Banking Regulation Act, 1949 (AACS). During the said scrutiny, it was revealed to the complainant that the Accuseds entered into following transactions in the Government Securities as per the books of accounts through M/s. Home Trade :-

[Rs. in crore]

Sr. No.	Date of Purchase/ Sale	Name of Counter Party	Particulars of Securities	Face Value	Total consi-deration	Remarks
1.	Sale 27-06-01	M/s Home Trade Ltd., Mumbai	G.O.I. 11.03% 2012 G.O.I. 12.40% 2013 G.O.I. 12.25% 2008 G.O.I. 12.10% 2008	1.00 2.50 2.00 1.00	1.09 2.97 2.36 1.13 7.55	Securities at item No. 2 were purchased in lieu of these securities
2.	Purchase 27.06.01	- DO -	G.O.I. 10.70% 2020 G.O.I. 10.47% 2015 G.O.I. 10.50% 2014	3.00 1.50 2.50	3.21 1.63 2.62 7.46	
3.	Sale 6.12.01	- DO -	G.O.I. 10.70% 2020 G.O.I. 10.47% 2015	4.95 7.50	6.15 9.16 15.31	Securities at item No. 4 were purchased in lieu of these securities, Delivery of which was not received by the bank
4.	Purchase 6.12.01	- DO -	G.O.I. 7.00% 2009 G.O.I. 7.50% 2010	5.00 1.00	5.01 1.01 6.02	
5.	Sale 21.02.02	- DO -	G.O.I. 7.50% 2010 G.O.I. 7.00% 2009	10.00 5.00	10.50 5.12 15.62	Securities at item No. 6 were purchased in lieu of these securities, Delivery of which was not received by the bank
6.	Purchase 21.02.02	- DO -	G.O.I. 8.07% 2017	15.00	16.10	The bank has not received delivery of these securities.

5. The accused entered into sale and purchase transactions of Government securities in physical form to the tune of Rs.68.06 crore, Out of which Rs. 29.58 crore was towards purchase transactions and Rs. 38.48 crore was towards sale transactions. All these transactions entered into by the accuseds with M/s Home Trade Ltd. were in contravention of directives issued by the complainant. The accuseds did not frame any investment policy nor submitted the same to the Board of Directors for approval as required under directive UBD No. Plan. 13/UB.81/92-93 dated 15 September 1992, UBD No. Plan. 74/UB81/92-93 dated May 17, 1993, UBD No. 21/12.15.00.93/94 dated September 21, 1993, UBD No. 3/09.29.00/ 93-94 dated August 2, 1993, UBD No.Plan.PCB.32/09.29.00/94/95 dated November 24, 1994, UBD No. Plan. PCB.69/09.29.01/95-96 dated June 21, 1996, UBD No. Plan. PCB.Cir.19/09.29.00/97-98 dated November 19, 1997 and UBD No.Plan.PCB.Cir.22/09.29.00/00-01 dated December 30, 2000, UBD No.BR.Cir.42/16.26.00/2000-01 dated April 19, 2001 and UBD No.BR.6/16.26.00/2000-01 dated August 9, 2001. The accused did not submit any quarterly review of the transactions in Government securities to their Board of Directors. Further, the Government securities transactions were neither audited by the Chartered Accountant nor the half yearly reports were submitted to Reserve Bank of India. The bank did not maintain its investments in government securities only in SGL accounts with Reserve Bank of India, or in Constituent SGL Account of Public Sector / Commercial Banks and Primary Dealers. The accuseds entered into contract for the sale and purchase of these Government securities with M/s Home Trade Ltd., a broker company. The accuseds also made short sales without having actual possession of the Government securities. While entering into transactions for purchase and sale of Government securities, the accuseds were required to submit the transfer deed in the prescribed form along with the scrips duly signed by the transferor and transferee to Reserve Bank of India for transfer of security in the records of the

Reserve Bank of India in the name of the purchaser and/the seller in terms of Rule 7 of Public Debt Rules, 1946. The alleged transactions of purchase are nothing but clean advance to the broker M/s Home Trade Ltd. by the accuseds as no securities were delivered by the broker M/s Home Trade Ltd. The transactions were in contravention of section 21 of Banking Regulation Act, 1949 (As Applicable to Cooperative Societies). The accuseds have violated the provisions of section 21 and directives issued by the Reserve Bank under section 21 read with section 35 of B. R. Act from time to time in respect of unsecured advance as well as maximum exposure limit to a single party. In the present case the maximum limit of unsecured advance to a single party was Rs. 50,000/-.

6. The accuseds have not obtained any Government security from the broker Home Trade Ltd, in respect of the transactions mentioned in paragraph 4. However, in the return filed by the Accused No.1 with the complainant in Form I and Form IX, accuseds have shown investment in Government securities for the purposes of SLR under section 24 of the B. R. Act whereas in the absence of securities these investment cannot be shown for the purposes of Statutory Liquidity Ratio (SLR). In fact, on being advised, the bank furnished fresh Returns excluding the value of securities which were not in their name / possessions. Therefore, the bank themselves had admitted initial wrong reporting in Form I and IX. The accuseds contravened the provisions of section 24 of the B.R. Act by showing incorrect information in their returns submitted to the complainant as per details furnished in the list of documents. The accuseds have failed to maintain SLR of 25% of their net demand and time liability as required under section 24 of the B. R. Act. The Accused No.1 has committed default in maintenance of SLR on three occasions as mentioned in the list of documents.

7. The accuseds entered into transactions with a broker as counter party. They did not frame any investment policy required under extant directives for entering into Government securities transactions nor they fixed any limit of 5% for dealing through a single broker. The accuseds violated provisions of the directive UBD.Plan.PCB.32/09.29.00/94-95 dated 24 November 1994. The accuseds entered all the transactions through Home Trade Ltd. in blatant violations of the directives.

8. It is submitted that the accused bank was to deal only with the member of a Bombay Stock Exchange, OTC Exchange of India and National Stock Exchange. The accuseds were not permitted to enter into direct deal as counter party with the broker. The accuseds in contravention of the instructions entered into transactions in Government securities with Home Trade Ltd. which was not member of any of these stock exchanges. The accuseds also contravened the instructions of the complainant in this respect issued vide directive UBD.No. Plan.PCB.32/09.29.00/94-95 dated 24 November 1994. The accused No.1 is likely to suffer huge loss of Rs. 16.10 crore.

9. The accused 2 to 16 were in charge of accused No.1 and were responsible for the conduct of the business of accused No.1 at the time of commission of the offence. The accused were responsible for complying with the provisions of the Banking Regulation Act, 1949 and directions issued thereunder as members of the Board of Directors of the accused No.1 and as Chief Executive Officer. All accused are thus responsible for the acts of commissions and omissions by them. The offences committed by them are continuing offences. All accused did not take any steps to prevent the commission of the offences and all accused are responsible for contravention of the provisions of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies). The accused

have thus committed offences and are liable for prosecution and punishment under Section 46 read with Section 56 of the Banking Regulation Act, 1949 (AACS,).

10. The accuseds have committed offence punishable under section 46 read with section 56 of the B. R. Act, 1949. The offence has been committed within the local limits jurisdiction of the Honorable Court. Accused No.1 has its registered office within the local limits of the Honorable Court and the accuseds carry on business and work for gain within the local limits of the Honorable Court. Therefore this Honorable Court has got jurisdiction to entertain the complaint against the accuseds.

11. The complainant came to know about the commission of offence after the scrutiny of investment portfolio conducted on April 30, 2002 by its officer, the complaint is being filed within the time limit prescribed under the Code of Criminal Procedure, 1973.

12. The complainant has not imposed any penalty on the accused for these violations in pursuance of section 47A of the Banking Regulation Act. Therefore the present complaint is maintainable.

13. The complainant is a public servant and the present complaint is filed in official capacity. Therefore oral examination of the complainant may be dispensed with. The complainant is a public servant and is required to attend to his official duties and is represented by a Counsel. Therefore his personal presence may kindly be exempted by the Honorable Court. The complainant will appear as and when specifically required by the Honorable Court.

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14. The complainant therefore humbly prays that:-

(a) Process please be issued against all accused under Sections 35A, 46, 47, 56 of the Banking Regulation Act, of 1949 r/w Section 34 of Indian Penal Code.

(b) All accused please be tried and punished deterently for the offences committed by them.

Surat

Date : June 12th 2002.

Advocate for Complainant

For Reserve Bank of India

AVSabhapathy

[Alampallam Venkataraman Sabhapathy]
Deputy General Manager
Urban Banks Department
Reserve Bank of India
La Gajjar Chambers
Ahmedabad – 380 009.

The list of witnesses of the complainant under Section 204 (2) of Criminal Procedure Code is as follows:-

1. Shri Alampallam Venkataraman Sabhapathy, Dy.Gen. Manager, RBI, UBD, Ahmedabad
2. Shri A H Shah, Manager, RBI, UBD, Ahmedabad
3. Shri M. K. Vaid, Manager, Surat Nagarik Sahakari Bank Ltd. with all the relevant documents

Verification

Verification

I, the complainant, **Alam Palam Venkataraman Sabhapati**, Deputy General Manager of the **Reserve Bank of India (RBI)**, Ahmedabad, Gujarat, aged 56, occupation: service, address: Urban Banks Department, Reserve Bank of India, Ahmedabad, do hereby solemnly affirm on oath as per my religion that:

The Reserve Bank of India is established as a statutory corporation under the **Reserve Bank of India Act, 1934**. Its central office is located in Mumbai, and it has a regional office in Ahmedabad, Gujarat. The Reserve Bank has authorized **me** to file this complaint. Based on that authorization, **I** have filed the present complaint.

Accused No. 1, **Surat Nagrik Bank Ltd.**, is registered under the Gujarat Co-operative Societies Act. The Reserve Bank has granted it a license for banking activities. Its registered office is located in Surat. The banking business in Surat city and Surat district is conducted from the aforementioned registered office. **Accused No. 2** is the Chairman of the said bank, **Accused Nos. 3 to 15** are its Directors, and **Accused No. 16** is the Manager. In this manner, the responsibility for the management and supervision of the business conducted by Accused No. 1 Bank, as per the law, was and is theirs. Thus, all the accused are liable for the violation of the **Banking Regulation Act, 1949** (as applicable to Co-operative Societies).

All the accused, with common intention and in collusion with one another, have committed offenses under the sections mentioned in the complaint of the **Banking Regulation (B.R.) Act, 1949** (as applicable to Co-operative Societies) and have committed punishable offenses under **Section 46 of the B.R. Act**; under these circumstances, this complaint is filed.

Regarding the activities of Accused No. 1, Accused No. 1 is bound to perform activities in accordance with the provisions of the B.R. Act, 1949 (as applicable to Co-operative Societies). Furthermore, it was mandatory to remain bound by any guidelines issued by the Reserve Bank. The entire responsibility to ensure that the banking transactions of Accused No. 1 are conducted accordingly was and is that of Accused Nos. 2 to 15.

According to the inspection conducted by the Reserve Bank of India on **30/04/02**, the accused had entered into transactions of Government Securities (G-Sec) totaling **Rs. 68.06 Crores** with **Home Trade**. This included purchases worth **Rs. 29.58 Crores** and sales worth **Rs. 38.48 Crores**. Conducting the aforementioned transactions with Home Trade was in violation of the directions issued by the RBI. The accused had not determined any policy or rules regarding investments. The accused did not present the quarterly report of investment in Government Securities before the Board of Directors. Such investments were neither audited by any Chartered Accountant (CA) nor was the quarterly report regarding this sent to the Reserve Bank. As per RBI orders, such investments should have been made only through **SGL (Subsidiary General Ledger) accounts**, which they failed to do.

The accused carried out the purchase and sale of Government Securities through a broker company. Despite not actually possessing Government Securities, the accused acted against the orders of the RBI. The accused did not follow the proper procedure to transfer the Government Securities into their own name. Therefore, all these transactions are considered as **unsecured lending** to Home Trade, because the accused did not receive any securities in these transactions. In doing so, the accused violated **Section 21** of the B.R. Act, 1949 (as applicable to Co-operative Societies). They violated the limit which stipulates that unsecured lending to a single party should be [limited

to] **Rs. 50,000/-**. Due to the aforementioned acts of the accused, a loss of **Rs. 16.10 Crores** has occurred.

Despite not possessing Government Securities, they periodically mentioned non-existent securities in the information provided to the Reserve Bank on behalf of the bank in **Form Nos. 1 and 9**. When this matter was brought to the bank's attention, they submitted revised Form 1-9 to the Reserve Bank, in which the Government Securities not in their possession were deducted. Thus, they have [effectively] admitted their offense. The accused have violated **Section 24** of the B.R. Act, 1949 (as applicable to Co-operative Societies). The accused conducted these transactions with a broker and violated the order issued via the Reserve Bank circular dated **24/11/94**, which mandates that transactions with any single broker should not exceed **5%** of the total purchase-sale. The bank was required to conduct its investment transactions only through members of the **Bombay Stock Exchange (BSE)**, **OTCEI**, or the **National Stock Exchange (NSE)**. The accused were not permitted to deal directly with a broker. Nevertheless, by doing so, the accused violated the orders. Furthermore, the accused are still continuing to violate the aforementioned sections and the orders of the Reserve Bank. They have not taken any steps to prevent these violations. All the accused, with common intention and in collusion with one another, have committed offenses under the aforementioned sections of the B.R. Act. In doing so, they have committed punishable offenses related to **Sections 46 and 56 of the B.R. Act**. Therefore, my complaint is filed to take legal action against all the accused.

Date: 12/06/02

Sd/- [Illegible]

Before me,

Chief Judicial Magistrate, Surat

ORDER

An order is hereby passed to issue summons against the accused under **Sections 20, 21, 35-A, 46, 47, and 56** of the **Banking Regulation Act, 1949** (as applicable to Co-operative Societies) and under **Section 34 of the I.P.C.,** upon payment of the process fee.

Date: 12/06/02

Sd/- [Illegible]

Chief Judicial Magistrate, Surat

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In the Court of Chief Judicial Magistrate First Class, Surat

C.C.No. of 2002

Reserve Bank of India

Vs.

Surat Nagarik Sahakari Bank Ltd. Surat

List of documents filed by the complainant Reserve Bank of India

Sr. No.	Particular	Annexure/ Exhibit	Page No.
1.	Authorisation dated June 6, 2002 in favour of Shri Alampallam Venkataraman Sabhapathy, DGM, for filing complaint	P1	--
2.	Extract from scrutiny report dated 4 May 2002	P2	--
3.	Circulars UBD No.Plan.13/UB .81/92-93 dated 15 September 1992	P3	Booklet Page 1
4.	Circular UBD No.Plan.74/UB 81/92-93 dated May 17, 1993.	P4	Booklet Page 8
5.	UBD No.3/09.29.00/93-94 dated August 2, 1993,	P5	Booklet Page 10
6.	UBD No.21/ 12.15.00. 93/94 dated September 21, 1993,	P6	Booklet Page 14
7.	UBD No.Plan.PCB. 32/09.29.00 /94/95 dated November 24, 1994	P7	Booklet Page 43
8	UBD No.Plan.PCB.69/09.29.01/ 95-96 dated June 21, 1996.	P8	Booklet Page 48
9.	UBD No.Plan.PCB.Cir. 19/09 .29.00/ 97-98 dated November 19, 1997	P9	Booklet Page 49
10.	UBD No.Plan.PCB.Cir. 22/09. 29. 00/00-01 dated December 30, 2000.	P10	Booklet Page 51
11.	UBD No.BR.Cir.42/16.26.00/ 2000-01 dated April 19, 2001.	P11	Booklet Page 53
12.	UBD No.BR.6/16.26.00/ 2000-01 dated August 9, 2001.	P12	Booklet Page 55
13.	Copy of circular No. DS.CIR.31/ 13.05.00/1999-2000 dated 1.4.2000 regarding maximum limit on individual credit exposure	P13	Booklet Page 50
14.	Copy of Central Office letter UBD No.DS. PCB.CIR.39/13.05.00/95-96 dated January 16, 1996 regarding limits on credit exposure to individual and group of borrowers	P14	Booklet Page 45
15.	Statutory return in Form I and Form IX submitted by the accused to the Reserve Bank of India for the period 2001-2002.	P15	--
16.	Details of defaults in maintenance of SLR under section 24 of the B.R. Act (AACS)	P16	--
17.	Details of incorrect information furnished in Returns submitted to RBI – Revised Returns furnished by the bank.	P17	--

List of documents relied on by the complainant.

1. Books of Accounts of the Accused No.1 for the years 2001 to 2002.

LIST OF INVESTIGATION PAPERS

In connection with Umra Police Station First C.R. No. 274 / 2002

Offenses under Sections 465, 467, 468, 471, 420, 114, 120-B of the I.P.C.

(For the purpose of Supplementary Charge Sheet)

Sr. No.	Details of Documents	Pages	Date
1	Report submitted to register the offense (P.S. Outward No.)	1	02.07.2002
2	Complaint of Complainant Smt. Pratibhaben, D/O Bhupendrabhai Ramniklal Pachchigar	3	02.07.2002
3	Statement of Complainant Smt. Pratibhaben	4	04.07.2002 & 16.09.2002
4	Statement of Witness Sheilaben W/O Kiranbhai Haribhai Desai	6	04.07.2002
5	Statement of Witness Keshmira W/O Jimmy Naval Shah Kharadi	5	04.07.2002
6	Statement of Witness Dharmishthaben W/O Nitinkumar Dineshchandra	5	04.07.2002
7	Statement of Witness Bhanumatiben W/O Tulsidas Jethalal Chaudhary	5	04.07.2002
8	Statement of Witness Umaben, Widow of Premalkumar Lalatmohan Gandhi	5	09.07.2002
9	Statement of Kalaben W/O Mahendrabhai Ishwarlal Shroff	5	09.07.2002

10	Statement of Kamalaben W/O Arunbhai Krishnanath	5	10.07.2002
11	Statement of Gitaben W/O Niranjanbhai Venilal Dalal	5	10.07.2002
12	Statement of Rekhaben W/O Nemishbhai Pravinbhai Choksi	5	10.07.2002
13	Statement of Rajeshriben W/O Ashokbhai Jagdishbhai	5	12.07.2002
14	Statement of Vinitaben W/O Deepakbhai Ishwarbhai Lakdawala	5	12.07.2002
15	Resolutions passed by The Surat Mahila Nagrik Sahkari Bank Ltd. in Board Meetings for purchase of securities	6	19.10.2001, 29.11.2001, 24.01.2002, 30.01.2002, 27.02.2002, 27.03.2002
16	Photocopy of information received from HDFC Bank	1	07.09.2002
17	Photocopy of Contract Notes	4	-
18	Statements of Accused Neeraj Amidhar Surti	5	24.11.2005 & 25.11.2005
19	Statement of Hansaben D/O Vasantbhai Devjibhai Mevawala and records produced	3	27.11.2005
20	Statement of Bharatbhai Vasantbhai Mevawala	1	27.11.2005
21	Statement of Tanaji Laxman Kubekar	1	27.11.2005
22	Copy of Custody Memorandum	1	29.11.2005

23	Supplementary Charge Sheet	1	-

Sd/- [Illegible]

Police Inspector

Umra Police Station

Surat

Date: 02/07/2002

My name is Pratibhaben, wife of Bhupendrabhai Ramaniklal Pachchigar, Age: about 58 years, Occupation: Service, residing at 302, Hem Terrace Apartment, behind Sargam Complex, near Old Jakat Naka, Umra, Surat. Residential Phone: 3223461, Office: 3478151, 3478503.

Upon appearing in person, I state my complaint as under: I reside at the above-mentioned address with my family and I am serving as the Chief Executive Officer of Surat Mahila Nagrik Sahakari Bank Limited, whose registered office is situated at Babubhai Chambers, Athwagate, Surat.

The administration of our aforesaid bank is carried out in accordance with the policies and regulations of the Reserve Bank of India, and all decisions of our bank are taken by the Board of Directors in accordance with the policies and regulations of the Reserve Bank of India.

The funds raised by our bank are used for granting loans to our members and whatever surplus funds remain thereafter are invested in securities issued by the Government of India. Such investments are made only after obtaining approval from the Board of Directors of our bank.

At Ring Road, Surat, in the building known as Supertex Tax Tower, situated opposite Kinnari Cinema, there is a firm named Growth Avenue, which carries on the business of brokerage relating to purchase and sale of Government Securities and shares as well as investment activities.

Through the said firm, our bank had earlier made investments in Government Securities. Since 1995, our bank had business dealings with Growth Avenue Company, and thus for the last about seven years our bank had been in contact with Growth Avenue Company.

From the said Growth Avenue Company, Neerajbhai Surti, who resides at Surya Flats, Surya Shopping Complex, Bharuch, used to visit our bank

frequently, and through him we came into contact with M/s Ketan Sheth & Co., whose registered office is situated in the Fort area of Mumbai.

After some time, Neerajbhai Surti left Growth Avenue Company and started his own brokerage business. As our bank had good dealings with him, he arranged investments of our bank through M/s Ketan Sheth & Co.

The owner of that firm is Ketan Sheth, residing at 193, Lalit Kutir (C.H.S.), 3rd Floor, Gulmohar Cross Road No. 9, J.V.P.D., Mumbai-49.

Our bank had dealings with this firm from 1995 to 2002, and till date whenever we purchased Government Securities from M/s Ketan Sheth & Co., the delivery of such securities had been duly given to our bank.

Thereafter, in the year 1999, Ketan Sheth and Neeraj Surti informed our bank that they had formed a company named Giltage Management Ltd., and that they were its directors, and that the said company also carried on brokerage business of Government Securities.

Accordingly, our bank purchased Government Securities through Giltage Company, and delivery of those securities was also regularly received by our bank.

Thereafter, around February 1999, Ketan Sheth and Neeraj Surti came and informed our bank that they were operating through M/s Euro Asian Securities Ltd., which was a member of the National Stock Exchange, and that Government Securities could be purchased through that company.

Since our bank had business relations with Ketan Sheth and Neeraj Surti since 1995, we trusted them and started purchasing Government Securities through M/s Euro Asian Securities Ltd., and the delivery of such securities was also duly given to our bank.

In January 2000, Ketan Sheth and Neeraj Surti came to our bank personally, along with two other persons. While introducing them, Neeraj Surti and Ketan Sheth informed us that one of them was Sanjay Hariram Agrawal and the other was Nandkishor Shankarlal Trivedi.

They further informed us that their earlier company M/s Euro Asian Securities Ltd. would now carry on brokerage business under the new name Home Trade Limited, and that Sanjay Agrawal would act as Chairman as well as Chief Executive of Home Trade, Ketan Sheth would be its Director, Nandkishor Trivedi would be its Executive Director, and Subodh Bhandari would act as Authorized Signatory.

They also stated that Home Trade Limited was a member of the National Stock Exchange and was qualified as per Reserve Bank regulations to deal in Government Securities.

Accordingly, from January 2000, our bank started purchasing Government Securities through Home Trade Limited, and initially whatever Government Securities transactions we carried out with Home Trade Limited were regularly completed.

On 31/10/2001, our bank purchased Government of India securities bearing interest at 10.18% maturing in the year 2026 for an amount of Rs. 2,36,28,125/-, for which we issued HDFC Bank Cheque No. 275353 to Home Trade Limited.

Thereafter, on 22/11/2001, we purchased Government Securities bearing interest at 10.70% maturing in the year 2020 for Rs. 2,81,22,916.67, for which we issued HDFC Bank Cheque No. 275362.

Thereafter, we purchased IDBI securities bearing interest at 11.5% maturing in the year 2011 for Rs. 3,37,16,166.67, for which HDFC Bank Cheque No. 275372 was issued.

Thereafter, on 27/02/2002, we purchased Government of India securities bearing interest at 9.39% maturing in the year 2011 for Rs. 1,13,43,458.33, for which HDFC Bank Cheque No. 275373 was issued.

Thus, between 31/10/2001 and 27/02/2002, our bank purchased Government Securities from Home Trade Limited amounting to Rs.

9,68,10,666.67, and the said amount was paid by our bank to Home Trade Limited through the above cheques.

However, although earlier deliveries used to be received within the usual time, the delivery of these securities was not received, and therefore we repeatedly demanded delivery of the securities through letters and telephone communications with the directors and chairman of Home Trade Limited.

Despite this, they neither delivered the securities nor gave satisfactory replies, but kept giving false assurances.

Therefore we informed Home Trade that if the delivery of securities was not given, we would initiate legal action.

Thereafter Ketan Sheth, Neeraj Surti and Nandkishor Trivedi came to our bank and stated that the securities demanded by us could not presently be delivered.

They stated that instead they could give Government of India securities bearing interest at 11.3% maturing in the year 2012 worth Rs. 3,81,61,000/-, and two securities bearing interest at 8.7% maturing in the year 2017 worth Rs. 5,36,50,625 and Rs. 5,36,506.25 respectively, and if we did not trust them they would issue cheques.

Relying upon their assurance, we accepted a contract dated 30/03/2002, wherein they orally assured that delivery of the above securities would be given by 15/05/2002.

They further stated that if we did not trust them they would give advance cheques, and accordingly they issued the following cheques:

Cheque No.	**Date**	**Amount**
984317	11/04/2002	Rs. 80,72,206.25
984302	25/04/2002	Rs. 6,36,250
984307	16/04/2002	Rs. 53,91,295.83

984309	29/04/2002	Rs. 54,12,566.66
984308	23/04/2002	Rs. 1,08,05,683.33
984310	07/05/2002	Rs. 1,08,51,066.67
984311	17/05/2002	Rs. 1,41,49,828.33
984323	15/05/2002	Rs. 1,29,11,175
984324	15/05/2002	Rs. 1,29,04,815
984325	15/05/2002	Rs. 1,29,02,975

All these cheques were issued from HDFC Bank, Nariman Point Branch, Account No. 001040017011, totalling Rs. 9,40,37,861.07.

Out of these, Cheque No. 984317 for Rs. 80,72,206.25 was honoured, but despite the above assurances, they did not deliver the Government Securities, and despite repeated demands they did not give satisfactory replies.

Thereafter when the remaining nine cheques were deposited, they were returned due to insufficient funds.

Further, Home Trade sent us a fax showing a certificate of IDBI securities worth Rs. 5,00,00,000 bearing interest at 11.5% maturing in 2011, and also sent a xerox copy of a certificate of Federal Bank securities worth Rs. 1,00,00,000 bearing interest at 9.39% maturing in 2011.

However, till date they have neither delivered the Government Securities nor returned the money paid by us.

Therefore the above directors and persons of Home Trade Limited, having from the beginning hatched a conspiracy and gained the trust of our bank by promising Government Securities and showing false certificates, have cheated us and committed an offence by defrauding us of Rs. 8,59,65,655.82.

Hence I lodge this complaint for legal investigation against them.

My witnesses are the directors and employees of our bank and other persons who may be found during investigation.

This is my complaint.

Sd/- Illegible

I have received one copy of the complaint.

Before me,

Sd/- Illegible

Police Inspector

Umra Police Station

Surat City.

Date: 04/07/2002

My name is Pratibhaben W/o Bhupendrabhai Ramaniklal Pachchigar, Age: 58 years, Occupation: Service, residing at 302, Hem Terrace Apartment, behind Sargam Complex, near Old Jakat Naka, Umra, Surat.

Upon appearing in person and upon being asked, I state that today you have read over to me the complaint which I had lodged on 02/07/2002. The same is correct and true as per what I had stated.

Upon further questioning, I state that today you have asked me to produce whatever evidence I possess in connection with the complaint lodged by me. Accordingly, I am producing the following documents as evidence:

1. Copy of Resolution No. 8(7) passed by the Board of Directors of our Bank on 29/10/2001.
2. Copy of Resolution No. 8(4) passed by the Board of Directors of our Bank on 29/11/2001.
3. Copy of Resolution No. 10(7) passed by the Board of Directors of our Bank on 24/01/2002.
4. Copy of Resolution No. 3(2) passed by the Board of Directors of our Bank on 30/01/2002.
5. Copy of Resolution No. 6(14) dated 27/02/2002.
6. Copy of Resolution No. 9(4) dated 27/03/2002.
7. Xerox copy of the contract executed with Home Trade Limited.
8. Copy of the letter received from Home Trade.
9. Xerox copies of the correspondence exchanged with Home Trade.
10. Copy of the letter written by Home Trade Limited to the Bank regarding statement for the securities.
11. Xerox copies of the cheques issued by Home Trade Limited which were returned unpaid (total 9 cheques).

12. Xerox copy of the HDFC Bank account statement showing the details of the cheques issued by Mahila Bank.

13. List of the names of the Committee Directors.

All the above-mentioned xerox copies have been handed over by me to you.

This is my additional statement, which is true and correct as per my statement.

Before me

Sd/- Illegible

Police Inspector

Umra Police Station

Surat City.

Date: 16/09/2002

My name is Pratibhaben W/o Bhupendrabhai Ramaniklal Pachchigar, Age: 58 years, Occupation: Service, residing at 302, Hem Terrace Apartment, behind Sargam Complex, near Old Jakat Naka, Umra, Surat.

Upon appearing in person and upon being asked, I state that today you have read over to me the complaint which I had lodged on 02/07/2002, and the same is correct and true as per my statement.

Upon further questioning, I state that the copies of the resolutions passed by us for purchasing securities from Home Trade have already been produced earlier. Further, since 1999, we had been purchasing securities through Home Trade, and earlier also we had purchased securities from Home Trade, the delivery of which had been received by us in time on those occasions.

Therefore, for purchasing these securities we had executed contract notes with Home Trade, and accordingly we had issued cheques to them. Further, as per the rules of the Reserve Bank of India, our bank had invested 25% of its funds in Government Securities, and the SGL trading was also carried out in accordance with the policies and regulations of the Reserve Bank of India.

Whenever we decided to purchase securities from Home Trade, we executed contract notes with Home Trade, copies of which have already been produced earlier. At the time of purchasing the securities, whether Home Trade actually possessed such securities or not was not known to our bank. However, since we had business dealings with Home Trade since 1999, our bank trusted them and therefore issued the cheques to Home Trade.

Further, whenever our bank purchased securities from Home Trade, contract notes were always executed, and in accordance with the same practice, contract notes were also executed in this instance as per the rules.

Thus, till date whatever securities our bank had purchased from Home Trade were purchased strictly in accordance with the policies and regulations decided and also in accordance with the rules of the Reserve Bank of India. This is my additional statement and the same is true and correct as per my statement.

Before me

Sd/- Illegible

Police Inspector

Umra Police Station

Surat City.

Date: 04/07/2002

My name is Shailaben W/o Kiranbhai Haribhai Desai, Age: 47 years, Occupation: Director, residing at 11, Sarvodaya Park Society, Bhatar Road, Surat.

Upon being asked in person, I state that I reside at the above-mentioned address with my family and I run a hospital named "Mother Care" situated on Rander Road, and I maintain my livelihood from its income. For the last about seven years, I have been serving as a Director of The Surat Mahila Nagrik Sahakari Bank Ltd.

Our bank has a total of 12 Directors. The administrative office of our bank is located on the third floor of Babubhai Chambers near Athwagate, Surat. All the operations and administration of our bank are carried out in accordance with the rules and regulations prescribed by the Reserve Bank of India.

The deposits received by our bank are utilized for granting loans to people as required, and the remaining funds are invested in Government Securities.

Previously, our bank used to purchase Government Securities from a firm named Growth Avenue, operating from Super Tax Tower opposite Kinnari Cinema, Surat. Since the year 1995, our bank had business dealings with Growth Avenue Company. During that time Neerajbhai Surti used to visit our bank on behalf of Growth Avenue Company, and I know him well.

Thereafter, through the said Growth Avenue Company, our bank came into contact with Ketan Sheth & Co., which also deals in the purchase and sale of Government Securities and whose office is situated in Mumbai. The owner of that company is Ketanbhai Sheth. Our bank also began purchasing

Government Securities from that company and the delivery of the securities purchased from Ketan Sheth & Co. was properly received by our bank.

After some time, Neerajbhai Surti left Growth Avenue Company and joined M/s Ketan Sheth & Co.

Thereafter, in the year 1999, Ketan Sheth and Neeraj Surti came personally to our bank and informed us that they had formed a company named Giltage Management Ltd. and that both of them were Directors of the said company. They also stated that the said company carried on the business of purchase and sale of Government Securities and advised our bank to purchase securities from this company. Since Neeraj Surti and Ketan Sheth had business dealings with our bank since 1995, we trusted them and purchased securities from the said Giltage Company, the delivery of which was also received properly by us.

Thereafter again Ketan Sheth and Neeraj Surti formed another company named Euro Asian Securities Company, through which our bank also purchased Government Securities, the delivery of which was also duly received by us.

In January 2000, Ketan Sheth and Neeraj Surti came to our bank along with two other persons. They introduced those persons to the Directors of our bank and to our Chief Executive Officer Pratibhaben, stating that their names were (1) Sanjay Hariram Agrawal and (2) Nandkishor Shankarlal Trivedi.

They further informed us that their earlier company Euro Asian Securities Ltd. would now conduct the business of Government Securities under the new name Home Trade Ltd., and that Sanjay Agrawal would be the Chairman and Chief Executive, Ketan Sheth would be the Director, Nandkishor Trivedi would be the Executive Director, and Subodh Bhandari would be the Authorized Signatory. They also informed us that this company was a member of the National Stock Exchange and possessed all the

qualifications required under the rules of the Reserve Bank of India for the purchase and sale of Government Securities.

Our bank trusted their statements because since 1995 our bank had been dealing with Neeraj Surti and Ketan Sheth, and therefore from January 2000 we also started purchasing Government Securities through Home Trade Ltd., and the securities were being duly delivered to us by the said company.

In the year 2001, our bank decided to purchase the following securities from Home Trade Ltd., and for this purpose resolutions were also passed in the meetings of the Board of Directors of our bank, which were unanimously approved.

1. On 31/10/2001, our bank decided to purchase Government of India Securities bearing interest at 10.18% maturing in 2026, valued at Rs. 2,36,28,125/-, and for payment thereof our bank issued HDFC Bank Cheque No. 275353 to Home Trade Ltd.
2. On 22/11/2001, our bank decided to purchase Government of India Securities bearing interest at 10.70% maturing in 2020, valued at Rs. 2,81,22,916.67, and issued HDFC Bank Cheque No. 275362.
3. On 28/01/2002, we purchased securities bearing interest at 11.5% maturing in 2011, valued at Rs. 3,37,16,166.67, for which we issued HDFC Bank Cheque No. 275372.
4. We also decided to purchase Government of India Securities bearing interest at 9.39% maturing in 2011, valued at Rs. 1,13,43,458.33, and issued HDFC Bank Cheque No. 275373.

Thus, between 31/10/2001 and 27/02/2002, our bank decided to purchase the above four securities from Home Trade Ltd., and for payment our bank paid a total sum of Rs. 9,68,10,666.67 to Home Trade Ltd., which amount was credited to the account of Home Trade Ltd.

However, even after receiving the said amount, Home Trade Ltd. failed to deliver the above Government Securities within the stipulated time. Therefore

we informed the company by correspondence and also by telephone. During telephonic communication we came in contact with Subodh Bhandari and Ms. Kanan Mevawala, and also informed Sanjay Agrawal, Ketan Sheth and Nandkishor Trivedi.

They avoided the matter, made false assurances and promised that our bank would receive the delivery of the securities within a short time. Even thereafter the securities were not delivered.

Therefore we informed the company that we would initiate legal proceedings against them. Thereafter Ketan Sheth, Neeraj Surti and Nandkishor Trivedi personally came to our bank and informed the Directors of our Board that the four securities demanded by us could not be delivered at present, but instead they promised to provide the following three securities:

1. Government of India security bearing interest at 11.03% maturing in 2002 valued at Rs. 3,81,61,800.
2. Government of India security bearing interest at 8.07% maturing in 2017 valued at Rs. 5,36,50,625.
3. Government of India security bearing interest at 8.07% maturing in 2017 valued at Rs. 5,36,506.25.

They assured that the delivery would be given shortly. When we stated that we did not trust them, they provided the following cheques of different dates as guarantee:

Cheque No.	**Date**	**Amount**
984317	11/04/2002	Rs. 80,72,206.25
984302	25/04/2002	Rs. 6,36,250
984307	16/04/2002	Rs. 53,91,295.83
984309	29/04/2002	Rs. 54,12,566.66
984308	23/04/2002	Rs. 1,08,05,683.33

984310	07/05/2002	Rs. 1,08,51,066.67
984311	17/05/2002	Rs. 1,41,49,828.33
984323	15/05/2002	Rs. 1,29,11,175
984324	15/05/2002	Rs. 1,29,04,815
984325	15/05/2002	Rs. 1,29,02,975

After issuing the above cheques, the company again promised to deliver the said three securities. When the promise was not fulfilled within the stipulated period, we deposited the above cheques in the bank. Cheque No. 984317 was honoured, whereas all the remaining cheques were returned unpaid due to insufficient funds.

The Home Trade Ltd. company also once informed us that they would provide (1) IDBI securities bearing interest at 11.5% maturing in 2011 valued at Rs. 5 crores and (2) Federal Bank securities bearing interest at 9.39% maturing in 2011 valued at Rs. 1 crore, and sent xerox copies of the certificates of those securities by fax. However, the original securities have not been delivered to us till date.

Thus, the Directors of Home Trade Ltd. gained the confidence and trust of our bank and on the pretext of supplying Government Securities cheated our bank of Rs. 8,59,65,655.82.

This is my true statement.

Before me

Sd/- Illegible

Police Inspector

Umra Police Station

Surat City.

Date: 04/07/2002

My name is Kashmira, wife of Jimmy Naval shah Kharadi, age 47 years, occupation household work, resident of Har Kishan Baug, Adarsh Society, Athwa Lines, Surat.

On being asked in person, I state that I reside at the above-mentioned place with my family and do household work. My husband is employed at Diamond Jubilee Bank situated on Rander Road. I have been serving as a Director in The Surat Mahila Nagrik Sahakari Bank Limited for the last 14 years. Our bank has a total of twelve (12) Directors, and the administrative office of the bank is situated on the third floor at Babubhai Chambers, Athwa Gate. All proceedings and administration of our said bank are carried out in accordance with the prescribed rules of the Reserve Bank of India. From the deposits received by our bank, we grant loans to persons as per requirement, and the remaining deposits are invested in Government securities.

Earlier, our bank used to purchase Government securities from a firm named Growth Avenue, functioning at Super Tex Tower, situated opposite Kinnary Cinema in Surat city. Since the year 1995, our bank has been dealing with the said Growth Avenue Company. At that time, Neerajbhai Surti used to come to our bank from the said Growth Avenue Company, whom I know well. Thereafter, through the said Growth Avenue Company, our bank came into contact with Messrs Ketan Sheth & Co., which also carries on the business of purchase and sale of Government securities, whose office is in Mumbai, and whose proprietor is Ketanbhai Sheth. After dealings commenced with the said company, our bank also carried out transactions of purchasing Government securities from them. The delivery of all securities purchased by us from Ketan Sheth & Co. was duly received by us. After some time, Neerajbhai Surti separated from Growth Avenue and joined Messrs Ketan Sheth & Co.

Thereafter, in the year 1999, Ketan Sheth and Neeraj Surti personally came and informed our bank that they had formed a company named Giltedge Management Limited, that both of them were Directors of the said company, and that the said Giltedge Company also carried on the business of purchase and sale of Government securities. They advised our bank to purchase Government securities from the said company. Since the above-mentioned Neeraj Surti and Ketan Sheth had been dealing with our bank since the year 1995, we trusted them and purchased securities from the said Giltedge Company, the delivery of which was duly received by us. Thereafter, once again, the said Ketan Sheth and Neeraj Surti formed another company named Euro Asian Securities Company, and through that company also our bank purchased Government securities, the delivery of which was duly received by us.

In the month of January 2000, Ketan Sheth and Neeraj Surti came to our bank, and at that time, two other persons were also with them. Ketan Sheth and Neeraj Surti met the Directors of our bank and the Chief Executive Officer Pratibhaben, and introduced the said two persons stating that the names of the said persons were: (1) Sanjay Hariram Agrawal, and (2) Nandkishor Shankarlal Trivedi. They further told us that their old company Euro Asian Securities Limited would now carry on the business of purchase and sale of Government securities under the name Hometrade Limited, and that Sanjay Agrawal would be the Chairman and Chief Executive of the said company, Ketan Sheth would be the Director, Nandkishor Trivedi would be the Executive Director, and Subodhbhai Bhandari would be the Authorized Signatory, and that the said company is a member of the National Stock Exchange and possesses all qualifications for purchase and sale of Government securities as per the policy guidelines of the Reserve Bank of India. Our bank relied upon and trusted their statements because since the year 1995 our bank had been dealing with Neeraj Surti and Ketan Sheth. Therefore,

from January 2000, we started purchasing Government securities through Hometrade Limited, and the same were duly received by us in an orderly manner from the said company.

From the said Hometrade Limited, in the year 2001, our bank decided to purchase the following securities, and in respect thereof, resolutions were also passed in the meetings of the Board of Directors of our bank, which were unanimously approved:

1. On 31/10/2001, Government of India securities bearing 10.18% interest, maturing in the year 2026, valued at Rs. 2,36,28,125/-, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275353 to Hometrade Limited.
2. On 22/11/2001, Government of India securities bearing 10.70% interest, valued at Rs. 2,81,22,916.67, maturing in the year 2020, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275362.
3. On 28/01/2002, securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 3,37,16,166.67, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275372.
4. Government of India securities bearing 9.39% interest, maturing in the year 2011, valued at Rs. 1,13,43,458.30, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275373.

Thus, during the period from 31/10/2001 to 27/02/2002, our bank decided to purchase the above four (4) securities from Hometrade Limited, and towards payment thereof, our bank paid a total amount of Rs. 9,68,10,666.67, which amount was credited to the account of Hometrade Limited. Despite receipt of the said amount, the said company did not deliver the above-mentioned Government securities within the stipulated time. Therefore, we

informed the said company by way of correspondence and also by telephone. On telephone, we contacted Subodhbhai Bhandari and Smt. Kanan Mewawala, and we also informed Sanjay Agrawal, Ketan Sheth, Nandkishor Trivedi, and others by telephone. They gave evasive replies and false assurances and assured us that our bank would receive delivery of the securities within a short time. However, even thereafter, the delivery of the securities was not given.

Therefore, we informed the said company that we would initiate legal proceedings against them. Thereupon, Ketan Sheth, Neeraj Surti, and Nandkishor Trivedi, all three together, personally came to our bank, met our Board of Directors, and informed us that they were not in a position to deliver the four (4) securities demanded by us at present. However, in lieu thereof, they promised to give the following three (3) securities:

1. Government of India security bearing 11.03% interest, maturing in the year 2002, valued at Rs. 3,81,61,800/-.
2. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,50,625/-.
3. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,506.25.

They stated that delivery would be given within a short time. As we did not trust them, we told them to give some other guarantee. At that time, they issued to us the following cheques of different dates:

Cheque No.	Date	Amount
984317	11/04/2002	Rs. 80,72,206.25
984302	25/04/2002	Rs. 6,36,250/-
984307	16/04/2002	Rs. 53,91,295.83
984309	29/04/2002	Rs. 54,12,566.66

984308	23/04/2002	Rs. 1,08,05,683.33
984310	07/05/2002	Rs. 1,08,51,066.67
984311	17/05/2002	Rs. 1,41,49,828.33
984323	15/05/2002	Rs. 1,29,11,175/-
984324	15/05/2002	Rs. 1,29,04,815/-
984325	15/05/2002	Rs. 1,29,02,975/-

After issuance of the above cheques, Hometrade Company promised to deliver the above three securities. However, as the promise was not fulfilled within the stipulated time, we deposited the said cheques in the bank on their respective dates. The cheque mentioned at Serial No. 1 was honoured, and all the remaining cheques were returned due to insufficiency of funds in the account.

On one occasion, the said Hometrade Limited informed us that they would provide (1) IDBI securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 5 Crore, and (2) Federal Bank securities bearing 9.39% interest, maturing in the year 2011, valued at Rs. 1 Crore, and sent xerox copies of the certificates of the said securities by fax. However, the original securities have not been delivered to us till date.

In this manner, the Directors of Hometrade Limited gained the trust and confidence of our bank and by assuring delivery of Government securities, have cheated our bank of Rs. 8,59,65,655.82.

This is my statement, correct and true as stated by me.

Before me,

Signature: Illegible

Police Inspector

Umra Police Station, Surat City

Date: 04/07/2002

My name is Dharmishthaben, wife of Nitinkumar Dineshchandra Nawab, age 39 years, occupation household work, resident of 68, Vrindavan, Subhashnagar Society, near Jamnanagar, Ghod Dod Road, Surat.

On being asked in person, I state that I reside at the above-mentioned address with my family and do household work. My husband runs a loom factory and carries on the business of textiles. I have been serving as a Director in The Surat Mahila Nagrik Sahakari Bank Limited for the last about fourteen years. Our said bank has a total of twelve (12) Directors, and the administrative office of the bank is situated on the third floor at Babubhai Chambers, Athwa Gate. All proceedings and administration of our said bank are carried out in accordance with the prescribed rules of the Reserve Bank of India. From the deposits received by our bank, we grant loans to persons as per requirement, and the remaining deposits are invested in Government securities.

Earlier, our bank used to purchase Government securities from a firm named Growth Avenue, functioning at Super Tex Tower, situated opposite Kinnary Cinema in Surat city. Since the year 1995, our bank has been dealing with the said Growth Avenue Company. At that time, Neerajbhai Surti used to come to our bank from the said Growth Avenue Company, whom I know well. Thereafter, through the said Growth Avenue Company, our bank came into contact with Messrs Ketan Sheth & Co., which also carries on the business of purchase and sale of Government securities, whose office is situated at Mumbai, and whose proprietor is Ketanbhai Sheth. After dealings commenced with the said company, our bank also carried out transactions of purchasing Government securities from them. The delivery of all securities purchased by us from Ketan Sheth & Co. was duly received by us. After some

time, Neerajbhai Surti separated from Growth Avenue and joined Messrs Ketan Sheth & Co.

Thereafter, in the year 1999, Ketan Sheth and Neeraj Surti personally came and informed our bank that they had formed a company named Giltedge Management Limited, that both of them were Directors of the said company, and that the said Giltedge Company also carried on the business of purchase and sale of Government securities. They advised our bank to purchase Government securities from the said company. Since the above-mentioned Neeraj Surti and Ketan Sheth had been dealing with our bank since the year 1995, we trusted them and purchased securities from the said Giltedge Company, the delivery of which was duly received by us. Thereafter, once again, the said Ketan Sheth and Neeraj Surti formed another company named Euro Asian Securities Company, and through that company also our bank purchased Government securities, the delivery of which was duly received by us.

In the month of January 2000, Ketan Sheth and Neeraj Surti came to our bank, and at that time, two other persons were also with them. Ketan Sheth and Neeraj Surti met the Directors of our bank and the Chief Executive Officer Pratibhaben, and introduced the said two persons stating that their names were:

(1) Sanjay Hariram Agrawal, and

(2) Nand Kishor Shankarlal Trivedi.

They further informed us that their old company Euro Asian Securities Limited would now carry on the business of purchase and sale of Government securities under the name Hometrade Limited, and that Sanjay Agrawal would be the Chairman and Chief Executive, Ketan Sheth would be the Director, Nand Kishor Trivedi would be the Executive Director, and Subodhbhai Bhandari would be the Authorised Signatory, and that the said company is a member of the National Stock Exchange and possesses all qualifications for

purchase and sale of Government securities as per the policy guidelines of the Reserve Bank of India. Our bank relied upon and trusted their statements because since the year 1995, our bank had been dealing with Neeraj Surti and Ketan Sheth. Therefore, from January 2000, we started purchasing Government securities through Hometrade Limited, and the same were duly and systematically received by us from the said company.

From the said Hometrade Limited, in the year 2001, our bank decided to purchase the following securities, and in respect thereof, resolutions were also passed in the meetings of the Board of Directors of our bank, which were unanimously approved:

1. On 31/10/2001, Government of India securities bearing 10.18% interest, maturing in the year 2026, valued at Rs. 2,36,28,125/-, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275353 to Hometrade Limited.
2. On 22/11/2001, Government of India securities bearing 10.70% interest, valued at Rs. 2,81,22,916.67, maturing in the year 2020, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275362.
3. On 28/01/2002, securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 3,37,16,166.67, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275372.
4. Government of India securities bearing 9.39% interest, maturing in the year 2011, valued at Rs. 1,13,43,458.30, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275373.

Thus, during the period from 31/10/2001 to 27/02/2002, our bank decided to purchase the above four (4) securities from Hometrade Limited, and towards payment thereof, our bank paid a total amount of Rs. 9,68,10,666.67, which amount was credited to the account of Hometrade Limited. Despite receipt of the said amount, the said company did not deliver the above-mentioned Government securities within the stipulated time. Therefore, we informed the said company by way of correspondence and also by telephone. On telephone, we contacted Subodhbhai Bhandari and Smt. Kanan Mewawala, and we also informed Sanjay Agrawal, Ketan Sheth, Nand Kishor Trivedi, and others. They gave evasive replies and false assurances and assured us that our bank would receive delivery of the securities within a short time. However, even thereafter, the delivery of the securities was not given.

Therefore, we informed the said company that we would initiate legal proceedings against them. Thereupon, Ketan Sheth, Neeraj Surti, and Nand Kishor Trivedi, all three together, personally came to our bank, met our Board of Directors, and informed us that they were not in a position to deliver the four (4) securities demanded by us at present. However, in lieu thereof, they promised to give the following three (3) securities:

1. Government of India security bearing 11.03% interest, maturing in the year 2002, valued at Rs. 3,81,61,800/-.
2. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,50,625/-.
3. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,506.25.

They stated that delivery would be given within a short time. As we did not trust them, we told them to give some other guarantee. At that time, they issued to us the following cheques of different dates:

Cheque No.	Date	Amount
984317	11/04/2002	Rs. 80,72,206.25
984302	25/04/2002	Rs. 6,36,250/-
984307	16/04/2002	Rs. 53,91,295.83
984309	29/04/2002	Rs. 54,12,566.66
984308	23/04/2002	Rs. 1,08,05,683.33
984310	07/05/2002	Rs. 1,08,51,066.67
984311	17/05/2002	Rs. 1,41,49,828.33
984323	15/05/2002	Rs. 1,29,11,175/-
984324	15/05/2002	Rs. 1,29,04,815/-
984325	15/05/2002	Rs. 1,29,02,975/-

After issuance of the above cheques, Hometrade Limited promised to deliver the above three securities. However, as the promise was not fulfilled within the stipulated time, we deposited the said cheques in the bank on their respective dates. The cheque mentioned at Serial No. 1 was honoured, and all the remaining cheques were returned due to insufficiency of funds in the account.

On one occasion, Hometrade Limited informed us that they would provide

(1) IDBI securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 5 Crore, and

(2) Federal Bank securities bearing 9.39% interest, maturing in the year 2011, valued at Rs. 1 Crore,

and sent xerox copies of the certificates of the said securities by fax. However, the original securities have not been delivered to us till date.

In this manner, the Directors of Hometrade Limited gained the trust and confidence of our bank and by assuring delivery of Government securities, have cheated our bank of Rs. 8,59,65,655.82.

This is my statement, correct and true as stated by me.

Before me,

Signature: — Illegible

Police Inspector

Umra Police Station

Surat City

Date: 09/07/2002

My name is Bhanumatiben, wife of Tulsidas Jethalal Zaveri, age 55 years, occupation household work, resident of 2/45005, Shivdas Zaveri-ni Sheri, Sagrampura, Surat.

On being asked in person, I state that I reside at the above-mentioned place with my family and do household work. My husband carries on the business of textiles. I have been serving as a Director in The Surat Mahila Nagrik Sahakari Bank Limited for the last about fifteen years. Our said bank has a total of twelve (12) Directors, and the administrative office of the bank is situated on the third floor at Babubhai Chambers, Athwa Gate. All proceedings and administration of our said bank are carried out in accordance with the prescribed rules of the Reserve Bank of India. From the deposits received by our bank, we grant loans to persons as per requirement, and the remaining deposits are invested in Government securities.

Earlier, our bank used to purchase Government securities from a firm named Growth Avenue, functioning at Super Tex Tower, situated opposite Kinnary Cinema in Surat city. Since the year 1995, our bank has been dealing with the said Growth Avenue Company. At that time, Neerajbhai Surti used to come to our bank from the said Growth Avenue Company, whom I know well. Thereafter, through the said Growth Avenue Company, our bank came into contact with Messrs Ketan Sheth & Co., which also carries on the business of purchase and sale of Government securities, whose office is situated at Mumbai, and whose proprietor is Ketanbhai Sheth. After dealings commenced with the said company, our bank also carried out transactions of purchasing Government securities from them. The delivery of all securities purchased by us from Ketan Sheth & Co. was duly received by us. After some

time, Neerajbhai Surti separated from Growth Avenue and joined Messrs Ketan Sheth & Co.

Thereafter, in the year 1999, Ketan Sheth and Neeraj Surti personally came and informed our bank that they had formed a company named Giltedge Management Limited, that both of them were Directors of the said company, and that the said Giltedge Company also carried on the business of purchase and sale of Government securities. They advised our bank to purchase Government securities from the said company. Since the above-mentioned Neeraj Surti and Ketan Sheth had been dealing with our bank since the year 1995, we trusted them and purchased securities from the said Giltedge Company, the delivery of which was duly received by us. Thereafter, once again, the said Ketan Sheth and Neeraj Surti formed another company named Euro Asian Securities Company, and through that company also our bank purchased Government securities, the delivery of which was duly received by us.

In the month of January 2000, Ketan Sheth and Neeraj Surti came to our bank, and at that time, two other persons were also with them. Ketan Sheth and Neeraj Surti met the Directors of our bank and the Chief Executive Officer Pratibhaben, and introduced the said two persons stating that their names were:

(1) Sanjay Hariram Agrawal, and

(2) Nand Kishor Shankarlal Trivedi.

They further told us that their old company Euro Asian Securities Limited would now carry on the business of purchase and sale of Government securities under the name Hometrade Limited, and that Sanjay Agrawal would be the Chairman and Chief Executive, Ketan Sheth would be the Director, Nand Kishor Trivedi would be the Executive Director, and Subodhbhai Bhandari would be the Authorised Signatory, and that the said company is a member of the National Stock Exchange and possesses all qualifications for

purchase and sale of Government securities as per the policy guidelines of the Reserve Bank of India. Our bank relied upon and trusted their statements because since the year 1995, our bank had been dealing with Neeraj Surti and Ketan Sheth. Therefore, from January 2000, we started purchasing Government securities through Hometrade Limited, and the same were duly and systematically received by us from the said company.

From the said Hometrade Limited, in the year 2001, our bank decided to purchase the following securities, and in respect thereof, resolutions were also passed in the meetings of the Board of Directors of our bank, which were unanimously approved:

1. On 31/10/2001, Government of India securities bearing 10.18% interest, maturing in the year 2026, valued at Rs. 2,36,28,125/-, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275353 to Hometrade Limited.
2. On 22/11/2001, Government of India securities bearing 10.70% interest, valued at Rs. 2,81,22,916.67, maturing in the year 2020, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275362.
3. On 28/01/2002, securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 3,37,16,166.67, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275372.
4. Government of India securities bearing 9.39% interest, maturing in the year 2011, valued at Rs. 1,13,43,458.30, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275373.

Thus, during the period from 31/10/2001 to 27/02/2002, our bank decided to purchase the above four (4) securities from Hometrade Limited, and towards payment thereof, our bank paid a total amount of Rs. 9,68,10,666.67

to Hometrade Limited (as stated in the text: "Page No. 8/4"), and the said amount was credited to the account of Hometrade Limited. Despite receipt of the said amount, the said company did not deliver the above-mentioned Government securities within the stipulated time. Therefore, we informed the said company by way of correspondence and also by telephone. On telephone, we contacted Subodhbhai Bhandari and Smt. Kanan Mewawala, and we also informed Sanjay Agrawal, Ketan Sheth, Nand Kishor Trivedi, and others by telephone. They gave evasive replies and false assurances and assured us that our bank would receive delivery of the securities within a short time. However, even thereafter, the delivery of the securities was not given.

Therefore, we informed the said company that we would initiate legal proceedings against them. Thereupon, Ketan Sheth, Neeraj Surti, and Nand Kishor Trivedi, all three together, personally came to our bank, met our Board of Directors, and informed us that they were not in a position to deliver the four (4) securities demanded by us at present. However, in lieu thereof, they promised to give the following three (3) securities:

1. Government of India security bearing 11.03% interest, maturing in the year 2002, valued at Rs. 3,81,61,800/-.
2. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,50,625/-.
3. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,506.25.

They stated that delivery would be given within a short time. As we did not trust them, we told them to give some other guarantee. At that time, they issued to us the following cheques of different dates:

Cheque No.	Date	Amount
984317	11/04/2002	Rs. 80,72,206.25
984302	25/04/2002	Rs. 6,36,250/-
984307	16/04/2002	Rs. 53,91,295.83
984309	29/04/2002	Rs. 54,12,566.66
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984310	07/05/2002	Rs. 1,08,51,066.67
984311	17/05/2002	Rs. 1,41,49,828.33
984323	15/05/2002	Rs. 1,29,11,175/-
984324	15/05/2002	Rs. 1,29,04,815/-
984325	15/05/2002	Rs. 1,29,02,975/-

After issuance of the above cheques, Hometrade Limited promised to deliver the above three securities. However, as the promise was not fulfilled within the stipulated time, we deposited the said cheques in the bank on their respective dates. The cheque mentioned at Serial No. 1 was honoured, and all the remaining cheques were returned due to insufficiency of funds in the account.

On one occasion, Hometrade Limited informed us that they would provide:

(1) IDBI securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 5 Crore, and
(2) Federal Bank securities bearing 9.39% interest, maturing in the year 2011, valued at Rs. 1 Crore,

and sent xerox copies of the certificates of the said securities by fax. However, the original securities have not been delivered to us till date.

In this manner, the Directors of Hometrade Limited gained the trust and confidence of our bank and by assuring delivery of Government securities, have cheated our bank of Rs. 8,59,65,655.82.

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

Before me,
Signature: — Illegible
Police Inspector
Umra Police Station
Surat City

Date: 09/07/2002

My name is Umaben, widow of Premalkumar Laltamohan Gandhi, age 72 years, occupation household work and social worker, resident of 8/C, Vandan Tribhuvan Complex, Ghoddod Road, Surat.

On being asked in person, I state that I reside at the above-mentioned place with my family, and I do household work and work as a social worker. Further, since the year 1974, I have been rendering service as the Founder Chairman of The Surat Mahila Nagrik Sahakari Bank Limited. I have two sons, namely: (1) Shreyas and (2) Chinmay, who run an electronics shop in the Meera Ambika Building, situated at our Chowk, opposite Gandhibaug. Our said Mahila Bank has a total of twelve (12) Directors, and the administrative office of the bank is situated on the third floor at Babubhai Chambers, Athwa Gate. All proceedings and administration of our said bank are carried out in accordance with the prescribed rules of the Reserve Bank of India. From the deposits received by our bank, we grant loans to persons as per requirement, and the remaining deposits are invested in Government securities.

Earlier, our bank used to purchase Government securities from a firm named Growth Avenue, functioning at Super Tex Tower, situated opposite Kinnary Cinema in Surat city. Since the year 1995, our bank has been dealing with the said Growth Avenue Company. At that time, Neerajbhai Surti used to come to our bank from the said Growth Avenue Company, whom I know well. Thereafter, through the said Growth Avenue Company, our bank came into contact with Messrs Ketan Sheth & Co., which also carries on the business of purchase and sale of Government securities, whose office is situated at Mumbai, and whose proprietor is Ketanbhai Sheth. After dealings

commenced with the said company, our bank also carried out transactions of purchasing Government securities from them. The delivery of all securities purchased by us from Ketan Sheth & Co. was duly received by us. After some time, Neerajbhai Surti separated from Growth Avenue and joined Messrs Ketan Sheth & Company.

Thereafter, in the year 1999, Ketan Sheth and Neeraj Surti personally came and informed our bank that they had formed a company named Giltedge Management Limited, that both of them were Directors of the said company, and that the said Giltedge Company also carried on the business of purchase and sale of Government securities. They advised our bank to purchase Government securities from the said company. Since the above-mentioned Neeraj Surti and Ketan Sheth had been dealing with our bank since the year 1995, we trusted them and purchased securities from the said Giltedge Company, the delivery of which was duly received by us. Thereafter, once again, the said Ketan Sheth and Neeraj Surti formed another company named Euro Asian Securities Company, and through that company also our bank purchased Government securities, the delivery of which was duly received by us.

In the month of January 2000, Ketan Sheth and Neeraj Surti came to our bank, and at that time, two other persons were also with them. Ketan Sheth and Neeraj Surti met the Directors of our bank and the Chief Executive Officer Pratibhaben, and introduced the said two persons stating that their names were:

(1) Sanjay Hariram Agrawal, and

(2) Nand Kishor Shankarlal Trivedi.

They further told us that their old company Euro Asian Securities Limited would now carry on the business of purchase and sale of Government securities under the name Hometrade Limited, and that Sanjay Agrawal would be the Chairman and Chief Executive, Ketan Sheth would be the Director,

Nand Kishor Trivedi would be the Executive Director, and Subodhbhai Bhandari would be the Authorised Signatory, and that the said company is a member of the National Stock Exchange and possesses all qualifications for purchase and sale of Government securities as per the policy guidelines of the Reserve Bank of India. Our bank relied upon and trusted their statements because since the year 1995, our bank had been dealing with Neeraj Surti and Ketan Sheth. Therefore, from January 2000, we started purchasing Government securities through Hometrade Limited, and the same were duly and systematically received by us from the said company.

From the said Hometrade Limited, in the year 2001, our bank decided to purchase the following securities, and in respect thereof, resolutions were also passed in the meetings of the Board of Directors of our bank, which were unanimously approved:

1. On 31/10/2001, Government of India securities bearing 10.18% interest, maturing in the year 2026, valued at Rs. 2,36,28,125/-, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275353 to Hometrade Limited.
2. On 22/11/2001, Government of India securities bearing 10.70% interest, valued at Rs. 2,81,22,916.67, maturing in the year 2020, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275362.
3. On 28/01/2002, securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 3,37,16,166.67, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275372.
4. Government of India securities bearing 9.39% interest, maturing in the year 2011, valued at Rs. 1,13,43,458.30, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275373.

Thus, during the period from 31/10/2001 to 27/02/2002, our bank decided to purchase the above four (4) securities from Hometrade Limited, and towards payment thereof, our bank paid a total amount of Rs. 9,68,10,666.67 to Hometrade Limited, and the said amount was credited to the account of Hometrade Limited. Despite receipt of the said amount, the said company did not deliver the above-mentioned Government securities within the stipulated time. Therefore, we informed the said company by way of correspondence and also by telephone. On telephone, we contacted Subodhbhai Bhandari and Smt. Kanan Mewawala, and we also informed Sanjay Agrawal, Ketan Sheth, Nand Kishor Trivedi, and others by telephone. They gave evasive replies and false assurances and assured us that our bank would receive delivery of the securities within a short time. However, even thereafter, the delivery of the securities was not given.

Therefore, we informed the said company that we would initiate legal proceedings against them. Thereupon, Ketan Sheth, Neeraj Surti, and Nand Kishor Trivedi, all three persons together, personally came to our bank, met our Board of Directors, and informed us that they were not in a position to deliver the four (4) securities demanded by us at present. However, in lieu thereof, they promised to give the following three (3) securities:

1. Government of India security bearing 11.03% interest, maturing in the year 2002, valued at Rs. 3,81,61,800/-.
2. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,50,625/-.
3. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,506.25.

They stated that delivery would be given within a short time. As we did not trust them, we told them to give some other guarantee. At that time, they issued to us (as stated in the text: "different dates", and also mentioning the following cheques of different dates:

Cheque No.	Date	Amount
984317	11/04/2002	Rs. 80,72,206.25
984302	25/04/2002	Rs. 6,36,250/-
984307	16/04/2002	Rs. 53,91,295.83
984309	29/04/2002	Rs. 54,12,566.66
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984323	15/05/2002	Rs. 1,29,11,175/-
984324	15/05/2002	Rs. 1,29,04,815/-
984325	15/05/2002	Rs. 1,29,02,975/-

After issuance of the above cheques, Hometrade promised to deliver the above three securities. However, as the promise was not fulfilled within the stipulated time, we deposited the said cheques in the bank on their respective dates. The cheque mentioned at Serial No. 1 was honoured, and all the remaining cheques were returned due to insufficiency of funds in the account.

On one occasion, Hometrade Limited informed us that they would provide:

(1) IDBI securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 5 Crore, and

(2) Federal Bank securities bearing 9.39% interest, maturing in the year 2011, valued at Rs. 1 Crore,

and sent xerox copies of the certificates of the said securities by fax. However, the original securities have not been delivered to us till date.

In this manner, the Directors of Hometrade Limited gained the trust and confidence of our bank and by assuring delivery of Government securities, have cheated our bank of Rs. 8,59,65,655.82.

The above fact stated by me is true and correct.

Before me,
Signature: — Illegible
Police Inspector
Umra Police Station
Surat City

Date: 09/07/2002

My name is Kalaben, wife of Mahendrabhai Ishwarlal Shroff, age 54 years, occupation social worker, resident of Block No. 8, First Floor, Building No. 2, Gyandip Society, Athwagate, Surat.

On being asked in person, I state that I reside at the above-mentioned place with my family, and I am a social worker. My husband runs a powerloom factory at Katargam ..... I have been serving as the Managing Director of The Surat Mahila Nagrik Sahakari Bank Limited since the year 1974. Our said bank has a total of twelve (12) Directors, and the administrative office of the bank is situated on the third floor at Babubhai Chambers, Athwa Gate. All proceedings and administration of our said bank are carried out in accordance with the prescribed rules of the Reserve Bank of India. From the deposits received by our bank, we grant loans to persons as per requirement, and the remaining deposits are invested in Government securities.

Earlier, our bank used to purchase Government securities from a firm named Growth Avenue, functioning at Super Tex Tower, situated opposite Kinnary Cinema in Surat city. Since the year 1995, our bank has been dealing with the said Growth Avenue Company. At that time, Neerajbhai Surti used to come to our bank from the said Growth Avenue Company, whom I know well. Thereafter, through the said Growth Avenue Company, our bank came into contact with Messrs Ketan Sheth & Co., which also carries on the business of purchase and sale of Government securities, whose office is situated at Mumbai, and whose proprietor is Ketanbhai Sheth. After dealings commenced with the said company, our bank also carried out transactions of purchasing Government securities from them. The delivery of all securities

purchased by us from Ketan Sheth & Co. was duly received by us. After some time, Neerajbhai Surti separated from Growth Avenue and joined Messrs Ketan Sheth & Company.

Thereafter, in the year 1999, Ketan Sheth and Neeraj Surti personally came and informed our bank that they had formed a company named Giltedge Management Limited, that both of them were Directors of the said company, and that the said Giltedge Company also carried on the business of purchase and sale of Government securities. They advised our bank to purchase Government securities from the said company. Since the above-mentioned Neeraj Surti and Ketan Sheth had been dealing with our bank since the year 1995, we trusted them and purchased securities from the said Giltedge Company, the delivery of which was duly received by us. Thereafter, once again, the said Ketan Sheth and Neeraj Surti formed another company named Euro Asian Securities Company, and through that company also our bank purchased Government securities, the delivery of which was duly received by us.

In the month of January 2000, Ketan Sheth and Neeraj Surti came to our bank, and at that time, two other persons were also with them. Ketan Sheth and Neeraj Surti met the Directors of our bank and the Chief Executive Officer Pratibhaben, and introduced the said two persons stating that their names were:

(1) Sanjay Hariram Agrawal, and
(2) Nand Kishor Shankarlal Trivedi.

They further told us that their old company Euro Asian Securities Limited would now carry on the business of purchase and sale of Government securities under the name Hometrade Limited, and that Sanjay Agrawal would be the Chairman and Chief Executive, Ketan Sheth would be the Director,

Nand Kishor Trivedi would be the Executive Director, and Subodhbhai Bhandari would be the Authorised Signatory, and that the said company is a member of the National Stock Exchange and possesses all qualifications for purchase and sale of Government securities as per the policy guidelines of the Reserve Bank of India. Our bank relied upon and trusted their statements because since the year 1995, our bank had been dealing with Neeraj Surti and Ketan Sheth. Therefore, from January 2000, we started purchasing Government securities through Hometrade Limited, and the same were duly and systematically received by us from the said company.

From the said Hometrade Limited, in the year 2001, our bank decided to purchase the following securities, and in respect thereof, resolutions were also passed in the meetings of the Board of Directors of our bank, which were unanimously approved:

1. On 31/10/2001, Government of India securities bearing 10.18% interest, maturing in the year 2026, valued at Rs. 2,36,28,125/-, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275353 to Hometrade Limited.
2. On 22/11/2001, Government of India securities bearing 10.70% interest, valued at Rs. 2,81,22,916.67, maturing in the year 2020, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275362.
3. On 28/01/2002, securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 3,37,16,166.67, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275372.
4. Government of India securities bearing 9.39% interest, maturing in the year 2011, valued at Rs. 1,13,43,458.30, were decided to be purchased,

and towards payment thereof, our bank issued HDFC Bank Cheque No. 275373.

Thus, during the period from 31/10/2001 to 27/02/2002, our bank decided to purchase the above four (4) securities from Hometrade Limited, and towards payment thereof, our bank paid a total amount of Rs. 9,68,10,666.67 to Hometrade Limited, and the said amount was credited to the account of Hometrade Limited. Despite receipt of the said amount, the said company did not deliver the above-mentioned Government securities within the stipulated time. Therefore, we informed the said company by way of correspondence and also by telephone. On telephone, we contacted Subodhbhai Bhandari and Smt. Kanan Mewawala, and we also informed Sanjay Agrawal, Ketan Sheth, Nand Kishor Trivedi, and others by telephone. They gave evasive replies and false assurances and assured us that our bank would receive delivery of the securities within a short time. However, even thereafter, the delivery of the securities was not given.

Therefore, we informed the said company that we would initiate legal proceedings against them. Thereupon, Ketan Sheth, Neeraj Surti, and Nand Kishor Trivedi, all three persons, personally came to our bank, met the Directors of our bank, and informed us that they were not in a position to deliver the four (4) securities demanded by us at present. However, in lieu thereof, they promised to give the following three (3) securities:

1. Government of India security bearing 11.03% interest, maturing in the year 2002, valued at Rs. 3,81,61,800/-.
2. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,506.25/-.
3. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,506.25.

They stated that delivery would be given within a short time. As we did not trust them, we told them to give some other guarantee. At that time, they issued to us cheques of different dates as under:

Cheque No.	Date	Amount
984317	11/04/2002	Rs. 80,72,206.25
984302	25/04/2002	Rs. 6,36,250/-
984307	16/04/2002	Rs. 53,91,295.83
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984311	17/05/2002	Rs. 1,41,49,828.33
984323	15/05/2002	Rs. 1,29,11,175/-
984324	15/05/2002	Rs. 1,29,04,815/-
984325	15/05/2002	Rs. 1,29,02,975/-

After issuance of the above cheques, Hometrade promised to deliver the above three securities. However, as the promise was not fulfilled within the stipulated time, we deposited the said cheques in the bank on their respective dates. The cheque mentioned at Serial No. 1 was honoured, and all the remaining cheques were returned due to insufficiency of funds in the account.

On one occasion, Hometrade Limited informed us that they would provide:

(1) IDBI securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 5 Crore, and

(2) Federal Bank securities bearing 9.39% interest, maturing in the year 2011, valued at Rs. 1 Crore,

and sent xerox copies of the certificates of the said securities by fax. However, the original securities have not been delivered to us till date.

In this manner, the Directors of Hometrade Limited gained the trust and confidence of our bank and by assuring delivery of Government securities, have cheated our bank of Rs. 8,59,65,655.82.

This is my statement, correct and true as stated by me.

Before me,
Signature: — Illegible
Police Inspector
Umra Police Station
Surat City

Date: 10/07/2002

My name is Kamalben, wife of Arunbhai Krishnanath Pradhan, age 61 years, occupation household work, resident of Kamal Building, Third Floor, behind T. & T.V. School, near Athwagate, Nanpura, Surat.

On being asked in person, I state that I reside at the above-mentioned place with my family and I do household work. Further, I am serving as a Director in The Surat Mahila Nagrik Sahakari Bank Limited. Our said bank has a total of twelve (12) Directors, and the administrative office of the bank is situated on the third floor at Babubhai Chambers, Athwa Gate. All proceedings and administration of our said bank are carried out in accordance with the prescribed rules of the Reserve Bank of India. From the deposits received by our bank, we grant loans to persons as per requirement, and the remaining deposits are invested in Government securities.

Earlier, our bank used to purchase Government securities from a firm named Growth Avenue, functioning at Super Tex Tower, situated opposite Kinnary Cinema in Surat city. Since the year 1995, our bank has been dealing with the said Growth Avenue Company. At that time, Neerajbhai Surti used to come to our bank from the said Growth Avenue Company, whom I know well. Thereafter, through the said Growth Avenue Company, our bank came into contact with Messrs Ketan Sheth & Co., which also carries on the business of purchase and sale of Government securities, whose office is situated at Mumbai, and whose proprietor is Ketanbhai Sheth. After dealings commenced with the said company, our bank also carried out transactions of purchasing Government securities from them. The delivery of all securities purchased by us from Ketan Sheth & Co. was duly received by us. After some time, Neerajbhai Surti separated from Growth Avenue and joined Messrs Ketan Sheth & Company.

Thereafter, in the year 1999, Ketan Sheth and Neeraj Surti personally came and informed our bank that they had formed a company named Giltedge Management Limited, that both of them were Directors of the said company, and that the said Giltedge Company also carried on the business of purchase and sale of Government securities. They advised our bank to purchase Government securities from the said company. Since the above-mentioned Neeraj Surti and Ketan Sheth had been dealing with our bank since the year 1995, we trusted them and purchased securities from the said Giltedge Company, the delivery of which was duly received by us. Thereafter, once again, the said Ketan Sheth and Neeraj Surti formed another company named Euro Asian Securities Company, and through that company also our bank purchased Government securities, the delivery of which was duly received by us.

In the month of January 2000, Ketan Sheth and Neeraj Surti came to our bank, and at that time, two other persons were also with them. Ketan Sheth and Neeraj Surti met the Directors of our bank and the Chief Executive Officer Pratibhaben, and introduced the said two persons stating that their names were:

(1) Sanjay Hariram Agrawal, and

(2) Nand Kishor Shankarlal Trivedi.

They further told us that their old company Euro Asian Securities Limited would now carry on the business of purchase and sale of Government securities under the name Hometrade Limited, and that Sanjay Agrawal would be the Chairman and Chief Executive, Ketan Sheth would be the Director, Nand Kishor Trivedi would be the Executive Director, and Subodhbhai Bhandari would be the Authorised Signatory, and that the said company is a member of the National Stock Exchange and possesses all qualifications for purchase and sale of Government securities as per the policy guidelines of the Reserve Bank of India. Our bank relied upon and trusted their statements

because since the year 1995, our bank had been dealing with Neeraj Surti and Ketan Sheth. Therefore, from January 2000, we started purchasing Government securities through Hometrade Limited, and the same were duly and systematically received by us from the said company.

From the said Hometrade Limited, in the year 2001, our bank decided to purchase the following securities, and in respect thereof, resolutions were also passed in the meetings of the Board of Directors of our bank, which were unanimously approved:

1. On 31/10/2001, Government of India securities bearing 10.18% interest, maturing in the year 2006, valued at Rs. 2,36,28,125/-, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275353 to Hometrade Limited.
2. On 22/11/2001, Government of India securities bearing 10.70% interest, valued at Rs. 2,81,22,916.67, maturing in the year 2020, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275362.
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4. Government of India securities bearing 9.39% interest, maturing in the year 2001, valued at Rs. 1,13,43,458.30, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275373.

Thus, during the period from 31/10/2001 to 27/02/2002, our bank decided to purchase the above four (4) securities from Hometrade Limited, and towards payment thereof, our bank paid a total amount of Rs. 9,68,10,666.67 to Hometrade Limited, and the said amount was credited to the account of Hometrade Limited. Despite receipt of the said amount, the said company did

not deliver the above-mentioned Government securities within the stipulated time. Therefore, we informed the said company by way of correspondence and also by telephone. On telephone, we contacted Subodhbhai Bhandari and Smt. Kanan Mewawala, and we also informed Sanjay Agrawal, Ketan Sheth, Nand Kishor Trivedi, and others. They gave evasive replies and false assurances and assured us that our bank would receive delivery of the securities within a short time. However, even thereafter, the delivery of the securities was not given.

Therefore, we informed the said company that we would initiate legal proceedings against them. Thereupon, Ketan Sheth, Neeraj Surti, and Nand Kishor Trivedi, all three persons, personally came to our bank, met the Directors of our bank, and informed us that they were not in a position to deliver the four (4) securities demanded by us at present. However, in lieu thereof, they promised to give the following three (3) securities:

1. Government of India security bearing 11.03% interest, maturing in the year 2002, valued at Rs. 3,81,61,800/-.
2. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,50,625/-.
3. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,506.25.

They stated that delivery would be given within a short time. As we did not trust them, we told them to give some other guarantee. At that time, they issued to us cheques of different dates as under:

Cheque No.	Date	Amount
984317	11/04/2002	Rs. 80,72,206.25
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984307	16/04/2002	Rs. 53,91,295.83
984309	29/04/2002	Rs. 54,12,566.66

984308	23/04/2002	Rs. 1,08,05,683.33
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984325	15/05/2002	Rs. 1,29,02,975/-

After issuance of the above cheques, Hometrade promised to deliver the above three securities. However, as the promise was not fulfilled within the stipulated time, we deposited the said cheques in the bank on their respective dates. The cheque mentioned at Serial No. 1 was honoured, and all the remaining cheques were returned due to insufficiency of funds in the account.

On one occasion, Hometrade Limited informed us that they would provide:

(1) IDBI securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 5 Crore, and

(2) Federal Bank securities bearing 9.39% interest, maturing in the year 2011, valued at Rs. 1 Crore,

and sent xerox copies of the certificates of the said securities by fax. However, the original securities have not been delivered to us till date.

In this manner, the Directors of Hometrade Limited gained the trust and confidence of our bank and by assuring delivery of Government securities, have cheated our bank of Rs. 8,59,65,655.82.

This is my statement, correct and true as stated by me.

Before me,
Signature: — Illegible
Police Inspector
Umra Police Station
Surat City

Date: 10/07/2002

My name is Gitaben, wife of Niranjanbhai Venilal Dalal, age 56 years, occupation business, resident of 16/21, Maskati Plot, behind Kachchi Super Stores, Parle Point, Surat.

On being asked in person, I state that I reside at the above-mentioned place with my family, and I run our computer class situated at Jolly Square Shopping Centre, located at Ram Chowk, Ghod Dod Road. I have been serving as a Director in The Surat Mahila Nagrik Sahakari Bank Limited since the year 1974. Our said bank has a total of twelve (12) Directors, and the administrative office of the bank is situated on the third floor at Babubhai Chambers, Athwa Gate. All proceedings and administration of our said bank are carried out in accordance with the prescribed rules of the Reserve Bank of India. From the deposits received by our bank, we grant loans to persons as per requirement, and the remaining deposits are invested in Government securities.

Earlier, our bank used to purchase Government securities from a firm named Growth Avenue, functioning at Super Tex Tower, situated opposite Kinnary Cinema in Surat city. Since the year 1995, our bank has been dealing with the said Growth Avenue Company. At that time, Neerajbhai Surti used to come to our bank from the said Growth Avenue Company, whom I know well. Thereafter, through the said Growth Avenue Company, our bank came into contact with Messrs Ketan Sheth & Co., which also carries on the business of purchase and sale of Government securities, whose office is situated at Mumbai, and whose proprietor is Ketanbhai Sheth. After dealings commenced with the said company, our bank also carried out transactions of purchasing Government securities from them. The delivery of all securities

purchased by us from Ketan Sheth & Co. was duly received by us. After some time, Neerajbhai Surti separated from Growth Avenue and joined Messrs Ketan Sheth & Company.

Thereafter, in the year 1999, Ketan Sheth and Neeraj Surti personally came and informed our bank that they had formed a company named Giltedge Management Limited, that both of them were Directors of the said company, and that the said Giltedge Company also carried on the business of purchase and sale of Government securities. They advised our bank to purchase Government securities from the said company. Since the above-mentioned Neeraj Surti and Ketan Sheth had been dealing with our bank since the year 1995, we trusted them and purchased securities from the said Giltedge Company, the delivery of which was duly received by us. Thereafter, once again, the said Ketan Sheth and Neeraj Surti formed another company named Euro Asian Securities Company, and through that company also our bank purchased Government securities, the delivery of which was duly received by us.

In the month of January 2000, Ketan Sheth and Neeraj Surti came to our bank, and at that time, two other persons were also with them. Ketan Sheth and Neeraj Surti met the Directors of our bank and the Chief Executive Officer Pratibhaben, and introduced the said two persons stating that their names were:

(1) Sanjay Hariram Agrawal, and

(2) Nand Kishor Shankarlal Trivedi.

They further told us that their old company Euro Asian Securities Limited would now carry on the business of purchase and sale of Government securities under the name Hometrade Limited, and that Sanjay Agrawal would be the Chairman and Chief Executive, Ketan Sheth would be the Director, Nand Kishor Trivedi would be the Executive Director, and Subodhbhai Bhandari would be the Authorised Signatory, and that the said company is a

member of the National Stock Exchange and possesses all qualifications for purchase and sale of Government securities as per the policy guidelines of the Reserve Bank of India. Our bank relied upon and trusted their statements because since the year 1995, our bank had been dealing with Neeraj Surti and Ketan Sheth. Therefore, from January 2000, we started purchasing Government securities through Hometrade Limited, and the same were duly and systematically received by us from the said company. *(Page No. 12/3)*

From the said Hometrade Limited, in the year 2001, our bank decided to purchase the following securities, and in respect thereof, resolutions were also passed in the meetings of the Board of Directors of our bank, which were unanimously approved:

1. On 31/10/2001, Government of India securities bearing 10.18% interest, maturing in the year 2026, valued at Rs. 2,36,28,125/-, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275353 to Hometrade Limited.
2. On 22/11/2001, Government of India securities bearing 10.70% interest, valued at Rs. 2,81,22,916.67, maturing in the year 2020, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275362.
3. On 28/01/2002, securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 3,37,16,166.67, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275372.
4. Government of India securities bearing 9.39% interest, maturing in the year 2001, valued at Rs. 1,13,43,458.30, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275373.

Thus, during the period from 31/10/2001 to 27/02/2002, our bank decided to purchase the above four (4) securities from Hometrade Limited, and towards payment thereof, our bank paid a total amount of Rs. 9,68,10,666.67 to Hometrade Limited, and the said amount was credited to the account of Hometrade Limited. Despite receipt of the said amount, the said company did not deliver the above-mentioned Government securities within the stipulated time. Therefore, we informed the said company by way of correspondence and also by telephone. On telephone, we contacted Subodhbhai Bhandari and Smt. Kanan Mewawala, and we also informed Sanjay Agrawal, Ketan Sheth, Nand Kishor Trivedi, and others. They gave evasive replies and false assurances and assured us that our bank would receive delivery of the securities within a short time. However, even thereafter, the delivery of the securities was not given.

Therefore, we informed the said company that we would initiate legal proceedings against them. Thereupon, Ketan Sheth, Neeraj Surti, and Nand Kishor Trivedi, all three persons, personally came to our bank, met the Directors of our bank, and informed us that they were not in a position to deliver the four (4) securities demanded by us at present. However, in lieu thereof, they promised to give the following three (3) securities:

1. Government of India security bearing 11.03% interest, maturing in the year 2002, valued at Rs. 3,81,61,800/-.
2. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,50,625/-.
3. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,506.25.

They stated that delivery would be given within a short time. As we did not trust them, we told them to give some other guarantee. At that time, they issued to us cheques of different dates as under:

Cheque No.	Date	Amount
984317	11/04/2002	Rs. 80,72,206.25
984302	25/04/2002	Rs. 6,36,250/-
984307	16/04/2002	Rs. 53,91,295.83
984309	29/04/2002	Rs. 54,12,566.66
984308	23/04/2002	Rs. 1,08,05,683.33
984310	07/05/2002	Rs. 1,08,51,066.67
984311	17/05/2002	Rs. 1,41,49,828.33
984323	15/05/2002	Rs. 1,29,11,175/-
984324	15/05/2002	Rs. 1,29,04,815/-
984325	15/05/2002	Rs. 1,29,02,975/-

After issuance of the above cheques, Hometrade promised to deliver the above three securities. However, as the promise was not fulfilled within the stipulated time, we deposited the said cheques in the bank on their respective dates. The cheque mentioned at Serial No. 1 was honoured, and all the remaining cheques were returned due to insufficiency of funds in the account.

On one occasion, Hometrade Limited informed us that they would provide:

(1) IDBI securities bearing 11.5% interest, maturing in the year 2001, valued at Rs. 5 Crore, and

(2) Federal Bank securities bearing 9.39% interest, maturing in the year 2011, valued at Rs. 1 Crore,

and sent xerox copies of the certificates of the said securities by fax. However, the original securities have not been delivered to us till date.

In this manner, the Directors of Hometrade Limited gained the trust and confidence of our bank and by assuring delivery of Government securities, have cheated our bank of Rs. 8,59,65,655.82.

This is my statement, correct and true as stated by me.

Before me,

Signature: — Illegible

Police Inspector

Umra Police Station

Surat City

Date: 10/07/2002

My name is Rekhaben, wife of Nimishbhai Pravinbhai Choksi, age 47 years, occupation houschold work, resident of 10/9, Siddhakruti Apartment, Sarela Wadi, Ghod Dod Road, Surat.

On being asked in person, I state that I reside at the above-mentioned place with my family and I do household work. Further, I am serving as a Director in The Surat Mahila Nagrik Sahakari Bank Limited. Our said bank has a total of twelve (12) Directors, and the administrative office of the bank is situated on the third floor at Babubhai Chambers, Athwa Gate. All proceedings and administration of our said bank are carried out in accordance with the prescribed rules of the Reserve Bank of India. From the deposits received by our bank, we grant loans to persons as per requirement, and the remaining deposits are invested in Government securities.

Earlier, our bank used to purchase Government securities from a firm named Growth Avenue, functioning at Super Tex Tower, situated opposite Kinnary Cinema in Surat city. Since the year 1995, our bank has been dealing with the said Growth Avenue Company. At that time, Neerajbhai Surti used to come to our bank from the said Growth Avenue Company, whom I know well. Thereafter, through the said Growth Avenue Company, our bank came into contact with Messrs Ketan Sheth & Co., which also carries on the business of purchase and sale of Government securities, whose office is situated at Mumbai, and whose proprietor is Ketanbhai Sheth. After dealings commenced with the said company, our bank also carried out transactions of purchasing Government securities from them. The delivery of all securities purchased by us from Ketan Sheth & Co. was duly received by us. After some

time, Neerajbhai Surti separated from Growth Avenue and joined Messrs Ketan Sheth & Company.

Thereafter, in the year 1999, Ketan Sheth and Neeraj Surti personally came and informed our bank that they had formed a company named Giltedge Management Limited, that both of them were Directors of the said company, and that the said Giltedge Company also carried on the business of purchase and sale of Government securities. They advised our bank to purchase Government securities from the said company. Since the above-mentioned Neeraj Surti and Ketan Sheth had been dealing with our bank since the year 1995, we trusted them and purchased securities from the said Giltedge Company, the delivery of which was duly received by us. Thereafter, once again, the said Ketan Sheth and Neeraj Surti formed another company named Euro Asian Securities Company, and through that company also our bank purchased Government securities, the delivery of which was duly received by us.

In the month of January 2000, Ketan Sheth and Neeraj Surti came to our bank, and at that time, two other persons were also with them. Ketan Sheth and Neeraj Surti met the Directors of our bank and the Chief Executive Officer Pratibhaben, and introduced the said two persons stating that their names were:

(1) Sanjay Hariram Agrawal, and
(2) Nand Kishor Shankarlal Trivedi.

They further told us that their old company Euro Asian Securities Limited would now carry on the business of purchase and sale of Government securities under the name Hometrade Limited, and that Sanjay Agrawal would be the Chairman and Chief Executive, Ketan Sheth would be the Director, Nand Kishor Trivedi would be the Executive Director, and Subodhbhai

Bhandari would be the Authorised Signatory, and that the said company is a member of the National Stock Exchange and possesses all qualifications for purchase and sale of Government securities as per the policy guidelines of the Reserve Bank of India. Our bank relied upon and trusted their statements because since the year 1995, our bank had been dealing with Neeraj Surti and Ketan Sheth. Therefore, from January 2000, we started purchasing Government securities through Hometrade Limited, and the same were duly and systematically received by us from the said company.

From the said Hometrade Limited, in the year 2001, our bank decided to purchase the following securities, and in respect thereof, resolutions were also passed in the meetings of the Board of Directors of our bank, which were unanimously approved:

1. On 31/10/2001, Government of India securities bearing 10.18% interest, maturing in the year 2006, valued at Rs. 2,36,28,125/-, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275353 to Hometrade Limited.
2. On 22/11/2001, Government of India securities bearing 10.70% interest, valued at Rs. 2,81,22,916.67, maturing in the year 2020, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275362.
3. On 28/11/2002, securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 3,37,16,166.67, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275372.
4. Government of India securities bearing 9.39% interest, maturing in the year 2001, valued at Rs. 1,13,43,458.30, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275373.

Thus, during the period from 31/10/2001 to 27/02/2002, our bank decided to purchase the above four (4) securities from Hometrade Limited, and towards payment thereof, our bank paid a total amount of Rs. 9,68,10,666.67 to Hometrade Limited, and the said amount was credited to the account of Hometrade Limited. Despite receipt of the said amount, the said company did not deliver the above-mentioned Government securities within the stipulated time. Therefore, we informed the said company by way of correspondence and also by telephone. On telephone, we contacted Subodhbhai Bhandari and Smt. Kanan Mewawala, and we also informed Sanjay Agrawal, Ketan Sheth, Nand Kishor Trivedi, and others. They gave evasive replies and false assurances and assured us that our bank would receive delivery of the securities within a short time. However, even thereafter, the delivery of the securities was not given.

Therefore, we informed the said company that we would initiate legal proceedings against them. Thereupon, Ketan Sheth, Neeraj Surti, and Nand Kishor Trivedi, all three persons, personally came to our bank, met the Directors of our bank, and informed us that they were not in a position to deliver the four (4) securities demanded by us at present. However, in lieu thereof, they promised to give the following three (3) securities:

1. Government of India security bearing 11.03% interest, maturing in the year 2002, valued at Rs. 3,81,61,800/-.
2. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,50,625/-.
3. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,506.25.

They stated that delivery would be given within a short time. As we did not trust them, we told them to give some other guarantee. At that time, they issued to us cheques of different dates as under:

After issuance of the above cheques, Hometrade promised to deliver the above three securities. However, as the promise was not fulfilled within the stipulated time, we deposited the said cheques in the bank on their respective dates. The cheque mentioned at Serial No. 1 was honoured, and all the remaining cheques were returned due to insufficiency of funds in the account.

On one occasion, Hometrade Limited informed us that they would provide:

(1) IDBI securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 5 Crore, and

(2) Federal Bank securities bearing 9.39% interest, maturing in the year 2011, valued at Rs. 1 Crore,

and sent xerox copies of the certificates of the said securities by fax. However, the original securities have not been delivered to us till date.

In this manner, the Directors of Hometrade Limited gained the trust and confidence of our bank and by assuring delivery of Government securities, have cheated our bank of Rs. 8,59,65,655.82.

This is my statement, correct and true as stated by me.

Before me,
Signature: — Illegible
Police Inspector
Umra Police Station
Surat City

Date: 12/07/2002

My name is Rajeshriben, wife of Ashokbhai Jagdishbhai Doctor, age 46 years, occupation household work, resident of 9/1962, Balaji Road, Surat.

On being asked in person, I state that I reside at the above-mentioned place with my family and I do household work. My husband runs a public dispensary on the ground floor of the building in which we reside, and he is a doctor. For the last about seventeen (17) years, I have been serving as a Director in Surat Mahila Nagrik Sahakari Bank Limited. Our said bank has a total of twelve (12) Directors, and the administrative office of the bank is situated on the third floor at Babubhai Chambers, Athwa Gate. All proceedings and administration of our said bank are carried out in accordance with the prescribed rules of the Reserve Bank of India. From the deposits received by our bank, we grant loans to persons as per requirement, and the remaining deposits are invested in Government securities.

Earlier, our bank used to purchase such Government securities from a firm named Growth Avenue, functioning at Super Tex Tower, situated opposite Kinnary Cinema in Surat city. Since the year 1995, our bank has been dealing with the said Growth Avenue Company. At that time, Neerajbhai Surti used to come to our bank from the said Growth Avenue Company, whom I know well. Thereafter, through the said Growth Avenue Company, our bank came into contact with Messrs Ketan Sheth & Co., which also carries on the business of purchase and sale of Government securities, whose office is situated at Mumbai, and whose proprietor is Ketanbhai Sheth. After dealings commenced with the said company, our bank also carried out transactions of

purchasing Government securities from them. The delivery of all securities purchased by us from Ketan Sheth & Co. was duly received by us. After some time, Neerajbhai Surti separated from Growth Avenue and joined Messrs Ketan Sheth & Company.

Thereafter, in the year 1999, Ketan Sheth and Neeraj Surti personally came and informed our bank that they had formed a company named Giltedge Management Limited, that both of them were Directors of the said company, and that the said Giltedge Company also carried on the business of purchase and sale of Government securities. They advised our bank to purchase Government securities from the said company. Since the above-mentioned Neeraj Surti and Ketan Sheth had been dealing with our bank since the year 1995, we trusted them and purchased securities from the said Giltedge Company, the delivery of which was duly received by us. Thereafter, once again, the said Ketan Sheth and Neeraj Surti formed another company named Euro Asian Securities Company, and through that company also our bank purchased Government securities, the delivery of which was duly received by us.

In the month of January 2000, Ketan Sheth and Neeraj Surti came to our bank, and at that time, two other persons were also with them. Ketan Sheth and Neeraj Surti met the Directors of our bank and the Chief Executive Officer Pratibhaben, and introduced the said two persons stating that their names were:

(1) Sanjay Hariram Agrawal, and
(2) Nand Kishor Shankarlal Trivedi.

They further told us that their old company Euro Asian Securities Limited would now carry on the business of purchase and sale of Government securities under the name Hometrade Limited, and that Sanjay Agrawal would be the Chairman and Chief Executive, Ketan Sheth would be the Director, Nand Kishor Trivedi would be the Executive Director, and Subodhbhai Bhandari would be the Authorised Signatory, and that the said company is a member of the National Stock Exchange and possesses all qualifications for purchase and sale of Government securities as per the policy guidelines of the Reserve Bank of India. Our bank relied upon and trusted their statements because since the year 1995, our bank had been dealing with Neeraj Surti and Ketan Sheth. Therefore, from January 2000, we started purchasing Government securities through Hometrade Limited, and the same were duly and systematically received by us from the said company.

From the said Hometrade Limited, in the year 2001, our bank decided to purchase the following securities, and in respect thereof, resolutions were also passed in the meetings of the Board of Directors of our bank, which were unanimously approved:

1. On 31/10/2001, Government of India securities bearing 10.18% interest, maturing in the year 2006, valued at Rs. 2,36,28,125/-, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275353 to Hometrade Limited.
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3. On 28/01/2002, securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 3,37,16,166.67, were decided to be purchased, and

towards payment thereof, our bank issued HDFC Bank Cheque No. 275372.

4. Government of India securities bearing 9.39% interest, maturing in the year 2001, valued at Rs. 1,13,43,458.30, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275373.

Thus, during the period from 31/10/2001 to 27/02/2002, our bank decided to purchase the above four (4) securities from Hometrade Limited, and towards payment thereof, our bank paid a total amount of Rs. 9,68,10,666.67 to Hometrade Limited, and the said amount was credited to the account of Hometrade Limited. Despite receipt of the said amount, the said company did not deliver the above-mentioned Government securities within the stipulated time. Therefore, we informed the said company by way of correspondence and also by telephone. On telephone, we contacted Subodhbhai Bhandari and Smt. Kanan Mewawala, and we also informed Sanjay Agrawal, Ketan Sheth, Nand Kishor Trivedi, and others. They gave evasive replies and false assurances and assured us that our bank would receive delivery of the securities within a short time. However, even thereafter, the delivery of the securities was not given.

Therefore, we informed the said company that we would initiate legal proceedings against them. Thereupon, Ketan Sheth, Neeraj Surti, and Nand Kishor Trivedi, all three persons, personally came to our bank, met the Directors of our bank, and informed us that they were not in a position to deliver the four (4) securities demanded by us at present. However, in lieu thereof, they promised to give the following three (3) securities:

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984324	15/05/2002	Rs. 1,29,04,815/-
984325	15/05/2002	Rs. 1,29,02,975/-

After issuance of the above cheques, Hometrade promised to deliver the above three securities. However, as the promise was not fulfilled within the stipulated time, we deposited the said cheques in the bank on their respective dates. The cheque mentioned at Serial No. 1 was honoured, and all the remaining cheques were returned due to insufficiency of funds in the account.

On one occasion, Hometrade Limited informed us that they would provide:

(1) IDBI securities bearing 11.5% interest, maturing in the year 2001, valued at Rs. 5 Crore, and

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and sent xerox copies of the certificates of the said securities by fax. However, the original securities have not been delivered to us till date.

In this manner, the Directors of Hometrade Limited gained the trust and confidence of our bank and by assuring delivery of Government securities, have cheated our bank of Rs. 8,59,65,655.82.

The above fact stated by me is true and correct.

Before me,

Signature: —Illegible
Police Inspector
Umra Police Station
Surat City

Date: 12/07/2002

My name is Vinitaben, wife of Deepakbhai Ishwarbhai Lakdawala, age 49 years, occupation household work, resident of 501, Jaldarshan Building, near the high-rise building, Nanpura, Surat.

On being asked in person, I state that I reside at the above-mentioned place with my family and I do household work. Further, I am serving as a Director in The Surat Mahila Nagrik Sahakari Bank Ltd. Our bank has a total of twelve (12) Directors, and the administrative office of the bank is situated on the third floor at Babubhai Chambers, Athwa Gate. All proceedings and administration of our said bank are carried out in accordance with the prescribed rules of the Reserve Bank of India. From the deposits received by our bank, we grant loans to persons as per requirement, and the remaining deposits are invested in Government securities.

Earlier, our bank used to purchase such Government securities from a firm named Growth Avenue, functioning at Super Tex Tower, situated opposite Kinnary Cinema in Surat city. Since the year 1995, our bank has been dealing with the said Growth Avenue Company. At that time, Neerajbhai Surti used to come to our bank from the said Growth Avenue Company, whom I know well. Thereafter, through the said Growth Avenue Company, our bank came into contact with Messrs Ketan Sheth & Co., which also carries on the business of purchase and sale of Government securities, whose office is situated at Mumbai, and whose proprietor is Ketanbhai Sheth. After dealings commenced with the said company, our bank also carried out transactions of purchasing Government securities from them. The delivery of all securities purchased by us from Ketan Sheth & Co. was duly received by us. After some

time, Neerajbhai Surti separated from Growth Avenue and joined Messrs Ketan Sheth & Company.

Thereafter, in the year 1999, Ketan Sheth and Neeraj Surti personally came and informed our bank that they had formed a company named Giltedge Management Limited, that both of them were Directors of the said company, and that the said Giltedge Company also carried on the business of purchase and sale of Government securities. They advised our bank to purchase Government securities from the said company. Since the above-mentioned Neeraj Surti and Ketan Sheth had been dealing with our bank since the year 1995, we trusted them and purchased securities from the said Giltedge Company, the delivery of which was duly received by us. Thereafter, once again, the said Ketan Sheth and Neeraj Surti formed another company named Euro Asian Securities Company, and through that company also our bank purchased Government securities, the delivery of which was duly received by us.

In the month of January 2000, Ketan Sheth and Neeraj Surti came to our bank, and at that time, two other persons were also with them. Ketan Sheth and Neeraj Surti met the Directors of our bank and the Chief Executive Officer Pratibhaben, and introduced the said two persons stating that their names were:

(1) Sanjay Hariram Agrawal, and

(2) Nand Kishor Shankarlal Trivedi.

They further told us that their old company Euro Asian Securities Limited would now carry on the business of purchase and sale of Government securities under the name Hometrade Limited, and that Sanjay Agrawal would be the Chairman and Chief Executive, Ketan Sheth would be the Director, Nand Kishor Trivedi would be the Executive Director, and Subodhbhai Bhandari would be the Authorised Signatory, and that the said company is a member of the National Stock Exchange and possesses all qualifications for

purchase and sale of Government securities as per the policy guidelines of the Reserve Bank of India. Our bank relied upon and trusted their statements because since the year 1995, our bank had been dealing with Neeraj Surti and Ketan Sheth. Therefore, from January 2000, we started purchasing Government securities through Hometrade Limited, and the same were duly and systematically received by us from the said company.

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1. On 31/10/2001, Government of India securities bearing 10.18% interest, maturing in the year 2006, valued at Rs. 2,36,28,125/-, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275353 to Hometrade Limited.
2. On 22/11/2001, Government of India securities bearing 10.70% interest, valued at Rs. 2,81,22,916.67, maturing in the year 2020, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275362.
3. On 28/01/2002, securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 3,37,16,166.67, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275372.
4. Government of India securities bearing 9.39% interest, maturing in the year 2001, valued at Rs. 1,13,43,458.30, were decided to be purchased, and towards payment thereof, our bank issued HDFC Bank Cheque No. 275373.

Thus, during the period from 31/10/2001 to 27/02/2002, our bank decided to purchase the above four (4) securities from Hometrade Limited, and towards payment thereof, our bank paid a total amount of Rs. 9,68,10,666.67 to Hometrade Limited, and the said amount was credited to the account of Hometrade Limited. Despite receipt of the said amount, the said company did not deliver the above-mentioned Government securities within the stipulated time. Therefore, we informed the said company by way of correspondence and also by telephone. On telephone, we contacted Subodhbhai Bhandari and Smt. Kanan Mewawala, and we also informed Sanjay Agrawal, Ketan Sheth, Nand Kishor Trivedi, and others. They gave evasive replies and false assurances and assured us that our bank would receive delivery of the securities within a short time. However, even thereafter, the delivery of the securities was not given.

Therefore, we informed the said company that we would initiate legal proceedings against them. Thereupon, Ketan Sheth, Neeraj Surti, and Nand Kishor Trivedi, all three persons together personally came to our bank, met the Directors of our Board, and informed us that they were not in a position to deliver the four (4) securities demanded by us at present. However, in lieu thereof, they promised to give the following three (3) securities:

1. Government of India security bearing 11.03% interest, maturing in the year 2002, valued at Rs. 3,81,61,800/-.
2. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,50,625/-.
3. Government of India securities bearing 8.07% interest, maturing in the year 2017, valued at Rs. 5,36,506.25.

They stated that delivery would be given within a short time. As we did not trust them, we told them to give some other guarantee. At that time, they issued to us cheques of different dates as under:

Cheque No.	Date	Amount
984317	11/04/2002	Rs. 80,72,206.25
984302	25/04/2002	Rs. 6,36,250/-
984307	16/04/2002	Rs. 53,91,295.83
984309	29/04/2002	Rs. 54,12,566.66
984308	23/04/2002	Rs. 1,08,05,683.33
984310	07/05/2002	Rs. 1,08,51,066.67
984311	17/05/2002	Rs. 1,41,49,828.33
984323	15/05/2002	Rs. 1,29,11,175/-
984324	15/05/2002	Rs. 1,29,04,815/-
984325	15/05/2002	Rs. 1,29,02,975/-

After issuance of the above cheques, Hometrade promised to deliver the above three securities. However, as the promise was not fulfilled within the stipulated time, we deposited the said cheques in the bank on their respective dates. The cheque mentioned at Serial No. 1 was honoured, and all the remaining cheques were returned due to insufficiency of funds in the account.

Hometrade Limited once informed us that they would provide:

(1) IDBI securities bearing 11.5% interest, maturing in the year 2011, valued at Rs. 5 Crore, and

(2) Federal Bank securities bearing 9.39% interest, maturing in the year 2011, valued at Rs. 1 Crore,

and they sent xerox copies of the certificates of the said securities by fax. However, the original securities have not been delivered to us till date.

In this manner, the Directors of Hometrade Limited gained the trust and confidence of our bank and by assuring delivery of Government securities, have cheated our bank of Rs. 8,59,65,655.82.

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

Before me,
Signature: — Illegible
Police Inspector
Umra Police Station
Surat City

THE SURAT MAHILA NAGRIK SAHAKARI BANK LTD.

Regd. & Admn. Office:

"Babubhai Chambers", Athwa Gate,

Surat-395001, Phone – 478503-478151

Gram: MANSI

E-mail: suratmahila@sify.com

Dt. 200

True Copy of Resolution No. 8(7) of the Board Meeting dated 29/10/2001

As per the fax received today from Ketan Sheth & Co., it is hereby resolved to approve the purchase of physical Government of India securities bearing interest at 10.18% (G.O.I. 2026) for a value of Rs. 2.25 Crore at the rate of Rs. 103.60, with effect from 01/11/2001.

It is further resolved that the cheque shall be sent today through courier.

Sd/- Illegible

Chief Executive Officer

BRANCH:

(1). "Swayamsiddha", Balaji Road, SURAT-395003, Phone 7442964-7442084

(2). Khatodara Ind. Estate, Behind Jail, Khatodara, SURAT, Phone 630033

(3). Bombay Market, Umrawada, SURAT. Phone 640035

(4). Ghod dod Rd. 0-4&5. Bhavik Appartment, Turning Point, Surat. P. 256236

(5). Mobile-1 Phone 98251-37875 Mobile – 2 Phone 98251-37876

THE SURAT MAHILA NAGRIK SAHAKARI BANK LTD.

Regd. & Admn. Office:
"Babubhai Chambers", Athwa Gate,
Surat-395001, Phone – 478503-478151
Gram: MANSI
E-mail: suratmahila@sify.com

Dt. 200

True Copy of Resolution No. 8(4) of the Board Meeting dated 29/11/2001

As read out from the Security Register, the details of the Government securities purchased and sold during the period from 07/11/2001 to 29/11/2001 were taken on record, and the same have been approved and ratified by affixing the signature of the Chairman.

Sd/- Illegible
Chief Executive Officer

BRANCH:

(1). "Swayamsiddha", Balaji Road, SURAT-395003, Phone 7442964-7442084

(2). Khatodara Ind. Estate, Behind Jail, Khatodara, SURAT, Phone 630033

(3). Bombay Market, Umrawada, SURAT. Phone 640035

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THE SURAT MAHILA NAGRIK SAHAKARI BANK LTD.

Regd. & Admn. Office:

"Babubhai Chambers", Athwa Gate,

Surat-395001, Phone – 478503-478151

Gram: MANSI

E-mail: suratmahila@sify.com

Dt. 200

True Copy of Resolution No. 10(7) of the Branch Loan Recovery Committee dated 24/01/2002

It is hereby resolved to purchase SLR securities of IDBI–2011 carrying interest at the rate of 11.50%, of the value of Rupees Three Crores, at the price of ₹111.75.

Sd/- Illegible

Chief Executive Officer

BRANCH:

(1). "Swayamsiddha", Balaji Road, SURAT-395003, Phone 7442964-7442084

(2). Khatodara Ind. Estate, Behind Jail, Khatodara, SURAT, Phone 630033

(3). Bombay Market, Umrawada, SURAT. Phone 640035

(4). Ghod dod Rd. 0-4&5. Bhavik Appartment, Turning Point, Surat. P. 256236

(5). Mobile-1 Phone 98251-37875 Mobile – 2 Phone 98251-37876

THE SURAT MAHILA NAGRIK SAHAKARI BANK LTD.

Regd. & Admn. Office:
"Babubhai Chambers", Athwa Gate,
Surat-395001, Phone – 478503-478151
Gram: MANSI
E-mail: suratmahila@sify.com

Dt. 200

True Copy of Resolution No. 3(2) of the Board Meeting dated 30/01/2002

The proceedings of the Branch Loan Recovery Committee dated 24/01/2002 were placed before the meeting and taken up for reading, which were approved by affixing the signature of the Chairman.

Sd/- Illegible
Chief Executive Officer

BRANCH:

(1). "Swayamsiddha", Balaji Road, SURAT-395003, Phone 7442964-7442084

(2). Khatodara Ind. Estate, Behind Jail, Khatodara, SURAT, Phone 630033

(3). Bombay Market, Umrawada, SURAT. Phone 640035

(4). Ghod dod Rd. 0-4&5. Bhavik Appartment, Turning Point, Surat. P. 256236

(5). Mobile-1 Phone 98251-37875 Mobile – 2 Phone 98251-37876

THE SURAT MAHILA NAGRIK SAHAKARI BANK LTD.

Regd. & Admn. Office:
"Babubhai Chambers", Athwa Gate,
Surat-395001, Phone – 478503-478151
Gram: MANSI
E-mail: suratmahila@sify.com

Dt. 200

True Copy of Resolution No. 6(14) of the Board Meeting dated 27/02/2002

Home Trade Ltd. has, today, purchased Government of India (GOI) 2011 securities carrying interest at 9.39%, of ₹1 crore, in physical form, at the rate of ₹112/-. The same is hereby approved and ratified.

Sd/- Illegible
Chief Executive Officer

BRANCH:

(1). "Swayamsiddha", Balaji Road, SURAT-395003, Phone 7442964-7442084

(2). Khatodara Ind. Estate, Behind Jail, Khatodara, SURAT, Phone 630033

(3). Bombay Market, Umrawada, SURAT. Phone 640035

(4). Ghod dod Rd. 0-4&5. Bhavik Appartment, Turning Point, Surat. P. 256236

(5). Mobile-1 Phone 98251-37875 Mobile – 2 Phone 98251-37876

THE SURAT MAHILA NAGRIK SAHAKARI BANK LTD.

Regd. & Admn. Office:

"Babubhai Chambers", Athwa Gate,

Surat-395001, Phone – 478503-478151

Gram: MANSI

E-mail: suratmahila@sify.com

Dt. 200

True Copy of Resolution No. 9(4) of the Board Meeting dated 27/03/2002

It is hereby resolved that, out of the securities purchased by the Bank from Home Trade Ltd., the following securities shall be sold, and in their place appropriate securities shall be purchased:

1. 11.50% IDBI – 2011
2. 10.70% GOI – 2020
3. 9.39% GOI – 2011
4. 10.18% GOI – 2026

The above resolution is hereby approved.

Sd/- Illegible

Chief Executive Officer

BRANCH:

(1). "Swayamsiddha", Balaji Road, SURAT-395003, Phone 7442964-7442084

(2). Khatodara Ind. Estate, Behind Jail, Khatodara, SURAT, Phone 630033

(3). Bombay Market, Umrawada, SURAT. Phone 640035

(4). Ghod dod Rd. 0-4&5. Bhavik Appartment, Turning Point, Surat. P. 256236

(5). Mobile-1 Phone 98251-37875 Mobile – 2 Phone 98251-37876

HDFC BANK

HDFC Bank Ltd.
Chaitanya Jyoti,
Opp. Raymond's Showroom,
Surat Dumas Road,
Athwa Lines, Surat - 395 007.
Tel. : 218847/48, 218850-7.

September 07, 2002

To
The Police Inspector
Umra Police Station
Athwa Lines,
Surat

Sir,

Subject: Query regarding payment by The Surat Mahila Nagrik Sahakari Bank Ltd to Home Trade Limited

In response to your inquiry regarding payment by The Surat Mahila Nagrik Sahakari Bank Ltd to Home Trade Ltd we hereby state that the following cheques issued by The Surat Mahila Nagrik Sahakari Bank Ltd in favour of Home Trade Limited were cleared on the respective dates mentioned against them and the funds were transferred to Account No **0010400317011** of Home Trade Limited at our Fort, Mumbai Branch by the respective amounts.

Date	Cheque Number	Amount (Rupees)
01-Nov-2001	275353	23,628,125.00
22-Nov-2001	275362	28,122,916.67
19-Nov-2001	275361	28,100,625.00
28-Jan-2002	275372	33,716,666.67
27-Feb-2002	275373	11,343,458.33

Sincerely,
For HDFC Bank Limited

Authorised Signatory

CONTRACT NOTE
(Regulation 15)

Subject to the jurisdiction of the courts in India

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

SURAT MAHILA NAGRIK SAHKARI BANK LTD

CONTRACT NOTE FOR BLANK DEBT

Constituent Order Ref. No.

Stamp as required under Article 43(1) Of Article Schedule I to the Stamp Act

For HOMF TRADE

Authorised Signatory

Dear Sir/Madam, I done by your order and to your account the following transactions :

TRANSACTION DETAILS

Order Number	ST	Security Name	Issue	TT	Repo Period	Value (In Rs. Lacs)	Repo Rate (%)	Repo Value (In Rs. Lacs)
29032002406	GS	GOI 2011	9.39		NA	100.00	11.250	NA

TT - Trade type

OA - Order Attributes

(M/NR - REPO/NON REPO)

TRANSACTION DETAILS

Trade Date 29/03/2002 Settlement Date 30/03/2002

B/S	ON	TN	TT	CBN	CPN	LIP	PV/SV (Rs.)	BR (Rs.)	AI	TDS	
	29032002406	81,815	11:18:51		BROKERTRADE	02/01/2002	11,220,000.00		229,533.33	0.00	11,449,533.33

Remarks

DS - 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

CONTRACT NOTE
(Rule 8(5))

Subject to the jurisdiction of the courts in India

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

To,
SURAT MAHILA NAGRIK SAHKARI BANK LTD.
BABU BHAI CHAMBER ,3RD FLOOR

CONTRACT NO. LBL/NSE/2002 - 2,001/000 7,147
Constituent Order Ref. No.
Stamp as required under Article 43(f) OR Article 5(b) of schedule 1 to the Bombay Stamp Act, 1958.

Pin Code :

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)
28012002202	GZ	IDBI 2011 / ...	11.50 - i		NA	300.00	111.75		NA

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

TRANSACTION DETAILS

Trade Date 28/01/2002 Settlement Date 28/01/2002

B/S	ON	TN	TT	CBN	CPN	LIP	FV/SV (Rs.)	BR (Rs.)	AI	TDS	TC
B	28012002202	58,01	3:01:40		HOMETRADE	05/01/2002	33,525,000.00		191,666.67	0.00	33,716,666.67

Remarks :

BS - 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

FV - Purchase Value
SV - Sale Value
BR - Brokerage

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

0261-3418052
02642-43227

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.

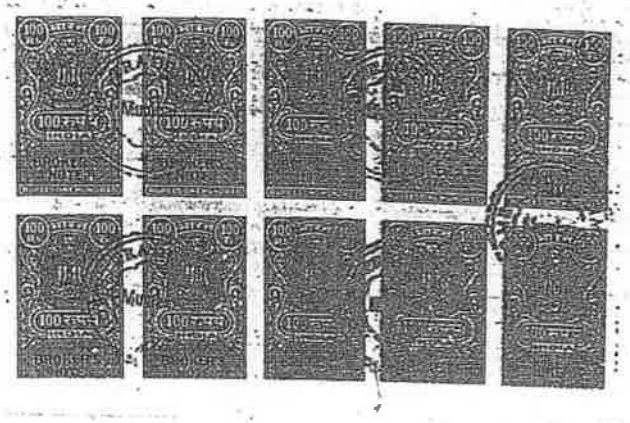
Brokerage has been charged as stated and has been at rates not exceeding the official scale of brokerage and indicated separately.

This contract is subject to 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 inrespect 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

Authorised Signatory/Director

File 2 of 2 - Umra Police Station, First C.R. No. 274/2002
IPC Sections 465, 467, 468, 471, 420, 114, 120(B)

20(1)

WAYS INDIA VASHI

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.

S. ST MANILA NAGRIK SAHKARI BANK LTD.
BABU BHAI CHAMBER 3RD FLOOR

CONTRACT NO. LBL/NSE/2001 - 2,002/000 6,897
Constituent Order Ref. No.
Stamp as required under Article 43(f) OR Article 5(b) of schedule I to the Bombay Stamp Act, 1958.

Pin Code :

For HOME TRADE LIMITED

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

Authorised Signatory / Director

SECURITY DETAILS

Order Number	ST	Security Name	Issue	TT	Rep. Period	Value (In Rs. Lacs)	Price (In Rs.)	Repo Rate (%)	OA (in Lacs)
19112001504	GS	CG 2020	10.70		NA	250.00	111.60		NA

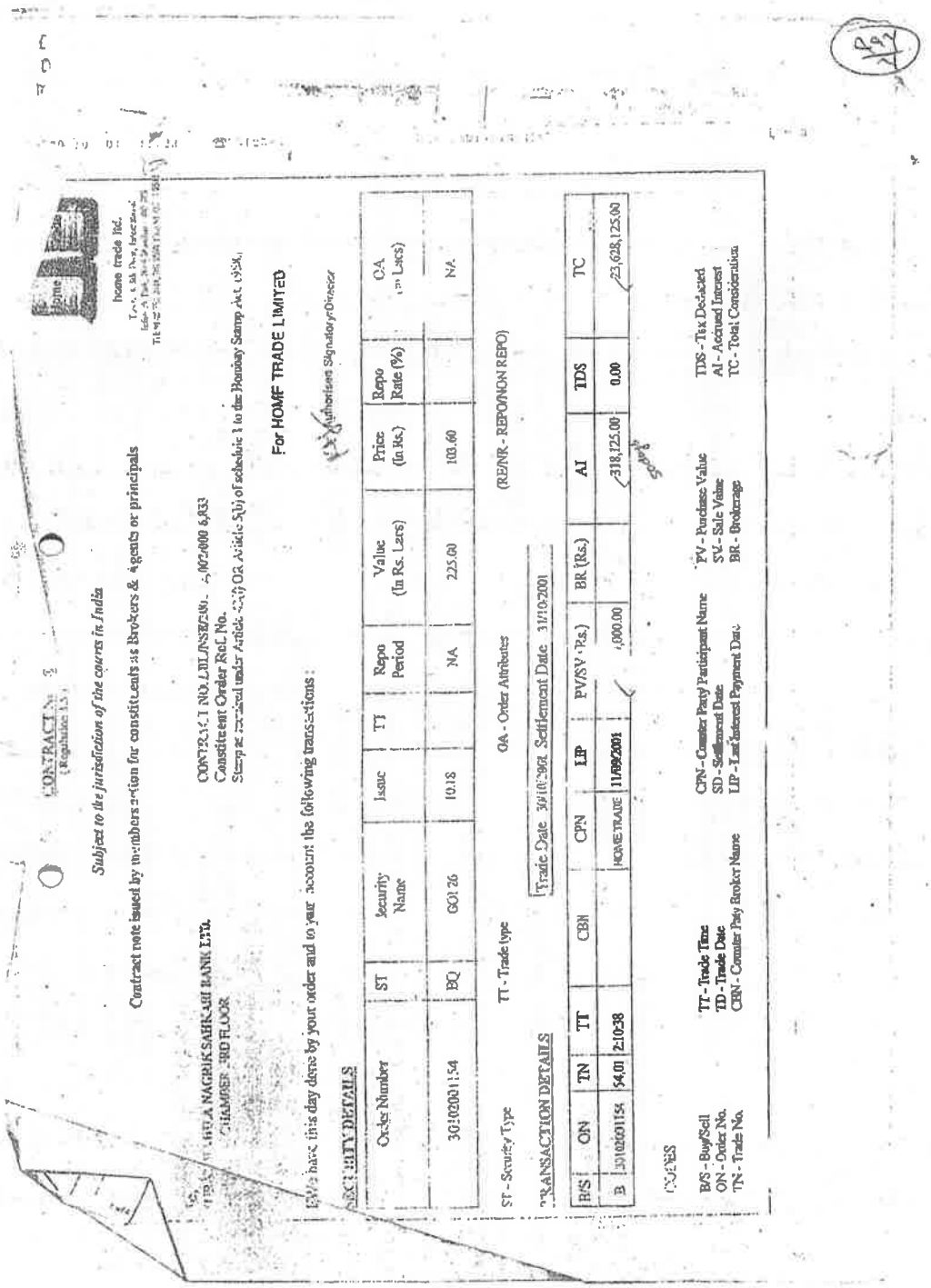
ST - Security Type TT - Trade type OA - Order Attributes (REPR - REPO/NON REPO)

TRANSACTION DETAILS Trade Date 19/11/2001 Settlement Date 22/11/2001

B/S	ON	TN	TT	CBN	CPN	LIP	PV/SV (Rs.)	BR (Rs.)	AI	TDS	TC
B	19112001504	51,07	12:10:24		HOME TRADE	22/10/2001	27,900,000.00		222,916.6.	0.00	28,122,916.67

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



CONTRACT
(Regulation 15)

Subject to the jurisdiction of the courts in India

Contract note issued by members section for constituents as brokers & agents or principals

home trade ltd.

CONTRACT NO.LDL/NSE/280... 4,902000 6,833
Constituent Order Ref. No.
Stamps affixed under Article 53(b) OR Article 5(h) of schedule 1 to the Bombay Stamp Act, 1958

For HOMF TRADE LIMITED

Authorised Signatory/Director

...HEA NAGRIKSAHKARI BANK LTD.
CHAMBER 3RD FLOOR

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 (%)	CA (in Lacs)
3010200001154	EQ	GOI 26	10.18		NA	225.00	100.00		NA

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

TRANSACTION DETAILS

Trade Date 30/10/2001 Settlement Date 31/10/2001

B/S	ON	TN	TT	CBN	CPN	LIP	PV/SV (Rs.)	BR (Rs.)	AI	TDS	TC
B	3010200001154	54.01	2.10.38		HOMETRADE	11/09/2001	4,000.00		318,125.00	0.00	23,628,125.00

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 - Late Interest Payment Date
PV - Purchase Value
SV - Sale Value
BR - Brokerage
TDS - Tax Deducted
AI - Accrued Interest
TC - Total Consideration

Date: 24/11/2005

My name is Neerajkumar Amidhar Surti, Age: 36 years, Occupation: Chartered Accountant, residing at 55, Pritam Society, Section-1, Maktampur Road, Bharuch. Phone (O): 02642-264197, Mobile: 93277 26423 (R): 240007.

Upon being asked in person, I state in writing that I reside with my family at the above-mentioned address. My office is situated at First Floor, Surya Flats, Sevashram Road, Bharuch, in the name and style of Neeraj A. Surti & Associates, Chartered Accountants. I have passed B.Com. and have studied for C.A. I completed my C.A. studies in the year 1993 and since then I am running this office.

My wife is named Kruti. I got married in the year 1995. My in-laws reside at Narmadanagar Society, near Hostel Ground, Bharuch. My wife has studied up to B.Sc. and M.S.W. She is a housewife. I have one daughter named Palak, Age: 9 years, who is studying in 4th Standard, English medium.

My father is an Income Tax Consultant. I have one younger brother named Kaushal, Age: 39 years, who lives with my father and assists him in his business. My father resides at "Matrashish Bungalow", Mazmudar Compound, Sidhwai Road, Bharuch, and my younger brother resides there along with his family and my parents.

After passing the C.A. examination in 1993, initially I worked as a Chartered Accountant for about one and a half years in Overseas Group of Companies, situated behind Sumul Dairy, Surat, where I was receiving a monthly salary of Rs. 9,000/-. Thereafter, due to heavy workload, I left that

job. At that time, I used to commute daily from Bharuch. After about one month, I joined Growth Avenue Ltd., situated at Supertex Tower, Ring Road, Surat.

In that company, I was required to look after investment of funds of Government Banks and Limited Companies located in South Gujarat and also transactions relating to purchase and sale of various securities. I used to receive salary and commission from this company. I worked in that company for about two to two and a half years. During that period, as I was required to devote more time, I left that job and started my independent office at the above-mentioned address from the year 1997, and tendered my resignation to Growth Avenue Ltd.

When I was working in Growth Avenue Ltd., I used to visit Mahila Bank, Panchsheel Bank, Diamond Bank in Surat. Deposits of these banks were placed with GNFC, Bharuch, and GNFC was giving higher interest. When deposits were placed by the banks, they were receiving higher interest, and our company was receiving brokerage from GNFC.

In the year 1997, after I left Growth Avenue Ltd., I started my own independent consultancy. While I was working in Growth Avenue Ltd., our company used to have dealings with Ketan Sheth of M/s Ketan Sheth & Company, Mumbai, and since that time I know him. Ketan Sheth himself was the owner of that company and was a member of Pune Stock Exchange. He informed me that he had about 100 to 125 banks from Gujarat and Maharashtra doing Government Securities trading with him. He also stated that he was handling Provident Fund work of large companies. He showed and gave lists of such names. Thereafter, banks started having direct dealings with Ketan Sheth & Company, wherein banks were directly making transactions by cheque. Apart from this, I also facilitated direct dealings of banks with J.M. Morgan Stanley Ltd., JS Securities, Kotak Securities, etc. I

used to receive my professional fees from the bank or from the respective company. All these transactions were functioning properly.

Thereafter, during the year 1998-99, Ketan Sheth informed me that for carrying out Government Securities transactions, it is necessary as per Reserve Bank rules to be a member of National Stock Exchange. He stated that since his company was a member of Pune Stock Exchange, such business was being conducted through another company of his which is a member of National Stock Exchange, named Euro Asian Securities Ltd., having its office at Mittal Court, Nariman Point, Mumbai. He also told me that he is a Director in that company and that Sanjay Agrawal and Nandkishor Trivedi are the main Directors along with him. That company is a member of National Stock Exchange, Bombay Stock Exchange, Pune Stock Exchange, and Over The Counter Exchange of India Ltd. He also told me that this company is much larger than his earlier company. He showed and gave the certificate issued by SEBI regarding National Stock Exchange membership. Thereafter, banks started dealing directly with Euro Asian Securities Ltd., and those transactions were carried out in the same manner as earlier, and I used to receive my professional fees.

After about one year (I do not presently remember the exact year), the company informed all concerned that the company name has been changed from Euro Asian Securities Ltd. to Hometrade Limited, and that all transactions should thereafter be carried out in the name of Hometrade. Thereafter, the above-mentioned banks were doing purchase and sale of securities in the name of Hometrade. All transactions handled by me with Hometrade were properly completed.

As far as I remember, during my Diwali vacation, I along with my family members, my parents and my brother had gone to Singapore and Malaysia. I do not presently remember my passport number. I obtained the passport during 2000-2009 period. I had gone abroad for about fifteen to

twenty days. During that period, Mahila Bank had direct dealings with Hometrade through Ketan Sheth.

In the first week of January 2002, news was published in Economic Times, Mumbai that another company of Hometrade named Wage India Ltd. did not even have funds to pay staff salaries. Subsequently, the same news was published in Vartaman newspaper, Ahmedabad dated 08/01/2002. Therefore, I apprehended that Hometrade might be in difficulty. I sent copies of the said newspapers to banks with whom I was working, and also informed them by telephone that Wage India Ltd. is a branch of Hometrade and that it would be advisable not to have further dealings with Hometrade. I gave such information to concerned persons.

Thereafter, on banks informing me and requesting help, I went to the bank. The bank contacted Ketan Sheth and Nandkishor Trivedi and called them in person. I was also present at that time. I asked them about the true facts regarding the bad news about Wage India Ltd. All the Directors of the bank also asked Ketan Sheth and Trivedi, whereupon they gave a written reply stating that the news was false and that the Wage site developed by Hometrade was in competition with Economic Times website and therefore false news was published to defame them, and that in fact their company had achieved good sales and profit.

When the bank sought my advice, I told them that the securities for which money has been paid should be immediately obtained back, and if securities are not delivered, then money should be recovered. The bank informed me by phone that they were making such efforts.

Thereafter, I did not wish to have any dealings with Hometrade. However, on 27/02/2002, the bank called me by phone, and I went to the Mahila Bank office at Athwa Lines. At that time, the bank Directors, Chairman, and Pratibaben Pachchigar were present, as well as Ketan Sheth and Nandkishor Trivedi from Hometrade. When the bank demanded pending

delivery or money, Ketan Sheth and Trivedi stated that they had taken securities from a party at Calcutta and had not yet received them, but efforts were going on and they would deliver immediately on receipt. As far as I remember, they also gave something in writing. They further stated that they wanted to give money and asked the bank to keep post-dated cheques. They stated that these post-dated cheques were towards sale value of old securities. They also gave contracts for purchase of new securities.

I objected and pointed out to Mahila Bank that until old securities are received, selling them and buying new securities is not advisable. Nevertheless, the bank accepted those post-dated cheques.

Thereafter, in early April 2002, news was published that a company connected with a finance portal was in trouble. On learning this, I again informed the banks. Thereafter, I along with Mahila Bank Directors went to the Mumbai office of Hometrade and Ketan Sheth. They stated that they would give money the next day or would give some property. However, when we went again the next day, no one was found. Thereafter also I remained in contact with the bank and advised them to lodge a proper police complaint.

The security which was taken by Mahila Bank on 27/02/2002 was taken ignoring my advice.

I am not a member or Director in any company. I am a Chartered Accountant and initially I was being paid advisory fees. Later, the bank stopped paying special fees and told me to recover my fees from the concerned broker. Accordingly, I used to receive my fees from brokers for transactions handled.

Kanan Mevawala was working as a dealer in Hometrade. All correspondence on behalf of Hometrade was done through Kanan Mevawala, and we used to meet him at the company. I do not know where he resides, but I can identify him by face.

I have not committed any cheating or breach of trust with the bank.

My statement is true and correctas stated by me.

Before Me

Police Inspector

Umra Police Station

Surat

Date: 25/11/2005

My name is Neerajkumar Amidhar Surti, Age: 36 years, Occupation: Chartered Accountant, resident of 55, Pritam Society, Section-1, Maktampur Road, Bharuch.

Upon being asked in person, I state in writing that I reside at the above-mentioned address. My office in the name and style of Neeraj A. Surti & Associates, Chartered Accountants is situated on the first floor, Surya Flats, Sevashram Road, Bharuch.

Today, Sir showed me my statement which I had written yesterday on 24/11/2005, and the same is correct and true as stated by me.

Upon further inquiry in connection therewith, I state in writing that, yesterday on 24/11/2005 at about 19:30 hours, I was arrested by you in connection with Umra Police Station First I-C.R. No. 247/02, and intimation regarding my arrest has been given to my father by telephone.

That is my further statement.

Before Me
Police Inspector
Umra Police Station
Surat

Date: 27-11-2005

My name is Hansaben, wife of Vasantbhai Devjibhai Mevawala, Age: 53 years, Occupation: Housework, resident of Jayant Mahal Society, 27-B Road, Churchgate, Mumbai–20, Phone No. 022-22819290.

Upon being asked in person, I state in writing that I reside at the above-mentioned address with my family members and I do housework. My husband is leading a retired life. I have one son named Bharat, Age: 34 years, who is working at Foraj Jewellers at Opera House. I also have one daughter named Kanan, who is presently Age: 29 years.

My daughter Kanan was working in Home Trade Company. For the last three years, she has left the house without informing us anything. In this regard, we have also given an application/notice at Azad Maidan Police Station about my daughter being missing. My daughter Kanan was working at Vashi in Home Trade company, and she was getting a monthly salary of Rs. 15,000/-. My daughter Kanan has studied up to B.Com. and thereafter M.B.A. She worked in Home Trade from the year 2000 to 2002.

Thereafter, after my daughter Kanan Mevawala was arrested by Bombay C.I.D., we got her released on bail, and thereafter, for some reason, she left the house without informing us anything. In this regard, I had also submitted an application at Azad Maidan Police Station on 29-06-2002.

Till today, there is no trace of my daughter Kanan, and if she is ever found, I will inform Surat Umra Police Station on phone No. 2669428.

That is all my statement, which is correct and true as stated by me.

Before me,

Sd/- Illegible

Police Sub Inspector

Umra Police Station

Surat

FROM: HANSA VASANT MEVAWALA
27-B Jayant Mahal, 'D' Road,
Churchgate, Mumbai 400 020.

Date: 26.6.2002.

TO

The Senior Inspector in charge,
Azad Maidan Police Station,
Mumbai 400.001.

Dear Sir,

I am a citizen of India and domiciled in the State of Maharashtra. I am residing at the above address with my husband, my son, my daughter in law and with my daughter called Kanan Vasant Mevawala. My daughter Kanan Vasant Mevawala is a spinster.

2. My daughter was rrested by Inspector of Police Economic Offence Wing GBCBCID Unit-I, Bombay and on 12.6.2002 my daughter Kanan Vasant Mevawala was ordered to be released on bail in the sum of Rs. 25,000/- with one solvent surety for the like amount, or cash in lieu of surety. However she was directed to attend the office of GB CB CID Mumbai between 12.30 p.m. to 4.30 p.m. for 15 days except Saturday and Sunday. Accordingly my daughter after depositing the cash amount of Rs.25,000/- in lieu of surety was released on bail, and thereafter from 13th June 2002 on words she was giving her attendance before the GB CB CID Mumbai. During thetime she was giving attendance she was in a dippressed state of mind.

contd. 2.

3. On 20.6.2002 she left the house at about 2.30 P.M. in order to give her attendance to GB CB CID and thereafter she has not returned home. When Kanan left the house she informed me that after giving attendance she will directly go to Nagpur. Nagpur Police Station telephoned to our residence and intended to make enquiry about Kanan. It appears that Nagpur Police Station wanted to interrogate and/or investigate Kanan. However, she had informed the Officer that she would be reaching Nagpur within 2 days. After two days i.e. on 22.6.2002 I received a phone call from officer by name Mr. Bele of Nagpur Police Station who informed me that Kanan has not come to Nagpur Police Station. I told him that she had gone to Nagpur at that time I was surprised and shocked to know that she has not reached at Nagpur. Thereafter I made inquires with CID Office and was informed that Kanan did not attend on 20.6.2002. As such I did not lodge a complaint for two days.

4. Every day after the attendance she used to return home and used to shouted me loudly. She was in a depressed state of mind. I as a mother tried to pacify her. However once or twice she did told me in a loud tone that she was going to commit suicide. She did not desire to live in this World. She is totally fed up with all this calling by Police. I being a mother tried to pacify her and console her. I was afraid that she may commit suicide.

contd. 3.

- 3 -

5. On 20.6.2002 she left our house and I received a phone call from Mr. Bele on 22.6.2002. After 22.6.2002 till today we have been trying to search her whereabouts at our relatives and friends house. We have verified at the hospitals and railway stations and every where else in order to search Kanan but efforts were futile. However, she is not found at the above places. I am now sure that she has left the house and she might have committed some untoward act. I therefore put it on record and request you to help me out to find out my only daughter Kanan who is missing from 20.6.2002.

Yours truly,

H.V. Mevawala

(HANSA VASANT MEVAWALA).

Copy to:

Mr. Rajan Kadtare,
Police Inspector EOW
Mumbai.

29/6/02
आझाद मैदान पोलीस ठाणे
Rec'd. 12.45 hrs

Date: 27-11-2005

My name is Bharatbhai Vasantbhai Mevawala, Age: 35 years, Occupation: Jewellery business, Resident of 27-B, Jayant Mahal Society, Churchgate, Mumbai, Phone No. 22819290.

Upon being asked in person, I state in writing that I reside at the above-mentioned address with my parents and with my wife named Falguni. At Opera House, there is a shop in partnership in the name of Forum Jewellers. My partner's name is Nafisa.

I have one sister named Kanan, who, in the year 2002, left somewhere without informing anyone at home. In this regard, my mother named Hansaben has given a missing-person report at Azad Maidan Police Station, V.T., Mumbai.

As I have differences with my parents, I live separately with my family. After my sister Kanan went missing, till today she has not been found despite inquiries, and I do not have any information as to where she is presently. My sister Kanan was not married.

That is all my statement, which is correct and true as stated by me.

Before me,
Signature/- Illegible
Police Inspector
Umra Police Station
Surat

Date: 27-11-2005

My name is Tanaji Laxman Kulekar, Age: 58 years, Occupation: Security Head Officer, Resident of Yashwant Building, Lalbaug No. 6, S.S. Rao Road, Mumbai.

Upon being asked in person, I state in writing that I reside at the above-mentioned address and that I am presently serving as Security Head Officer in Mittal Court Building, 'A' Wing. I have been working as security in this building for the last 18 years.

Today, when you sir inquired with me regarding the company named Home Trade situated here, in that connection I state that a police offence was registered against the said company Home Trade, and thereafter the police sealed the said company.

As the office premises of Home Trade were on rent, the owners of the premises, Shri D. H. Udani and L. H. Udani, obtained an order from the Hon'ble Court, and thereafter, about one to one and a half years ago, the seal was removed and they have put up their own name board.

At present, there is no office at the said place and it is lying vacant.

I do not have any information as to where the owners of Home Trade are presently.

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

Before me,

Signature/- Illegible

Police Inspector

Umra Police Station, Surat.

To:

The Learned Assistant Public Prosecutor,

Surat.

Subject: Submission of Supplementary Charge-sheet.

With Jai Hind, it is respectfully reported that in connection with Umra Police Station First C.R. No. 274/2002 under Sections 465, 467, 468, 471, 420, 114 and 120-B of the Indian Penal Code, against the accused Neeraj Amidhar Surti, resident of Bharuch, a supplementary charge-sheet has been filed today and the same has been forwarded to the Learned Chief Judicial Magistrate, Chief Court, Surat.

It is therefore requested that the case be conducted and the final outcome be reported.

Sd/-

Police Inspector

Umra Police Station

Surat City.

Inward / Outward No.: 4617/05

Umra Police Station, Surat City

Date: 29/11/2005

To,

The Hon'ble Chief Judicial Magistrate,

Chief Court, Surat.

Subject: Regarding handing over the accused to Court Custody.

With Jai Bharat, I, R. G. Jadeja, Police Inspector, Umra Police Station, Surat, respectfully submit the following report:

In connection with Umra Police Station First C.R. No. 274/2002 under Sections 465, 467, 468, 471, 420, 114 and 120-B of the Indian Penal Code, the accused namely Shri Neeraj Kumar Amidhar Surti, Age: 36 years, Resident of 55, Pritam Society, Division-1, Maktampur Road, Bharuch, was arrested in the said offence on 24/11/2005 at 19:30 hours and was produced before Your Honour within the prescribed time.

Further, police custody remand up to 29/11/2005 at 10:30 hours was obtained from Your Honour. Upon expiry of the said remand period, the accused is hereby sent to remain in Your Honour's Court Custody. Kindly take charge of the accused.

Date: 29/11/2005

Signature/- Illegible

Police Inspector

Umra Police Station, Surat City, Surat

IN THE COURT OF THE LEARNED CHIEF JUDICIAL MAGISTRATE SIR, SURAT

Criminal Case Number: 2033/2006

Complainant: State of Gujarat

Versus

Accused: Sanjay Hariram Agrawal and others

The written arguments regarding the Discharge Application filed on behalf of **Accused Neeraj Surti,** residing at: Surya Flats, First Floor, Surya Shopping Complex, Bharuch, are as follows:

(1) Even if the entire charge sheet in this case is taken into consideration, no prima facie evidence has been found to frame a charge against Accused Neeraj Surti; under these circumstances, it is necessary to allow the discharge application filed on behalf of the Accused and discharge him. The Learned Court has this power under Section 239 of the Code of Criminal Procedure. It is a humble request to the Learned Court to discharge the Accused accordingly.

(2) In this case, a complaint under Sections 465, 467, 468, 471, 420, 114, and 120(B) of the I.P.C. has been registered vide Umra Police Station First C.R. No. 274/2002. The said complaint has been provided by Pratibhaben, wife of Bhupendrabhai Ramniklal Pachchigar, on behalf of the Surat Mahila Nagarik Sahakari Bank Ltd. According to the said complaint, it is alleged that the

accused, by forming a company named Home Trade Ltd., hatched a criminal conspiracy with mutual assistance and, by gaining the faith and trust of the Mahila Bank for providing government securities, committed fraud of Rs. 8,59,65,655.82 against the Complainant bank by creating forged documents. The Complainant Mahila Bank has conducted transactions for the purchase and sale of government securities with Home Trade Ltd. According to them, initially, whatever purchase and sale of government securities was conducted with Home Trade Ltd. had remained regular. According to them, on 31/10/2001, their bank purchased Government of India Securities worth Rs. 2,36,28,125/-, carrying 10.18% interest and maturing in the year 2026, from Home Trade Ltd., for which they gave HDFC Bank Cheque No. 275353 to Home Trade Ltd. Thereafter, on 22/11/2001, securities worth Rs. 2,81,22,916.67 at 10.70% interest maturing in the year 2020 were purchased, for which HDFC Bank Cheque No. 275362 was given. Thereafter, IDBI securities worth Rs. 3,37,16,166.67 at 11.5% interest maturing in the year 2001 were purchased, for which HDFC Bank Cheque No. 275372 was given. Subsequently, on 27/02/2002, Government of India securities worth Rs. 1,01,43,458.33 at 9.39% interest maturing in the year 2011 were purchased, for which HDFC Bank Cheque No. 275373 was given. In this manner, between 31/10/2001 and 27/02/2002, their bank purchased government securities worth Rs. 9,68,10,666.67 from Home Trade Ltd., and their bank has paid the entire amount to Home Trade Ltd. through the aforementioned cheques.

(3) An admission has been made in the complaint that they used to receive securities through Home Trade Ltd. every year; however, the delivery of these specific securities was not received by them. Therefore, upon demanding the delivery of the aforementioned securities through correspondence and telephone with the Directors and Chairman of Home Trade Ltd., they did not

provide delivery and made false promises by giving evasive replies. According to them, upon threatening Home Trade Ltd. that action would be initiated against them if delivery was not provided, it was stated by Home Trade Ltd. that at present, they could provide three securities to the bank: one for Rs. 3,81,61,800/- at 11.3% interest maturing in 2012, and two for Rs. 5,36,50,625/- and Rs. 5,36,500.25 at 8.7% interest maturing in 2017. Furthermore, it was stated by Home Trade Ltd. that if they did not have trust, they would issue cheques; thus, according to the Complainant, by reposing faith and trust in them, a contract dated 30/03/2002 was executed. Therein, an oral assurance was given to provide the aforementioned three deliveries by 15/05/2002, and it was further stated that if they did not have trust, they would provide cheques in advance; accordingly, the following cheques were issued:

Cheque No.	Date	Amount
984317	11/04/2002	Rs. 80,72,206.25
984302	25/04/2002	Rs. 6,36,250
984307	16/04/2002	Rs. 53,91,295.83
984309	29/04/2002	Rs. 54,12,566.66
984308	23/04/2002	Rs. 1,08,05,683.33
984310	07/05/2002	Rs. 1,08,51,066.67
984311	17/05/2002	Rs. 1,41,49,828.33
984323	15/05/2002	Rs. 1,29,11,175
984324	15/05/2002	Rs. 1,29,04,815
984325	15/05/2002	Rs. 1,29,02,975

Thus, all these cheques have been issued from Account No. 00/0400/7011 of the Nariman Point branch of HDFC Bank, totaling Rs. 9,40,37,861.07.

(4) According to the Complainant, among the aforementioned cheques, Cheque No. 984317 for Rs. 80,72,206.25 has been cleared. The assurance given to provide delivery of government securities was not fulfilled, and upon depositing the remaining nine cheques in the bank, those cheques were returned due to insufficient funds in the account. According to the Complainant, Home Trade Ltd., by stating to provide IDBI securities of Rs. 5,00,000/- at 11.5% interest maturing in the year 2011, has also sent certificates to the bank via fax, and by stating to provide Central Bank securities of Rs. 1,00,00,000/- at 9.39% interest maturing in the year 2001, has sent photocopies of the certificates; however, no such delivery of government securities was provided to them, nor were the funds provided for purchasing the securities returned. In this manner, excluding the amount of the one cleared cheque, it is the Complainant's case that fraud of the remaining Rs. 8,59,65,655.82 has been committed.

(5) During the investigation, some documents have been produced on behalf of the Complainant, in connection with which the statement of the Complainant dated 04/07/2002 has been recorded. The aforementioned complaint was dated 02/07/2002. Furthermore, the statement of Complainant Pratibhabehn Bhupendrabhai dated 16/09/2002 has been taken, wherein she specifically states that the bank had transactions for purchasing securities with Home Trade since the year 1999, and they had purchased securities from Home Trade previously as well, the delivery of which has been received by them in a timely manner. A contract note was executed with them to purchase these securities, and in connection with that, they had also given cheques to them. She states in the statement that she has also produced the contract note. She further states that as there were transactions with Home Trade since 1999, the bank issued cheques to Home Trade by reposing trust in them, and contract

notes were executed whenever securities were purchased from Home Trade. According to Pratibhabehn, contract notes have also been executed regarding the securities for which the money has not been received.

(6) Additionally, upon perusing the charge sheet, statements of other bank officers have been recorded, which include statements of Shailabehn wife of Kiranbhai Haribhai Desai, Kashmirabehn wife of Jimi Kharadi, Dharmisthabehn wife of Nitinkumar Nawab, Umabehn widow of Premalkumar Lalit Mohan Gandhi, Bhanumatibehn wife of Tulsidas Zaveri, Kalabehn wife of Mahendrabhai Ishwarbhai, Kamalbehn wife of Arunbhai Krishnanath Pradhan, Gitabehn wife of Niranjanbhai Dalal, Rekhabehn wife of Nimeshbhai Pravinbhai Choksi, Rajshribehn wife of Ashokbhai Doctor, Vinitabehn wife of Dipakbhai Ishwarbhai Lakdawala, etc., as well as several documents. The statement of Accused Neeraj Amidhar Surti has also been cited with the charge sheet. Although the statement of the Accused is not admissible in evidence, the said statement remains important regarding the fact that the matters presented by the Accused have not been adequately investigated.

(7) In short, according to the complaint, as per the Reserve Bank rules, a bank has to invest money in government securities. Such work of purchasing government securities is done through a broker. Home Trade Ltd. has played the role of a broker in that manner, and according to the Complainant, in such transactions, Home Trade Ltd. took an amount of Rs. 8,59,65,655.82 from the bank but committed a breach of faith and trust for providing government securities, thereby committing offences. The complaint regarding these alleged offences occurring between 31/10/2001 and 27/02/2002 has been filed five months later on 02/07/2002.

(8) In this case, Sanjay Hariram Agrawal (Chairman of Home Trade Ltd.), Ketan Kantilal Sheth (Director), Nandkishor Shankarlal Trivedi (Exe. Director), Subodhbhai Bhandari (Signatory of Home Trade), and Kanan Mevawala of Home Trade have been shown as accused. In the complaint, current Accused Neeraj Surti has been joined as Accused Number 6. He is not an office bearer of Home Trade. He is a Chartered Accountant and personally conducts consultancy work at Bharuch.

(9) Now, even if it is assumed that the statements and whatever documents have been produced in the entire charge sheet are prima facie true, the following facts clearly emerge from them:

(i) No offence under Sections 465, 467, 468, 471 of the I.P.C. is prima facie made out. Nothing appears to indicate that any forgery has been committed or any fraudulent document has been created in this case.

(ii) As far as Section 420 of the I.P.C. is concerned, no intention to cheat from the beginning appears. Rather, it appears that they could not fulfill the contract due to the deterioration of the condition of Home Trade later; thus, a transaction of a civil nature is prima facie evident, which lacks criminal essentials. Primarily, a breach of contract is visible; nothing appears to indicate criminal breach of trust, fraud, or forgery.

(iii) If any criminal offence is made out in this case, it can only be regarding the bouncing of cheques under Section 138 of the Negotiable Instruments Act; the bank has taken steps in that regard, and therefore, the current offences are not made out and proceedings for the same cannot continue.

(iv) As far as Accused Neeraj Surti is concerned, no evidence that can be termed criminal has been found against him from the entire charge sheet, and no clinching evidence appears to indicate his involvement in the alleged conspiracy. Thus, there is a requirement to discharge him prima facie. The

existence of any conspiracy is also not apparent, and for the sake of argument, if any such conspiracy existed, there is not even a shred of evidence of Neeraj Surti's involvement in it.

Thus, it is necessary to discharge the current Accused on the aforementioned primary points. The evidence required to frame a charge has not been found in this case.

(10) Now, taking the points mentioned above one by one, first of all, there is no prima facie case under Sections 465, 467, 468, 471 of the I.P.C. in this case, and no charge can be framed under those sections. The direct reason for this is that no document that can be called bogus has been found in this case. The definition of forgery has been provided in Section 463 of the I.P.C., according to which a fraudulent document under Section 464 is necessary for forgery. What constitutes a fraudulent document has been shown in Section 464 of the I.P.C., which contains three clauses. Only the first clause among these three clauses needs consideration. Now, if we look at this first clause, it constitutes forgery when a signature of someone else has been made on a document, i.e., a forged signature has been made, or a false document has been created, or a document has been executed by using the authority of another person without their authorization. There is nothing of this sort in this case. The alleged bogus documents in this case are nothing but contract notes. Therefore, it remains to be considered whether contract notes can be called bogus documents. The signatures of the authorized signatory Subodh Bhandari are on the contract notes, and these contract notes have been issued on behalf of Home Trade. Now, even if the entire charge sheet is squeezed, not even a drop emerges to suggest that this document has been created by forging someone else's signature or that this has been performed without authority. In fact, the said contract notes have been issued only on behalf of

Home Trade Ltd., they are claimed to belong to Home Trade Ltd., authority has also been granted by Home Trade Ltd., and it is also stated that Subodh Bhandari had the authority. Therefore, these contract notes belong to Home Trade Ltd. and have been issued with the authority of Home Trade Ltd. There is not a single word against this in the entire charge sheet; therefore, the contract notes are genuine legal documents issued by Home Trade Ltd. and with its authority. It is a different matter that it can be argued that the contract notes have been used for fraud, but that is to be considered when we think about fraud. However, as far as forgery is concerned, forgery does not emerge under any circumstances in this case, and therefore, a charge under Sections 465, 467, 468 read with 120(B) of the I.P.C. cannot be prima facie framed.

(11) Now, considering Sections 420 and 120(B) of the I.P.C., perusing the entire charge sheet, no such material prima facie emerges from which it can be said that fraud has been committed. For fraud, a dishonest intention from the beginning is necessary. If a dishonest intention from the beginning is not proved, the offence of fraud would not be made out. Such cases are called cases of breach of contract. At most, it can be said in this case that a breach of contract notes has occurred. Because many times it happens that a person has a bona fide intention from the beginning, but later, when their financial condition becomes weak, if they cannot fulfill the contract under such circumstances, it becomes a civil arrangement and not a criminal offence. Only if a person did not have the intention to pay from the beginning and if they have conducted transactions with the prior mindset of defrauding the bank, then only the offence under Section 420 of the I.P.C. is prima facie made out. In this case, if we look at the statement of Complainant Pratibhabehn dated 16/09/2002, she has clearly written that, "Since we had dealings for purchasing securities with Home Trade since 1999, we have previously purchased securities from Home Trade, the delivery of which has been

received by us in a timely manner." Furthermore, the fact of having transactions with Home Trade Ltd. since 1999 has also been written further in the said statement, and it emerges from her statement and the charge sheet that contract notes were also executed for the money paid and government securities were provided. Thus, the current bank has conducted numerous transactions with Home Trade Ltd. even before those transactions for which the criminal case has been filed for non-fulfillment, and they have been conducted regularly and their government securities have been received by them as per rules. If the intention of the accused or Home Trade Ltd. was not to provide government securities after taking money through cheques from the bank from the very beginning, all these transactions would not have been successfully conducted. From this, it does not emerge that there was a dishonest intention from the beginning, i.e., to not provide government securities after taking money from the bank.

(12) Furthermore, if the intention of the accused was bad from the beginning, they would not have given cheques to them when they could not provide securities worth Rs. 9,40,37,861.07 to the bank. A person with a dishonest intention would not create their own liability under the Negotiable Instruments Act by giving cheques; however, it appears that Home Trade Ltd. was making efforts to strengthen its financial condition and had a passion for saving Home Trade, and they were struggling to fulfill the transactions with the banks as well. Under these circumstances, they were confident that they would come out of that situation, and as their intention was to provide government securities or pay the money, they issued these cheques; not only that, but as the Complainant herself says, one cheque has also been cleared, and thereafter, due to the financial situation, other cheques could not be cleared and money was not paid, which is a different matter. Under these circumstances, it is clearly evident that due to the subsequent deterioration of

the financial condition, Home Trade Ltd. could not pay the money to the banks. In fact, their intention was noble and clean from the beginning, but due to the subsequent worsening of the situation, they could not provide government securities as per trust. Under these circumstances, it is clear that the case is entirely one of breach of contract. The essential element required for fraud as per Section 415 of the I.P.C., that the intention must be dishonest from the beginning, has not been found, and even if the entire charge sheet is assumed to be true, it is not evident. When the circumstances are clear at this very moment, it is our humble submission before the Learned Court that a charge under Section 420 read with 120(B) of the I.P.C. also cannot be framed in this case.

(13) Furthermore, as we have stated in the above circumstances, at most, an offence under Section 138 of the Negotiable Instruments Act can be made out because ten cheques have been issued. Among those ten cheques, one cheque has been cleared and the remaining nine cheques have been returned. For these returned cheques, at most, the bank gets the right to take steps. As stated above, the bank does not get the right to take any steps for fraud. To our knowledge, due to the return of the said cheques, the bank has also initiated proceedings under the Negotiable Instruments Act and has also filed separate cases for the same. Under such circumstances, in addition to those cases, these cases will be equivalent to double offences for the same type of transaction. At most, if there is a case under Section 138 of the Negotiable Instruments Act and they have initiated proceedings for the same, in our humble opinion, the current case cannot be sustained and a charge cannot be framed under the sections mentioned therein.

(14) Now, let us come to the point that as far as Accused Neeraj Surti is concerned, his criminal involvement in the aforementioned offences is not

prima facie evident. First of all, the following facts regarding Accused Neeraj Surti clearly stand out from the entire charge sheet, which need consideration:

(i) Accused Neeraj Surti is not connected with Home Trade Ltd. in any manner and is not its office bearer. He is a Chartered Accountant and personally conducts consultancy at Bharuch.

(ii) Under these circumstances, he has not received even a single penny from the alleged fraud of Rs. 8,59,65,655.82. Under these circumstances, the possibility of his involvement with the crime is primafacie ruled out.

(iii) There is nothing wrong with a person working by taking a fee as a Chartered Accountant. However, no evidence regarding the fee has been found from the charge sheet in this case.

(iv) As a Chartered Accountant, he has to perform the work of advising banks. It does not appear that the bank has paid any amount. Nevertheless, even if it is assumed for the sake of argument that he advised the bank or introduced a certain party as good or bad, it would be considered to have been performed as a part of professional duty. If a Chartered Accountant advises purchasing government securities from a certain party and also introduces that party, it cannot be said that he is involved in a conspiracy with the party he introduced. At most, it can be said that the trust placed by the Chartered Accountant in a certain party turned out to be wrong. Due to that, his judgment turned out to be erroneous, but if a certain party turns out to be wrong, the Chartered Accountant who introduced them cannot be held criminally responsible. Similarly, on behalf of the bank too, only a certain officer or the Board of Directors conducts dealings with a party and they recommend to the bank or these officers of the bank introduce that party; however, just as they cannot be said to be involved in a conspiracy with everyone, the same cannot be said about the Chartered Accountant. In short, until there is other evidence that this Chartered Accountant has acted in collusion with Home Trade Ltd. company or has participated in a conspiracy with it, an inference of involvement in a

conspiracy cannot be made merely from the act of introducing. perusing the entire charge sheet, nothing appears to indicate that current Accused Neeraj Surti has participated in any secret agreement with Home Trade Ltd. Under Section 120(B), a person is held responsible only when an agreement has been made between the accused secretly, which can also be implied. It is not apparent from the record that such a conspiracy existed. Nevertheless, even if its existence is assumed for the sake of argument, nothing appears to indicate the involvement of Accused Neeraj Surti in any such conspiracy. Merely because he introduced the party to the bank or came with them on some occasion, he cannot be considered to be involved in the conspiracy and it cannot be considered criminal evidence of involvement in the conspiracy. Under those circumstances, it can be said that there is no evidence to frame a charge against the Accused in this case.

(5) In this case, there is no evidence that the bank has paid the money of the aforementioned cheque to Home Trade Ltd. through Accused Neeraj Surti. It also does not appear that any correspondence has been carried out with the Accused upon not receiving government securities as per the contract notes. If Accused Neeraj Surti had conducted dealings with the bank on behalf of the said Home Trade Ltd., he would have mediated in all this; however, nothing of that sort is visible and not a single document among the produced documents proves that Neeraj Surti was involved in this in any manner. No signature of Accused Neeraj Surti exists on the contract notes executed for the government securities in connection with which the fraud of Rs. 8,59,65,655.82 is alleged to have been committed. If he were a mediator and a broker, his signature would have been there. It is also not found that a copy has been sent to Accused Neeraj Surti anywhere in the letters written even when the government securities were not received. It emerges from the entire charge sheet and specifically from the complaint that Neeraj Surti comes to

the bank only once with Sanjay Agrawal and Ketan Sheth of Home Trade; however, at that time, on the contrary, it appears that Accused Neeraj Surti is working for the benefit of the bank and he causes cheques to be issued to the bank in lieu of the government securities which Home Trade Ltd. has not provided. This shows that when the party introduced by him did not provide government securities, Accused Neeraj Surti caused the aforementioned cheques to be issued from that party to look after the interest of the bank. Thus, looking at it in any manner, this circumstance is a circumstance of his innocence; it cannot be called a criminal circumstance. A criminal circumstance is one that points towards the involvement of the accused in the crime; nothing of this sort has been found.

(6) Accused Neeraj Surti's collusion with other accused is not apparent. It is only found that he had come to the bank with other accused twice, but these circumstances are not criminal. It is a primary principle of law that if a circumstance can be explained with the innocence of the accused, it is not to be considered a criminal circumstance. In the two times the Accused came, on the first occasion, he came as a Chartered Accountant to state that a certain party has a reputation today and there is nothing wrong if government securities are purchased through that party; that circumstance is not called criminal. Because it can also be interpreted that he had come to advise the bank bona fide and it can be reasonably explained in that manner. Similarly, the second time, an interpretation also emerges that he had come to make efforts so that the bank receives government securities or returns of money from Home Trade Ltd. by keeping the interest of the bank in mind. At that time, coming twice is not criminal in any manner and it cannot be assumed that there is a prima facie case against the Accused because of that. Unless there is other evidence that his coming on both these occasions was with a dishonest and criminal intention and was in collusion with other accused, this

evidence cannot be considered criminal. Under those circumstances, no evidence sufficient to frame a charge against the Accused is evident; therefore, there is a requirement to discharge him.

(7) Furthermore, it appears from the entire charge sheet that the current Accused had been conducting dealings with the bank for a long time. It clearly emerges from the complaint and from the statements of other bank officers that the bank had transactions with Growth Avenue company since the year 1995. Accused Neeraj Surti used to maintain contact with the bank for this Growth Avenue company. Now, even though Accused Neeraj Surti was serving in this Growth Avenue company since 1995, he has not committed a misappropriation of even a single penny. This shows that even if the Accused introduced Home Trade Ltd. later in the year 1999, it might have been performed in good faith. Therefore, it cannot be considered criminal evidence.

(8) Furthermore, it clearly appears from the complaint and other evidence that the bank came into contact with M/s Ketan Sheth & Co. through Growth Avenue company. We, Accused Neeraj Surti, had left Growth Avenue company and started our brokerage business. Furthermore, they state that as our (Accused Neeraj Surti's) dealings with the bank were good, they caused the investment of their bank to be made through us through M/s Ketan Sheth & Co. Regarding the dealings conducted with this Ketan Sheth & Co. from the year 1995 to 2002, it emerges from the complaint itself that the delivery of the government securities purchased through M/s Ketan Sheth & Co. during these years has been properly received by the bank. This fact also proves that Accused Neeraj Surti did not have any dishonest intention. Rather, he has conducted regular transactions on behalf of both Growth Avenue and M/s Ketan Sheth & Co. for years and for as many as seven years and has provided government securities. It cannot happen that such a person, who has

been behaving honestly with the bank for seven years, would change later. Those who commit fraud do not wait for as long as seven years.

(9) Furthermore, it emerges from the complaint and other statements that in the year 1999, Ketan Sheth and Neeraj Surti informed their bank that they have formed a company named Giltedge Management Service Private Ltd. and they are its directors. This company also performs the work of brokerage of government securities. Therefore, their bank purchased government securities from the Giltedge company, the delivery of which has also been regularly received by their bank. Now, Neeraj Surti was not a director of Home Trade or Giltedge company, but be that as it may, it emerges from this evidence that Ketan Sheth and Neeraj Surti have conducted properly regular administration even on behalf of the bank management.

(10) Thereafter, around 1999, Ketan Sheth and Neeraj Surti made a representation to the bank that Ketan Sheth is the moving spirit of M/s Euro Asian Securities Ltd. and this company is a member of the National Stock Exchange, and upon informing them to purchase government securities through this company, as they had a professional relationship with Ketan Sheth and Neeraj Surti since 1995, they reposed trust and started purchasing government securities through M/s Euro Asian Securities company, and it appears from the charge sheet that they have also properly provided its delivery to the bank. Neeraj Surti is not the moving spirit of Euro Asian Securities. No evidence regarding this has come on record. It appears that this has been written only to involve him, just as it was stated in the context of the management company; but be that as it may, this matter is also entirely innocent. This is because it is their own case that the administration of M/s Euro Asian Securities was honest and clean in 1999 and all securities were

provided; at that time, this is also not an objectionable or criminal circumstance.

(11) Now, it is their claim that Neeraj Surti and Ketan Sheth introduced Accused Sanjay Agrawal and Accused Nandkishor Trivedi for the first time in the complaint in January of the year 2000. This is also a matter in the evidence of almost all witnesses. This is one of only two matters which have been presented as criminal against Accused Neeraj Surti from the entire charge sheet: that they had come together with Ketan Sheth, Sanjay Agrawal, and Nandkishor Trivedi in January of 2000 and introduced them. Now, first of all, the very fact that they had come in January of 2000 and introduced them is prima facie proved false, because it is found from the charge sheet that the Complainant bank had a relationship with Home Trade Ltd. since before the year 2000. If we look at the statement of Complainant Pratibhabehn dated 16/09/2002, "Since we had administration for purchasing securities with Home Trade since the year 1999, we have previously purchased securities from Home Trade, the delivery of which has been received by us in a timely manner." Accordingly, it has been written again further in this statement that, "Since we had transactions with Home Trade since the year 1999." Thus, transactions with Home Trade Ltd. had already commenced since 1999. Government securities were purchased through Home Trade Ltd. Their delivery has also been received by them. Thus, if administration had already taken place with Home Trade and its moving spirits Sanjay Agrawal or Nandkishor Trivedi in the year 1999, contract notes had been issued, and all this was there, then the fact of introducing them for the first time in January of 2000 and the facts of stating that they are directors and Subodh Bhandari is the authorized signatory, etc., are found to be completely false. This is because their relationship with Home Trade Ltd. and all these persons existed from before that, as emerges from the charge sheet itself and from the

statements. This is one of the two circumstances involving Neeraj Surti, and when this circumstance is found false from the charge sheet itself. It is found false because it is the Complainant's contention in the complaint that Neeraj Surti went to the bank for the first time in January of 2000 and introduced these two and Home Trade, but in her additional statement, she clearly states that transactions with this Home Trade Ltd. existed from before that and contract notes have also been executed and government securities have also been received by them. Therefore, they were already known and transactions were taking place; at that time, the question of conducting any transaction again in January of 2000 does not remain. Under these circumstances, this single circumstance is proved entirely false.

(12) Furthermore, if we look at this circumstance, it gives a complete clean chit to Neeraj Surti, because in the representation that was made, no responsibility of Neeraj Surti was kept and there is nothing to suggest that any faith or trust was given on his own behalf. Rather, it appears from these talks that these people will conduct the administration henceforth. Thus, if said so, on the contrary, it is found from this evidence that there is no responsibility of Neeraj Surti, and if one wants to conduct administration with these people, they may do so. This also indicates that this circumstance is not criminal in any manner.

(13) Furthermore, it is to be stated that the bank started purchasing government securities through Home Trade Ltd. from January 2000, and it emerges from the complaint and charge sheet that initially it was happening regularly. This shows that the initial dealings of Home Trade Ltd. were also good. Of course, one fact is clear from this: that they purchased government securities through Home Trade Ltd., wherein they do not write that there was any mediation by Accused Neeraj Surti in any manner. It has been stated to

the effect that after that first introduction, Neeraj Surti moves away, and then they start purchasing government securities directly through Home Trade Ltd. This shows that Neeraj Surti was not in any conspiracy; rather, he had separated himself.

(14) Furthermore, it is alleged that an assurance was given that Home Trade Ltd. company is a member of the National Stock Exchange and possesses the qualification for purchase and sale of government securities as per policy rules; no evidence that this fact is false has been found from the entire charge sheet. Therefore, it is also not the case that any false representation was made in the first alleged meeting. Not a single representation among those made appears to be false. Therefore, the first meeting in which Accused Neeraj Surti came cannot be considered objectionable. Additionally, as stated earlier, Neeraj Surti was a Chartered Accountant and his work was to provide advice. If a mistake occurs somewhere in providing advice and a wrong party is introduced, an inference that he was involved in a conspiracy cannot be made because of that. Under all these circumstances, the said matter of introducing for the first time is not a criminal circumstance in any manner. Firstly, it is found to be false from the charge sheet, and secondly, even if true, nothing appears to indicate that any false faith or trust was reposed therein. Furthermore, it appears that Neeraj Surti had moved away from the said transaction.

(15) Now, if we peruse the charge sheet, it is their own contention that the bank has conducted the transactions of those contract notes and cheques for which government securities have not been received directly with Home Trade Ltd. Thus, it is clear that there is no evidence of involvement against Neeraj Surti.

(16) Finally, the matter that remains to be discussed is that when it was stated to Home Trade Ltd. on behalf of the bank to initiate proceedings regarding the said contract notes and cheques for which government securities were not received and for which the complaint was filed, which finally amounted to Rs. 9,40,37,861.07, it appears from the charge sheet and complaint that current Accused Neeraj Surti also came along with Ketan Sheth and Nandkishor Trivedi. This coming together also cannot be called criminal in any manner. There are several reasons for this. First of all, the bank has benefited in this transaction, i.e., due to the arrival of Neeraj Surti, a settlement of Home Trade Ltd. with the bank was carried out regarding the contract notes for which government securities were not received; not only that, but a contract dated 30/03/2002 was executed in the interest of the bank and the interest of the bank has been looked after accordingly. All the matters of this meeting have occurred in the interest of the bank. If Ketan Sheth and Nandkishor were sitting with the aforementioned Rs. 9,40,37,861.07, they did not need to give any cheques or execute any contract. Nevertheless, knowing that the bank's money was sunk in the party introduced by himself, Neeraj Surti took interest and caused the money to be recovered from the said company through cheques. It is a different matter that except for one, the remaining cheques have not been cleared, but due to receiving these cheques, the bank received security and a weapon to file a complaint under the Negotiable Instruments Act through which it can recover the money. The bank has also filed complaints in connection with these cheques. If these cheques were not there, the bank would not have received a primary weapon to recover the money, and if Neeraj Surti remained present in the meeting for causing these cheques to be issued and causing the contract to be executed, rather, it can be said that he has performed a commendable job. Suppose a person's money is sunk and another person mediates and causes a writing to be executed for providing that money, and later if that party does not pay the

money, it cannot be said that the mediators are involved in this matter. Thus, in the second circumstance mentioned, work has been performed in the interest of the bank; if Neeraj Surti's presence was there on such an occasion, it would be called only an innocent presence. It cannot be considered a criminal circumstance in any manner. Thus, this circumstance is also not criminal.

(17) Furthermore, as stated earlier in this case, the statement of Neeraj Surti dated 24/11/2005 has been taken, and if we look at that statement, it also emerges from it that the bank had called him to this meeting. He states that, "As the bank had called me by phone on 20/02/2002, I came to the office situated at Athwalines, Surat Mahila Bank. At that time, the Directors and Chairman of the bank as well as Pratibhabehn Pachchigar were present, and Ketan Sheth and Nandkishor Trivedi of Home Trade were also present; and upon the Directors and Chairman of the bank demanding the aforementioned pending delivery or money, both the aforementioned Ketan Sheth and Trivedi of Home Trade stated that we have taken securities from a party at Calcutta and they have not been received by us and our efforts are ongoing. We will provide them immediately upon receipt. As far as I remember, they have also provided in writing and also stated that both of us want to pay the money, so you keep post-dated cheques and we are giving these post-dated cheques to you towards the sale price of the old securities. Additionally, they had also given contracts for purchasing new securities. Opposing this, I drew the attention of this Mahila Bank that until the old securities arrive, it is not advisable to sell them and take new securities. Nevertheless, the bank accepted these post-dated cheques." Now, a detailed investigation of the matter stated by the Accused through every witness was necessary to see whether this fact is true or false. Of course, this statement of the Accused is not admissible in evidence, but when they talk like this, it could have been

said by asking other witnesses whether this talk is true or false. Nothing of this sort has been performed, which indicates it to be true; not only that, but Neeraj Surti can take such a reasonable defense regarding his presence and that defense cannot be called a defense taken for the first time during trial. Rather, as this representation has been made before the police from the very beginning, it is a strong defense. Be that as it may, it emerges from this that in the issue being made of Neeraj Surti coming to the bank the second time, in fact, it might also be that the bank had called him; not only that, but it might also be that he had come independently and had not come with the accused. Furthermore, it emerges from this that he has provided correct advice to the bank. The bank even wanted to conduct trade of other securities with other accused, but Neeraj Surti signaled a red light. The police should have properly questioned those present in this regard; when nothing of that sort was performed, then in the meeting in which the bank has benefited, whether he came with the accused or the bank called him, be that as it may, Accused Neeraj Surti has not committed anything wrong therein and it is clearly evident that it is not a criminal circumstance. In the statement of the said Accused, the facts of providing advice and instruction to the bank to file a police case, etc., have been stated. In entirety, it appears prima facie that Accused Neeraj Surti was with Accused Ketan Sheth only in introducing Home Trade Ltd., and although the bank conducted direct dealings with that party and although current Accused has not received even a single penny in that regard, just because a problem occurred in the party introduced by him, he has been involved as an accused in this case.

(18) Thus, perusing the entire charge sheet, it appears that:

(i) Accused Neeraj Surti has honestly fulfilled all the transactions of companies conducted previously.

(ii) Home Trade Ltd. was a large-scale company, so he moved away after providing only as much advice that they would be able to conduct administration through that company to obtain more government securities, and thereafter, all transactions have taken place directly between the bank and Home Trade, and it is clear that they have conducted all the transactions of the money involved in this case directly; Neeraj Surti has no role therein.

(iii) There is nothing to suggest that Neeraj Surti has received even a single penny in this regard or has obtained any amount from the amount which is over eight crores; there is no recovery against him.

(iv) Even at the time of introducing, they have not kept any responsibility of their own and they parted by saying to conduct administration with this company henceforth; thus, his responsibility would not arise in the transactions occurred thereafter which include the transaction of over these eight crore rupees.

(v) Nothing among the things said in the charge sheet to have been reposed as faith and trust at that time has turned out to be false, such that it could be assumed that they have committed fraud by committing a breach of faith or trust.

(vi) Nothing appears to indicate that Neeraj Surti's signature exists or anything has been performed through him in any papers, contract notes, correspondence, or any other transactions.

(vii) Finally, when the money does not arrive, rather, it comes out that Accused Neeraj Surti was present only in the meeting for causing cheques to be issued and contracts to be executed, which is also an entirely innocent circumstance. Rather, it is a circumstance in his favor.

(viii) Apart from this, nothing else emerges from the charge sheet and therefore, no evidence fit for framing a charge is evident. perusing the entire charge sheet, as far as Accused Neeraj Surti is concerned, as there is no evidence other than the aforementioned two innocent presences, no evidence

sufficient to frame a charge against him is evident. Therefore, it is our humble representation to the Learned Court to discharge the Accused.

(19) Furthermore, it is to be stated that in the bail order of the Learned High Court, the finding of the High Court Judges is that the Accused was only an advisor and this entire transaction is a commercial transaction. This also indicates that there is no question of fraud but a question of breach of contract. The Learned High Court has also made such observations that current Accused is a Chartered Accountant and he practices in the name of Neeraj A. Surti & Associates; it appears from the record that his role was only to introduce some persons and that too was to the previous company of Home Trade. Thereafter, the High Court has noted that even if the case is viewed with maximum gravity, it appears that current Accused brought an investor to Home Trade from whom the bank could purchase government securities, but ultimately, it is the discretion of the bank whether to invest money or not. The bank has a battalion of several officers and they invest in government securities with their help. Thus, from the meaning of what the High Court says, it clearly appears that as current Accused is a Chartered Accountant, he conducts this business; therefore, it is possible that he brings any client to the bank, but ultimately, the bank has to decide where to invest money with the help of its officers, and if they decide accordingly and suffer a loss therein, then no fault can be found of the Chartered Accountant who has provided some advice. We have made an argument to this effect previously, which is also corroborated by the order of the High Court. Under these circumstances, perusing the entire charge sheet, it is clear that no evidence sufficient to frame any charge against current Accused is evident. Under these circumstances too, there is a requirement to discharge the Accused.

(20) Under all circumstances, in this case, from the prosecution's case and from the charge sheet, the situation is such that no charge can be framed against current Accused Neeraj Surti under any section; under those circumstances, it is a humble request to discharge the Accused.

(21) We shall produce the list of authorities separately.

Date: 01/02/2008

Surat.

(K. C. Panwala)

Advocate for Accused Neeraj Surti.

IN THE COURT OF THE LEARNED CHIEF JUDICIAL MAGISTRATE SIR, SURAT

Umra P.S. First C.R. No. 274/2002

Complainant: Government

Versus

Accused: Ketan Kantilal Sheth

Application: Regarding Discharge under Section 239 of the Code of Criminal Procedure...

It is humbly submitted on behalf of the Accused that:

(1) An offence under Sections 420, 465, 467, 468, 471, 114, and 120(B) of the I.P.C. has been registered against the Accused at Umra Police Station vide Umra P.S. First C.R. No. 274/2002. In connection with the said case, the Investigating Officer arrested the Accused on 27/09/2002, produced him before the Learned Court, and obtained police remand until 08/10/2002. Thereafter, the Accused has been produced before the Learned Court, and the Investigating Officer has filed a charge sheet against the Accused before the Learned Court vide Criminal Case No. 9166/2002. The Accused is currently released on bail.

(2) Upon perusing all the papers of the charge sheet produced by the Investigating Officer against the Accused before the Learned Court in the said case, no offence of any kind has been prima facie made out against the

Accused; therefore, the Accused has filed the present application for discharge.

(3) In the said case, the complaint has been filed at the Umra Police Station by Pratibhabehn Bhupendrabhai Pachchigar, an officer of The Mahila Nagarik Sahakari Bank Ltd. According to the facts of the said complaint and the alleged charges mentioned in the charge sheet, all the accused, with a dishonest intention from the beginning and despite not being able to conduct transactions in government securities with SEBI, produced a forged SEBI certificate and induced the Complainant bank to trade in government securities. By providing contracts to purchase securities, they committed fraud of a substantial amount of approximately Rs. 9.68 crore, misappropriated the funds, and created forged and valuable documents such as contracts. It is alleged that despite knowing the documents to be forged, they used them as genuine and committed fraud.

(4) Upon perusing the complaint and charge sheet papers, the Complainant has filed the present complaint against a total of 20 accused, wherein Home Trade Company Ltd. has been shown as Accused No. 1 and the present Accused has been shown as Accused No. 2. Upon perusing the said complaint, the charge sheet, and all documents and witness statements produced with the charge sheet, no fact emerges to suggest that the Accused provided any faith or trust to the Complainant bank or its officers, or that the Complainant bank has paid any amount to the Accused on this basis.

(5) Perusing all the charge sheet papers, it is an undisputed fact that the Accused joined Home Trade Ltd. only as an Additional Director. The Investigating Officer has included all these facts and documentary evidence regarding the Accused being an Additional Director in the charge sheet. This also clearly demonstrates that the Accused is not a person responsible for the day-to-day business transactions of Home Trade Ltd. The Accused has tendered his legal resignation from the said Home Trade Ltd. on 15/05/2001,

which resignation has also been approved in the meeting of the Board of Directors of Home Trade Ltd. The Accused has also intimated the R.O.C. regarding the same, and a note to that effect has been made in the records of the R.O.C. Therefore, the Accused is not responsible for any transactions of Home Trade Ltd. after 15/05/2001, and all these documents have been included in the charge sheet. Thus, considering the matter prima facie, no evidence has been included in the charge sheet on the basis of which a charge can be framed against the Accused. Therefore, the purpose of justice will be served if the Accused is discharged.

(6) If all the papers of the charge sheet produced by the Investigating Officer and all witness statements are read, whatever dealings took place between the Complainant bank and the company prior to 15/05/2001 have been fully concluded, and all contracts have been fully completed. According to the charge sheet papers and witness statements, the dispute involves transactions between the Complainant bank and Home Trade Ltd. occurred after the Accused resigned on 15/05/2001. As the Accused held no position in Home Trade Ltd. after resigning, he cannot be held responsible for any disputes arising after his resignation. As no evidence has been included in the charge sheet to frame a charge and no such fact emerges from any witness statement, it is humbly requested to discharge the Accused. The Accused has resigned from the post of Director of Home Trade Ltd. A certified photocopy of R.O.C. Form No. 32 regarding this has been enclosed herewith, and a copy of the search report taken in the R.O.C. by Dholakia & Associates on 30/09/2002 has also been enclosed via a separate list.

(7) Upon perusing the charge sheet papers and witness statements, all transactions between the Complainant bank and the company have been conducted as per the Rules and Regulations of the Reserve Bank of India. According to R.B.I. rules and guidelines, it is mandatory for any co-operative bank to invest in securities. Prior to such investment, the Chairman and

responsible Directors of the co-operative bank must invite quotations from all brokers and invest only after a resolution has been passed in the General Meeting of the Board of Directors. Therefore, the fact mentioned in the charge sheet that the investment was made at the instance of the Accused is contrary to the documentary evidence and cannot be believed as per R.B.I. Rules and Regulations. The fact that responsible officers of a co-operative bank would invest at the instance of any individual is prima facie unbelievable.

(8) The Reserve Bank of India has filed complaint against all Directors and office bearers of the Complainant bank for actions contrary to bank policies and rules. It clearly emerges from the facts of the complaint and charge sheet papers that as a part of their defense, the Directors and the present Complainant have filed the present complaint against the Accused.

(9) A substantial amount of approximately Rs. 29 crore remains receivable by the Accused from Home Trade Ltd., for which the responsible Directors of Home Trade Ltd. issued cheques in favor of the Accused. In this regard, the Accused has filed complaints against Home Trade Ltd. at Mumbai under Sections 138 and 141 of the Negotiable Instruments Act. These are currently pending, which clearly shows that the Accused has no dealings with the Complainant company; on the contrary, an amount remains receivable by the Accused from Home Trade Ltd. Therefore, the fact that the Accused has conducted any transaction with the Complainant on behalf of Home Trade Ltd. cannot be believed.

(10) Regarding the amounts receivable from Home Trade Ltd., the Accused has filed a legal complaint against Home Trade Ltd. in the Pune Stock Exchange. Arbitrators have declared their award in the matter, a copy of which has been produced with the documentary evidence via a separate list. This also clearly shows that an amount remains receivable by the Accused from Home Trade Ltd. and he is not a responsible person of Home Trade Ltd. Considering the aforementioned facts, it is clear that since money is owed to

the Accused by Home Trade Ltd., it cannot be believed that the Accused has obtained any benefit or financial gain in the name of Home Trade Ltd. Perusing the charge sheet papers and documentary evidence produced therewith, no fact emerges to suggest that the Accused has obtained any kind of financial gain. Since there is insufficient evidence to frame a charge, it is humbly requested to discharge the Accused.

(11) After the arrest of the Accused, police remand for 10 days was obtained. During the remand period, the Investigating Officer conducted searches of the office, residence, and all other premises of the Accused. During the said search, no incriminating documents have been found with the Accused, nor has the Investigating Officer seized any. This clearly shows that the Accused has been falsely implicated in the said crime. When an offence has been registered against the Accused based on documentary evidence and the charge sheet has been produced, and there is no evidence linking the Accused available in the charge sheet, it is humbly requested to discharge the Accused.

(12) Responsible Directors of Accused No. 1 Home Trade Ltd. issued cheques for payment to the Complainant company in lieu of securities. The said cheques do not bear the signature of the Accused. The said cheques have been produced by the Complainant bank for realization and have been returned. Complaints under Section 138 of the Negotiable Instruments Act filed by the Complainant bank regarding this are pending before the Learned Court. Thus, two complaints regarding the same facts currently exist. Under such circumstances, the present complaint cannot be sustained considering the principles of *res judicata*. It is humbly requested to discharge the Accused.

(13) Considering all facts of the charge sheet produced before the Learned Court by the Investigating Officer, the documentary evidence, and witness statements, the alleged incident occurred after 15/05/2001. As the Accused has tendered his legal resignation from Home Trade Ltd. on 15/05/2001, he cannot be held responsible for subsequent transactions. Since the Accused

held no post in Home Trade Ltd. after 15/05/2001, he cannot be held responsible for its business transactions. Considering this fact, it is humbly requested to discharge the Accused.

(14) We, the Accused, have been conducting the business of purchase and sale of securities under the names Ketan Sheth & Company and Giltedge Management Services since 1997. In this regard, a legal license has also been issued to the Accused by the Reserve Bank of India. Business transactions worth approximately Rs. 65 crore took place between the Accused's own company and the Complainant bank from 01/04/2001 to 31/08/2002. All these transactions have been completed by the Accused, and no amount remains payable by the Accused's own company to the Complainant bank. The Investigating Officer in the said case has seized all documents regarding the business transactions conducted with the Accused's own company Ketan Sheth & Company and Giltedge Management Services Ltd. etc.; however, the Investigating Officer has not included the said documents in the charge sheet. Considering this, since there is no prima facie evidence to frame a charge, it is humbly requested to discharge the Accused.

(15) Perusing the charge sheet papers, the Accused has no information regarding the contract notes and cheques provided to the Complainant bank. The Accused has not signed the said contract notes or cheques, and it is not the case of the Prosecution either. Perusing the charge sheet, the main dispute involves transactions between 31/10/2001 and 27/02/2002. Since the Accused has resigned on 15/05/2001, and he has no knowledge of the facts regarding the said contract notes or cheques, he cannot be considered an offender. It is, therefore, requested to discharge the Accused.

(16) Considering the statements of witnesses Shailabehn Kiranbhai Desai, Kashmirabehn Navalbhai Kharadi, Dharmisthabehn Nitinbhai Nawab, Bhanumatibehn Zaveri, Umabehn Gandhi, Kalabehn Shroff, Gitabehn Dalal, Rekhabehn Choksi, Rajshribehn Doctor, Vinitabehn Lakdawala, etc., a fact

clearly emerges that other Directors of Home Trade Ltd. caused the bank to purchase the allegedly disputed securities and provided assurance and trust to return the said securities within four to nine weeks.

(17) All decisions of Home Trade Ltd. were being taken by Sanjay Agrawal, Nandkishor Trivedi, and Subodh Dayalchand Bhandari. These accused were directors familiar with and knowledgeable about the day-to-day business transactions of Home Trade Ltd. Furthermore, Accused Subodh Dayalchand Bhandari was the authorized signatory and Nandkishor Trivedi was the Finance Director of Home Trade Ltd.

(18) Considering all facts of the complaint and witness statements produced in the charge sheet, there were dealings regarding the purchase of government securities based on business relationships between the Complainant bank and Home Trade Ltd. All said government securities have been received by the Complainant bank; therefore, it clearly emerges from the facts of the complaint itself that the Complainant has filed the present complaint by creating a false dispute.

(19) According to R.B.I. and government standards, as well as prevailing banking rules and regulations, if any investment is to be made by a bank, a quotation system must be adopted, and investment is to be made only after a proper resolution regarding the said quotation has been approved. Therefore, the fact that the Accused provided any faith or trust to the officer of the Complainant bank, on the basis of which the officer has invested, cannot be believed prima facie.

(20) An offence under Section 406 of the I.P.C. has been registered against the Accused. Considering the provision of Section 406, it pertains to criminal breach of trust. The Accused was an Additional Director in Home Trade Ltd. for a limited period, and during his directorship, the Complainant bank has benefited in business transactions with Home Trade Ltd. The Accused has no information regarding the facts of business dealings mentioned in the

complaint; therefore, Section 406 of the I.P.C. cannot prima facie be applied against the Accused.

(21) An offence under Section 409 of the I.P.C. has been registered against the Accused. Perusing the provision of Section 409, it pertains to breach of trust by a public servant, banker, agent, or broker. However, the Accused is not a public servant, banker, or agent. Therefore, Section 409 of the I.P.C. cannot prima facie be applied against the Accused.

(22) An offence under Section 420 of the I.P.C. has been registered against the Accused. Perusing the provision of Section 420, it pertains to committing criminal breach of trust and cheating regarding any property or valuable security of a person to obtain illegal possession over it. Therefore, Section 420 of the I.P.C. cannot prima facie be applied against the Accused.

(23) An offence under Sections 465, 467, 468, and 471 of the I.P.C. has been registered against the Accused. Considering these provisions, they pertain to forgery, forging valuable securities, and using forged documents. Perusing the charge sheet papers, no fact emerges from the complaint or charge sheet to suggest that the Accused has created any forged document or has used the same. Since these sections do not prima facie apply, it is requested to discharge the Accused.

(24) An offence under Section 120(B) of the I.P.C. has been registered against the Accused. Considering the provision of Section 120(B), it pertains to criminal conspiracy. Considering the facts of the charge sheet and complaint, no fact has been stated in the charge sheet regarding where and when the meeting took place with a criminal mind for the conspiracy, which accused were present, and what their intention was. Therefore, Section 120(B) of the I.P.C. cannot prima facie be applied against the Accused.

(25) Since there is insufficient evidence in the charge sheet to frame a charge against the Accused, kindly pass an order to discharge the Accused.

(26) We, the Accused, shall produce further points during the hearing if required.

Surat.

Date: 17/01/2008

(Ketan P. Reshamwala)

Advocate for the Accused

IN THE CHIEF COURT OF THE LEARNED CHIEF JUDICIAL MAGISTRATE SIR, SURAT

Criminal Case No. 168/2003

(Varachha P.S. First C.R. No. 274/2002)

Complainant: Government

Versus

Accused: Ketan kantilal Sheth

In connection with the application filed by Accused Ketankantilal Sheth under Section 239 of the Code of Criminal Procedure vide Exhibit-30 for discharge, the written arguments of the Original Complainant, Nainesh Arvindbhai Chintaniya, are as follows:

(1) The said discharge application produced on behalf of the Accused is not maintainable as per the established principles of law and is liable to be rejected.

(2) There is no specific dispute regarding Paras (1), (2), and (3) of the said application. However, the statements in Para (4) of the said application are not true, and the same are hereby denied. Upon perusing all the papers of the charge sheet, the fact prima facie emerges that the Complainant bank was induced to purchase securities based on the representations made by the present Accused and other co-accused, and false representations have been made before the Directors of the Complainant bank by the present Applicant along with other co-accused.

(3) The statements in Para (5) of the said application are not true and are not admitted. The statements that the said Accused is not a person responsible for

the day-to-day business transactions of Home Trade Ltd. are not true and are not admitted. Even if the statement that the said Accused has tendered a legal resignation from Home Trade Ltd. on 15/05/2001 is accepted, the active involvement of the said Accused regarding the alleged transactions of Home Trade Ltd. after 15/05/2001 emerges; thus, the statements made in Para (5) on behalf of the said Accused cannot be sustained as per the established principles of law and are liable to be rejected.

(4) The statements in Para (6) of the said application are not true and are not admitted. The statements that the transactions with Home Trade Ltd. in connection with the alleged complaint have been fully concluded prior to 15/05/2001 are not true and are not admitted, and the same are emphatically denied. Even if such a representation on behalf of the said Accused is accepted for the sake of argument, the said Accused has attended and has played an active role in the meetings held with the Directors of the Complainant bank around 06/12/2001 and 21/02/2002 in connection with the alleged transactions. This proves his active involvement in the alleged transactions and criminal acts.

(5) The statements in Para (7) of the said application are not true and are not admitted. The statements made in the said Para that the transactions conducted by Home Trade company with the Complainant bank have been performed as per the rules, regulations, and guidelines of the Reserve Bank of India are entirely untrue. In actual fact, by making false representations on behalf of Home Trade Ltd. and by misleading the Directors and officers of the Complainant bank, false, fabricated, and forged documents have been produced before the Complainant bank to conduct the sale of securities; thereby, fraud and breach of trust have been committed against the Complainant bank by committing the alleged offences. Prima facie evidence in this regard is present on record. Therefore, the statements in Para (7) are not consistent with the record and are liable to be rejected.

(6) The statements/allegations in Para (8) of the said application are not true and are not admitted. The complaint which the Reserve Bank of India has filed against the Directors of the Complainant bank is *sub judice*. Not only that, merely because the said complaint has been filed, the allegations of the present complaint filed against all the co-accused, including the said Accused, do not automatically turn out to be false. Therefore, the statements in Para (8) are completely irrelevant and are liable to be rejected.

(7) The statements in Para (9) of the said application are not entirely true. Even if the dealings of the said person with Home Trade Ltd. and the pending dues or disputes are accepted for the sake of argument, the representation made on behalf of the Accused—that it cannot be believed that the said Accused has conducted any transaction with the Complainant bank on behalf of Home Trade Ltd. due to those disputes—is prima facie false and liable to be rejected, because the active involvement and presence of the said Accused in the alleged transactions of Home Trade Ltd. with the Complainant bank emerges on record. Thus, the argument based on this assumption produced on behalf of the said Accused is proved to be false.

(8) The statements in Para (10) of the said application are not entirely true. Even if the documents produced on behalf of the said Accused are accepted for the sake of argument, the argument that the Accused is not a responsible person of Home Trade Ltd. or that the Accused has not received any financial benefit in the alleged transaction cannot be sustained merely on the basis of those documents, because the active involvement of the said Accused emerges on record.

(9) The statements and contentions in Para (11) of the said application are not entirely true and are not admitted. Merely because the investigating officer has not seized any documentary evidence regarding the alleged crime from the Accused during remand, the argument that the Accused has no involvement in the crime cannot be sustained. A charge under Section 120-B

of the I.P.C. has been imposed in this case, and the active involvement of the Accused emerges from the record.

(10) The statements and arguments in Para (12) of the said application cannot be sustained as per the established principles of law. Merely because the Accused's signature is not on the cheques issued by Home Trade Ltd. to the Complainant bank in lieu of securities, or merely because a complaint under Section 138 of the Negotiable Instruments Act has been filed regarding the said cheques, the statements that two complaints regarding the same fact have arisen are not true. Therefore, the statements that the principle of *res judicata* applies to the present complaint are not true. Thus, the discharge application of the Accused is liable to be rejected.

(11) Since the statements made in Para (13) of the said application are a repetition of the statements made in Para (6) of the application, and a detailed explanation in that regard has been provided by us in Para (4) of the present reply, no further explanation is deemed necessary.

(12) The statements in Para (14) of the said application are not entirely true and are not admitted. Not only that, the said representation is also not relevant to the present complaint. Similarly, the contention taken in Para (15) of the application is a matter of evidence and is premature at this stage. Therefore, the discharge application is liable to be rejected.

(13) The contentions of Para (16) and (17) of the application cannot be sustained at this stage, because the innocence of the Accused does not emerge from the charge sheet. Not only that, perusing the papers of the charge sheet, there is a charge under Section 120-B of the I.P.C. and the active involvement of the said Accused emerges.

(14) Where the question of discharge of the Accused is concerned, the Accused has to show that no prima facie case emerges against him. Even if the contention of Para (18) of the application is accepted for the sake of argument, it cannot be said merely on that basis that there is no prima facie

case against the Accused. Therefore, the discharge application is liable to be rejected.

(15) Since the statements and contentions of Para (19) and (20) of the said application are in the form of repetition of the previous Paras (5) and (7) of the application, there remains no need to explain the same.

(16) Since the statements and contentions of Para (21), (22), and (23) of the said application are contrary to the evidence on record, and as the facts of the defense are a matter of evidence, the same cannot be considered at this stage; it is a humble request to reject the application.

(17) The statements in Para (24) of the said application are not true and are not admitted. In Para (6) of the F.I.R., the prosecution has clearly stated that: *"Furthermore, the accused provided to us, the Complainant bank, receipt no. 312 of Riddhi Sahakari Bank Ltd., RBI Bangalore dated 08-12-2001 and also provided D.D.O. number, receipt no. 14447 of Borat District Co-op Bank Ltd., Calcutta Reserve Bank dated 08-12-2001. Upon verification of the said receipts by the Reserve Bank, it came to the notice of the Reserve Bank of India that the said receipts were bogus and fabricated, regarding which we have been informed by the RBI vide letter dated 13-06-2002."* - Looking at these allegations, it is prima facie proved that all accused, as a part of a criminal conspiracy and with the intention to defraud the Complainant bank, have created false, fabricated, and forged documentary evidence. Therefore, as the statements/contentions of Para (24) of the application cannot be sustained as per the principle of law, it is a humble request to reject the discharge application.

(18) The active involvement of the present Accused emerges in this case and the said Accused has attended the meetings with the Complainant bank on behalf of Home Trade Company Ltd. Therefore, as the contentions taken in Para (25) of the application are a matter of evidence, the discharge application is liable to be rejected.

(19) In actual fact, if the papers of the charge sheet are perused and the documents produced by the prosecution in connection with us, the original Complainant, are perused, the fact clearly emerges that upon not receiving the delivery of securities, members of the Complainant bank went to Mumbai where a meeting with Ketankantilal Sheth and others was held, and even thereafter, telephonic discussions used to take place with Ketankantilal Sheth and others. Considering this fact, the active involvement of Accused Ketankantilal Sheth in connection with the alleged incident emerges. It also emerges that the said Accused used to play an active part in the incident.

Furthermore, it also emerges from the statement of Witness No. 4, Meher K. Vaidya, that a meeting was held at the Varachha Road branch of the bank in Surat on 06/12/2001, in which Ketankantilal Sheth was present; that is to say, even after he resigned as per his claim, he used to remain present in the meetings and play an active part. Furthermore, even thereafter, a meeting was held on 21/02/2002, in which Ketankantilal Sheth was also present. He did not provide the securities which were to be given to the bank on behalf of Home Trade and additionally made tempting representations to the effect that the interest returns would be higher by purchasing new securities. Thus, the active involvement and role of Ketan Sheth in the criminal act emerges.

Additionally, the police have also taken the statements of Witness No. 5 Chandrakant Chunilal Shah, Witness No. 6 Bansilal Mohanlal Fudanawala, Witness No. 7 Mahendra Nathubhai Katargamwala, Witness No. 8 Sureshchandra Parsottambhai Patel, Witness No. 9 Jayantilal Chhotalal Jariwala, as well as Witness No. 10 Jayantilal Ranchhoddas Gandhi, Witness No. 11 Amrutlal Ramsingbhai Contractor, etc., and the same have been included in the charge sheet. In the statements of all these witnesses too, the fact that Ketankantilal Sheth was present in the meeting dated 06/12/2001 emerges. Furthermore, Ketankantilal Sheth was also present in the meeting

dated 21/02/2002, and thus the fact that Ketankantilal Sheth played an active part emerges.

A letter dated 22/01/2002 was written to Home Trade Ltd. by Surat Nagarik Sahakari Bank Ltd., i.e., the Complainant bank. The said letter was written addressing Ketankantilal Sheth. In connection with that, a reply was provided by Home Trade Ltd. on 23/01/2002. Both these letters have been included in the charge sheet. When all these meetings took place and correspondence was carried out, Ketankantilal Sheth never declared that he has ceased to be a Director.

Section 120-B of the I.P.C. has been applied against all accused in this case, and in those circumstances, reading with the provisions of Section 10 of the Evidence Act, the role and responsibility of all co-conspirators regarding the alleged criminal act/acts remains equal. As the Accused in this case has played an active part, he is also a member of the criminal conspiracy; in those circumstances, he cannot be discharged at this stage.

At the stage of framing charge against the Accused, the Learned Court has to see what the allegations are against the Accused and whether a prima facie allegation appears against the said Accused upon perusing the papers of the charge sheet. At this stage, one does not have to go into the merits of whether those allegations are true or false, i.e., verification is not to be conducted. The evaluation of the facts stated by the witnesses in their statements before the police can be conducted only after taking evidence. Whereas, while framing charge, only whether there is a prima facie case or not is to be seen.

(20) As mentioned above, when the presence and active involvement of Ketankantilal Sheth in connection with the alleged incident emerges from the F.I.R. as well as the statements of witnesses, and his active part is also established upon perusing the correspondence, it cannot be said at the time of framing charge that there is no evidence against the Accused.

Under the above circumstances, it is a humble request to reject the discharge application vide Exhibit-30 of Ketankantilal Sheth.

Surat.

Date: 29-09-2009

.....

(Nainesh Arvindbhai Chintaniya,
Authorized Officer on behalf of
Nagarik Sahakari Bank Ltd.)

Jatin J. Gandhi
R. K. Bhajiwala,
Advocates
Advocate on behalf of the Original Complainant Bank

IN THE CHIEF COURT OF THE LEARNED CHIEF JUDICIAL MAGISTRATE SIR, SURAT

Criminal Case No. 4002/2004

(Varachha P.S. First C.R. No. 274/2002)

Complainant: Government

Versus

Accused: Ketan Rameshbhai Maskariya

Regarding the application filed by Accused Ketan Rameshbhai Maskariya under Section 239 of the Code of Criminal Procedure vide Exhibit-22 for discharge, the written arguments of the Original Complainant, Nainesh Arvindbhai Chintaniya, are as follows:

(1) Accused Ketan Rameshbhai Maskariya has been serving in Home Trade. He himself has admitted this fact. Upon perusing the F.I.R. of this case, it appears that Ketan Rameshbhai Maskariya has remained present on several occasions on behalf of Home Trade Ltd. regarding the operations. Furthermore, he has played an active part in whatever proceedings have taken place on behalf of Home Trade Ltd. They have been shown as accused in the F.I.R.

(2) Section 120(B) has been applied against all accused in this case, and in such circumstances, an act committed by one accused is sufficient to punish other accused. As the Accused in this case has played an active part, he is also a member of the criminal conspiracy; in those circumstances, he cannot be discharged at the present stage.

(3) While deciding the discharge application of the Accused, the Learned Court has to see what allegations are made against the Accused and whether

a prima facie allegation appears upon perusing the charge sheet. One does not have to go into the merits, i.e., verification is not to be conducted. The evaluation of the facts stated by the witnesses in their statements in the police record can be conducted only after taking evidence; whereas, at the time of framing charge, only whether there is a prima facie case or not is to be seen. In this case, upon perusing the F.I.R., a complaint has been filed naming the present Accused, and statements regarding his active involvement in the crime emerge in the F.I.R.

(4) Furthermore, the documentary evidence produced on behalf of the Accused in support of the discharge application in this case cannot be taken into consideration at this stage as it is a matter of evidence. Not only that, even if the said documents are accepted as true for the sake of argument, the said documents cannot disprove the Complainant's statements regarding the active role played by the said Accused on behalf of Home Trade company. In these circumstances as well, the Accused cannot be discharged on the basis of the said documents.

Kindly reject the application vide Exhibit-22 of Ketan Rameshbhai Maskariya under the above circumstances.

Surat.

Date: 29-09-2009

(Original Complainant:

Nainesh Arvindbhai Chintaniya)

Jatin J. Gandhi

R. K. Bhajiwala

Advocates for the Original Complainant.

IN THE CHIEF COURT OF THE LEARNED CHIEF JUDICIAL MAGISTRATE SIR, SURAT

Criminal Case No. 4085/2006

(Varachha P.S. First C.R. No. 274/2002)

Complainant: Government

Versus

Accused: Neeraj J. Surti

Regarding the application filed by Accused Neeraj J. Surti under Section 239 of the Code of Criminal Procedure vide Exhibit-3 for discharge and the arguments produced in support of the said application vide Exhibit-15, the written arguments of the Original Complainant, Nainesh Arvindbhai Chintaniya, are as follows:

(1) Accused Neeraj J. Surti has made representations and has provided inducements to the Complainant bank from the very beginning regarding making investments in Home Trade Ltd. The primary role of the Accused exists from the very commencement of the investment. A detailed representation regarding the role of the Accused has been presented in the F.I.R. Accused Neeraj J. Surti was working as an agent in Home Trade Ltd. and he himself has facilitated the contact with Home Trade Ltd. Whatever representation was there regarding the investment was made by the Accused only, and thereafter, representations and inducements regarding investment have been provided by other accused along with this Accused; in this manner, trust was gained and subsequently, all accused have committed fraud against us, the Complainant, as a part of a criminal conspiracy.

(2) The facts regarding the presence of this Accused in whatever meetings were held, i.e., the meetings dated 06/12/2001 and 21/02/2002, as well as facts regarding frequent correspondence emerge. Apart from this, it emerges from the witness statements that they used to visit the Complainant bank in person. In the statements that have been taken for this crime, his presence in the bank as well as in Mumbai emerges.

(3) Section 120(B) of the Indian Penal Code has been applied against all accused in this case, and in such circumstances, an act committed by one accused is sufficient to punish other accused. As the Accused in this case has played an active part, he is also a member of the criminal conspiracy; in those circumstances, he cannot be discharged at the present stage.

(4) While deciding the discharge application of the Accused, the Learned Court has to see what allegations are made against the Accused and whether a prima facie allegation appears upon perusing the charge sheet. One does not have to go into the merits, i.e., verification is not to be conducted. The evaluation of the facts stated by the witnesses in their statements in the police record can be conducted only after taking evidence; whereas, at the time of framing charge, only whether there is a prima facie case or not is to be seen. In this case, upon perusing the F.I.R., a complaint has been filed naming the present Accused, and statements regarding his active involvement in the crime emerge in the F.I.R.

(5) As mentioned above, when the presence and statements against Neeraj J. Surti emerge from the F.I.R. as well as the statements of witnesses, and his active part is also established upon perusing the correspondence, it cannot be

said at the time of framing charge that there is no evidence against the Accused.

Kindly reject the application vide Exhibit-3 of Neeraj J. Surti under the above circumstances.

Surat.

Date: 29-09-2009

(Nainesh Arvindbhai Chintaniya, Authorized Officer on behalf of Nagarik Sahakari Bank Ltd.)

Jatin J. Gandhi

R. K. Bhajiwala, Advocates

Advocates on behalf of the Original Complainant Bank.

IN THE COURT OF THE LEARNED CHIEF JUDICIAL MAGISTRATE SIR, SURAT

Varachha P.S. First C.R. No. 274/2002

Complainant: Government

Versus

Accused: Ketan Kantilal Sheth

Application: Regarding Discharge under Section 239 of the Code of Criminal Procedure...

It is humbly submitted on behalf of the Accused that:

(1) An offence under Sections 406, 420, 465, 467, 468, 471, 409, and 114 of the I.P.C. has been registered against the Accused at Varachha Police Station vide Varachha P.S. First C.R. No. 274/2002. In connection with the said case, the Investigating Officer arrested the Accused on 11/10/2002, produced him before the Learned Court, and obtained police remand for 10 days. Thereafter, the Accused has been produced before the Learned Court, and the Investigating Officer has filed a charge sheet against the Accused before the Learned Court vide Criminal Case No. 168/2003. The Accused is currently released on bail.

(2) Upon perusing all the papers of the charge sheet produced by the Investigating Officer against the Accused before the Learned Court in the said case, no offence of any kind has been prima facie made out against the Accused; therefore, the Accused has filed the present application for discharge.

(3) In the said case, the complaint has been filed at the Varachha Police Station by Shri Naineshbhai Arvindbhai, an officer of The Surat Nagarik Sahakari Bank Ltd. According to the facts of the said complaint and the alleged charges mentioned in the charge sheet, all the accused, with a dishonest intention from the beginning and despite not being able to conduct transactions in government securities with SEBI, produced a forged SEBI certificate and induced the Complainant bank to trade in government securities. By providing contracts to purchase securities, they committed fraud of a substantial amount totaling approximately Rs. 16,09,60,500/-, misappropriated the funds, and created forged and valuable documents such as contracts. It is alleged that despite knowing the documents to be forged, they used them as genuine and committed fraud.

(4) Upon perusing the complaint and charge sheet papers, the Complainant has filed the present complaint against a total of 20 accused, wherein Home Trade Company Ltd. has been shown as Accused No. 1 and the present Accused has been shown as Accused No. 3. Upon perusing the said complaint, the charge sheet, and all documents and witness statements produced with the charge sheet, no fact emerges to suggest that the Accused provided any faith or trust to the Complainant bank or its officers, or that the Complainant bank has paid any amount to the Accused on this basis.

(5) Perusing all the charge sheet papers, it is an undisputed fact that the Accused joined Home Trade Ltd. only as an Additional Director. The Investigating Officer has included all these facts and documentary evidence regarding the Accused being an Additional Director in the charge sheet. This also clearly demonstrates that the Accused is not a person responsible for the day-to-day business transactions of Home Trade Ltd. The Accused has tendered his legal resignation from the said Home Trade Ltd. on 15/05/2001, which resignation has also been approved in the meeting of the Board of Directors of Home Trade Ltd. The Accused has also intimated the R.O.C.

regarding the same, and a note to that effect has been made in the records of the R.O.C. Therefore, the Accused is not responsible for any transactions of Home Trade Ltd. after 15/05/2001, and all these documents have been included in the charge sheet. Thus, considering the matter prima facie, no evidence has been included in the charge sheet on the basis of which a charge can be framed against the Accused. Therefore, the purpose of justice will be served if the Accused is discharged.

(6) If all the papers of the charge sheet produced by the Investigating Officer and all witness statements are read, whatever dealings took place between the Complainant bank and the company prior to 15/05/2001 have been fully concluded, and all contracts have been fully completed. According to the charge sheet papers and witness statements, the dispute involves transactions between the Complainant bank and Home Trade Ltd. occurred after the Accused resigned on 15/05/2001. As the Accused held no position in Home Trade Ltd. after resigning, he cannot be held responsible for any disputes arising after his resignation. As no evidence has been included in the charge sheet to frame a charge and no such fact emerges from any witness statement, it is humbly requested to discharge the Accused. The Accused has resigned from the post of Director of Home Trade Ltd. A certified photocopy of R.O.C. Form No. 32 regarding this has been enclosed herewith, and a copy of the search report taken in the R.O.C. by Dholakia & Associates on 30/09/2002 has also been enclosed via a separate list.

(7) Upon perusing the charge sheet papers and witness statements, all transactions between the Complainant bank and the company have been conducted as per the Rules and Regulations of the Reserve Bank of India. According to R.B.I. rules and guidelines, it is mandatory for any co-operative bank to invest in securities. Prior to such investment, the Chairman and responsible Directors of the co-operative bank must invite quotations from all brokers and invest only after a resolution has been passed in the General

Meeting of the Board of Directors. Therefore, the fact mentioned in the charge sheet that the investment was made at the instance of the Accused is contrary to the documentary evidence and cannot be believed as per R.B.I. Rules and Regulations. The fact that responsible officers of a co-operative bank would invest at the instance of any individual is prima facie unbelievable.

(8) The Reserve Bank of India has filed complaints against all Directors and office bearers of the Complainant bank for actions contrary to bank policies and rules. It clearly emerges from the facts of the complaint and charge sheet papers that as a part of their defense, the Directors and the present Complainant have filed the present complaint against the Accused.

(9) A substantial amount of approximately Rs. 29 crore remains receivable by the Accused from Home Trade Ltd., for which the responsible Directors of Home Trade Ltd. issued cheques in favor of the Accused. In this regard, the Accused has filed complaints against Home Trade Ltd. at Mumbai under Sections 138 and 141 of the Negotiable Instruments Act. These are currently pending, which clearly shows that the Accused has no dealings with the Complainant company; on the contrary, an amount remains receivable by the Accused from Home Trade Ltd. Therefore, the fact that the Accused has conducted any transaction with the Complainant on behalf of Home Trade Ltd. cannot be believed.

(10) Regarding the amounts receivable from Home Trade Ltd., the Accused has filed a legal complaint against Home Trade Ltd. in the Pune Stock Exchange. Arbitrators have declared their award in the matter, a copy of which has been produced with the documentary evidence via a separate list. This also clearly shows that an amount remains receivable by the Accused from Home Trade Ltd. and he is not a responsible person of Home Trade Ltd. Considering the aforementioned facts, it is clear that since money is owed to the Accused by Home Trade Ltd., it cannot be believed that the Accused has obtained any benefit or financial gain in the name of Home Trade Ltd.

Perusing the charge sheet papers and documentary evidence produced therewith, no fact emerges to suggest that the Accused has obtained any kind of financial gain. Since there is insufficient evidence to frame a charge, it is humbly requested to discharge the Accused.

(11) After the arrest of the Accused, police remand for 10 days was obtained. During the remand period, the Investigating Officer conducted searches of the office, residence, and all other premises of the Accused. During the said search, no incriminating documents have been found with the Accused, nor has the Investigating Officer seized any. This clearly shows that the Accused has been falsely implicated in the said crime. When an offence has been registered against the Accused based on documentary evidence and the charge sheet has been produced, and there is no evidence linking the Accused available in the charge sheet, it is humbly requested to discharge the Accused.

(12) Responsible Directors of Accused No. 1 Home Trade Ltd. issued cheques for payment to the Complainant company in lieu of securities. The said cheques do not bear the signature of the Accused. The said cheques have been produced by the Complainant bank for realization and have been returned. Complaints under Section 138 of the Negotiable Instruments Act filed by the Complainant bank regarding this are pending before the Learned Court. Thus, two complaints regarding the same facts currently exist. Under such circumstances, the present complaint cannot be sustained considering the principles of *res judicata*. It is humbly requested to discharge the Accused.

(13) Considering all facts of the charge sheet produced before the Learned Court by the Investigating Officer, the documentary evidence, and witness statements, the alleged incident occurred after 15/05/2001. As the Accused has tendered his legal resignation from Home Trade Ltd. on 15/05/2001, he cannot be held responsible for subsequent transactions. Since the Accused held no post in Home Trade Ltd. after 15/05/2001, he cannot be held

responsible for its business transactions. Considering this fact, it is humbly requested to discharge the Accused.

(14) We, the Accused, have been conducting the business of purchase and sale of securities under the names Ketan Sheth & Company and Giltedge Management Services since 1997. In this regard, a legal license has also been issued to the Accused by the Reserve Bank of India. Business transactions worth approximately Rs. 65 crore took place between the Accused's own company and the Complainant bank from 01/04/2001 to 31/08/2002. All these transactions have been completed by the Accused, and no amount remains payable by the Accused's own company to the Complainant bank. The Investigating Officer in the said case has seized all documents regarding the business transactions conducted with the Accused's own company Ketan Sheth & Company and Giltedge Management Services Ltd. etc.; however, the Investigating Officer has not included the said documents in the charge sheet. Considering this, since there is no prima facie evidence to frame a charge, it is humbly requested to discharge the Accused.

(15) Perusing the charge sheet papers, the Accused has no information regarding the contract notes and cheques provided to the Complainant bank. The Accused has not signed the said contract notes or cheques, and it is not the case of the Prosecution either. Perusing the charge sheet, the main dispute involves transactions since 31/10/2001. Since the Accused has resigned on 15/05/2001, and he has no knowledge of the facts regarding the said contract notes or cheques, he cannot be considered an offender. It is, therefore, requested to discharge the Accused.

(16) Considering the statements of witnesses Chandrakant Chunilal Shah, Bansilal Mohanlal Fudanawala, Sureshchandra Parsottambhai Patel, Mahendrabhai Nathubhai Katargamwala, Jayantibhai Chhotalal Jariwala, Jayantibhai Ranchhodbhai Gandhi, and Amrutlal Ramsingbhai Contractor, a fact clearly emerges from the statements of all that Accused Nandkishor

Trivedi caused the bank to purchase the allegedly disputed securities and Accused Nandkishor Trivedi provided assurance and trust to return the said securities within four to six weeks.

(17) All decisions of Home Trade Ltd. were being taken by Sanjay Agrawal, Nandkishor Trivedi, and Subodh Dayalchand Bhandari. These accused were directors familiar with and knowledgeable about the day-to-day business transactions of Home Trade Ltd. Furthermore, Accused Subodh Dayalchand Bhandari was the authorized signatory and Nandkishor Trivedi was the Finance Director of Home Trade Ltd.

(18) Perusing all papers of the charge sheet in the present case, the dispute is regarding the alleged securities. Perusing all papers of the charge sheet, it emerges from the papers that a meeting was held between the accused and the directors of the bank on 21/02/2002 regarding the said alleged securities. However, perusing the documentary evidence produced in the said case, facts are shown that the Accused had conducted a meeting with the Complainant company on 19/02/2002 regarding the purchase of securities, which also clearly proves that the Accused has not played any role in the alleged crime and the Accused has been falsely arrested in the said case. Considering this, the purpose of justice will be served if the Accused is discharged.

(19) Considering all facts of the complaint and witness statements produced in the charge sheet, there were dealings regarding the purchase of government securities based on business relationships between the Complainant bank and Home Trade Ltd. All said government securities have been received by the Complainant bank; therefore, it clearly emerges from the facts of the complaint itself that the Complainant has filed the present complaint by creating a false dispute.

(20) According to R.B.I. and government standards, as well as prevailing banking rules and regulations, if any investment is to be made by a bank, a quotation system must be adopted, and investment is to be made only after a

proper resolution regarding the said quotation has been approved. Therefore, the fact that the Accused provided any faith or trust to the officer of the Complainant bank, on the basis of which the officer has invested, cannot be believed prima facie.

(21) An offence under Section 406 of the I.P.C. has been registered against the Accused. Considering the provision of Section 406, it pertains to criminal breach of trust. The Accused was an Additional Director in Home Trade Ltd. for a limited period, and during his directorship, the Complainant bank has benefited in business transactions with Home Trade Ltd. The Accused has no information regarding the facts of business dealings mentioned in the complaint; therefore, Section 406 of the I.P.C. cannot prima facie be applied against the Accused.

(22) An offence under Section 409 of the I.P.C. has been registered against the Accused. Perusing the provision of Section 409, it pertains to breach of trust by a public servant, banker, agent, or broker. However, the Accused is not a public servant, banker, or agent. Therefore, Section 409 of the I.P.C. cannot prima facie be applied against the Accused.

(23) An offence under Section 420 of the I.P.C. has been registered against the Accused. Perusing the provision of Section 420, it pertains to committing criminal breach of trust and cheating regarding any property or valuable security of a person to obtain illegal possession over it. Therefore, Section 420 of the I.P.C. cannot prima facie be applied against the Accused.

(24) An offence under Sections 465, 467, 468, and 471 of the I.P.C. has been registered against the Accused. Considering these provisions, they pertain to forgery, forging valuable securities, and using forged documents. Perusing the charge sheet papers, no fact emerges from the complaint or charge sheet to suggest that the Accused has created any forged document or has used the same. Since these sections do not prima facic apply, it is requested to discharge the Accused.

(25) An offence under Section 120(B) of the I.P.C. has been registered against the Accused. Considering the provision of Section 120(B), it pertains to criminal conspiracy. Considering the facts of the charge sheet and complaint, no fact has been stated in the charge sheet regarding where and when the meeting took place with a criminal mind for the conspiracy, which accused were present, and what their intention was. Therefore, Section 120(B) of the I.P.C. cannot prima facie be applied against the Accused.

(26) Since there is insufficient evidence in the charge sheet to frame a charge against the Accused, kindly pass an order to discharge the Accused.

(27) We, the Accused, shall produce further points during the hearing if required.

Surat.

Date: 17/01/2008

(Ketan P. Reshamwala)

Advocate for the Accused.

IN THE COURT OF THE LEARNED CHIEF JUDICIAL MAGISTRATE SIR, SURAT

Criminal Case Number: 4085/2003

Complainant: State of Gujarat

Versus

Accused: Sanjay Hariram Agrawal and others

The written arguments produced on behalf of Accused Neeraj Surti, residing at: Surya Flats, First Floor, Surya Shopping Complex, Bharuch, regarding the discharge application filed in the said case are as follows:

(1) Even if the entire charge sheet in this case is taken into consideration, no prima facie evidence has been found to frame a charge against Accused Neeraj Surti; under these circumstances, it is necessary to allow the discharge application filed on behalf of the Accused and discharge him. The Learned Court has this power under Section 239 of the Code of Criminal Procedure. It is a humble request to the Learned Court to discharge the Accused accordingly.

(2) In this case, a complaint has been provided by Shri Naineshbhai Arvindbhai on behalf of the Surat Nagarik Sahakari Bank Ltd., situated behind Gitanjali Cinema, Varachha Road, Surat. The said complaint was provided on 03/08/2002. Based on the said complaint, offences under Sections 406, 409, 420, 465, 467, 468, 471, and 114 of the I.P.C. have been registered at Varachha Police Station vide First C.R. No. 274/2002.

(3) In the said complaint, we, Accused Neeraj Surti, have been shown as Accused Number 19. We are on bail in this case. The investigation has been

completed, the charge sheet has been filed, and the matter is on board. As no evidence sufficient to frame a charge against us exists and it is a fit case for discharge, we have filed an application for discharge.

(4) The prosecution's case is that Home Trade Ltd. and its associates have committed fraud of an amount of Rs. 16,09,60,500/- against the Surat Nagarik Sahakari Bank Ltd. According to them, towards the investment that the bank had to make in government securities, Home Trade Ltd. created contract notes, gave faith and trust, executed documents, and thereafter did not provide government securities against the money taken; they thereby committed the aforementioned offences.

(5) As far as Accused Neeraj Surti is concerned, Accused Neeraj Surti is a Chartered Accountant. He is not an office bearer of Home Trade Ltd. According to the prosecution's case, Accused No. 19 introduced the officers of Home Trade Ltd. and provided information regarding government securities. According to them, he used to meet frequently on behalf of Home Trade and facilitated discussions. Apart from this, perusing the entire charge sheet, it emerges that Accused Neeraj Surti participated in settlement meetings and caused some documents to be executed. In short, the case emerging from the charge sheet is limited to introducing Home Trade Ltd., facilitating discussions with them, and subsequently participating in settlement meetings; apart from this, hardly any other evidence is found.

(6) Now, let us examine whether a charge can be framed against the Accused in this case.

(7) Now, even if it is assumed that the statements and whatever documents have been produced in the entire charge sheet are prima facie true, the following facts clearly emerge from them:

(i) No offence under Sections 465, 467, 468, 471 of the I.P.C. is prima facie made out. Nothing appears to indicate that any forgery has been committed or any fraudulent document has been created in this case.

(ii) As far as Section 420 of the I.P.C. is concerned, no intention to cheat from the beginning appears. Rather, it appears that they could not fulfill the contract due to the deterioration of the condition of Home Trade later; thus, a transaction of a civil nature is prima facie evident, which lacks criminal essentials. Primarily, a breach of contract is visible; nothing appears to indicate criminal breach of trust, fraud, or forgery.

(iii) If any criminal offence is made out in this case, it can only be regarding the bouncing of cheques under Section 138 of the Negotiable Instruments Act; the bank has taken steps in that regard, and therefore, the current offences are not made out and proceedings for the same cannot continue.

(iv) As far as Accused Neeraj Surti is concerned, no evidence that can be termed criminal has been found against him from the entire charge sheet, and no clinching evidence appears to indicate his involvement in the alleged conspiracy. Thus, there is a requirement to discharge him prima facie. The existence of any conspiracy is also not apparent, and for the sake of argument, if any such conspiracy existed, there is not even a shred of evidence of Neeraj Surti's involvement in it.

Thus, it is necessary to discharge the current Accused on the aforementioned primary points. The evidence required to frame a charge has not been found in this case.

(8) Now, taking the points mentioned above one by one, first of all, there is no prima facie case under Sections 465, 467, 468, 471 of the I.P.C. in this case, and no charge can be framed under those sections. The direct reason for this is that no document that can be called bogus has been found in this case. The definition of forgery has been provided in Section 463 of the I.P.C., according to which a fraudulent document under Section 464 is necessary for forgery. What constitutes a fraudulent document has been shown in Section 464 of the I.P.C., which contains three clauses. Only the first clause among these three clauses needs consideration. Now, if we look at this first clause, it

constitutes forgery when a signature of someone else has been made on a document, i.e., a forged signature has been made, or a false document has been created, or a document has been executed by using the authority of another person without their authorization. There is nothing of this sort in this case. The alleged bogus documents in this case are nothing but contract notes. Therefore, it remains to be considered whether contract notes can be called bogus documents. The signatures of the authorized signatory Subodh Bhandari are on the contract notes, and these contract notes have been issued on behalf of Home Trade. Now, even if the entire charge sheet is squeezed, not even a drop emerges to suggest that this document has been created by forging someone else's signature or that this has been performed without authority. In fact, the said contract notes have been issued only on behalf of Home Trade Ltd., they are claimed to belong to Home Trade Ltd., authority has also been granted by Home Trade Ltd., and it is also stated that Subodh Bhandari had the authority. Therefore, these contract notes belong to Home Trade Ltd. and have been issued with the authority of Home Trade Ltd. There is not a single word against this in the entire charge sheet; therefore, the contract notes are genuine legal documents issued by Home Trade Ltd. and with its authority. It is a different matter that it can be argued that the contract notes have been used for fraud, but that is to be considered when we think about fraud. However, as far as forgery is concerned, forgery does not emerge under any circumstances in this case, and therefore, a charge under Sections 465, 467, 468 read with 120(B) of the I.P.C. cannot be prima facie framed.

(9) Now, considering Section 420 of the I.P.C., perusing the entire charge sheet, no such material prima facie emerges from which it can be said that fraud has been committed. For fraud, a dishonest intention from the beginning is necessary. If a dishonest intention from the beginning is not proved, the offence of fraud would not be made out. Such cases are called cases of breach of contract. At most, it can be said in this case that a breach of contract notes

has occurred. Because many times it happens that a person has a bona fide intention from the beginning, but later, when their financial condition becomes weak, if they cannot fulfill the contract under such circumstances, it becomes a civil arrangement and not a criminal offence. Only if a person did not have the intention to pay from the beginning and if they have conducted transactions with the prior mindset of defrauding the bank, then only the offence under Section 420 of the I.P.C. is prima facie made out. Now, if the charge sheet is studied in this case, the fact emerges that Home Trade Ltd. has conducted transactions with the bank successfully in the past as well; therefore, if the intention was to defraud the bank from the beginning, such successful transactions would not have been performed. The second fact that emerges is that the officers of Home Trade Ltd. have not shown a dishonest intention at any stage until the end; rather, when the alleged amount of Rs. 16,09,60,500/- was outstanding, they could have cut off dealings with the bank by giving nothing and could have committed fraud accordingly, but they did not deem it appropriate to do so. Rather, it appears from the charge sheet itself that by compensating for their failure to provide government securities as per the contract notes, and to ensure the bank's money is not lost, they have also issued cheques and have taken liability upon themselves. It is a different matter that the cheques have been returned, but in that case, at most, a complaint under the Negotiable Instruments Act can be filed, and the bank has filed such complaints and they are pending. However, a case of fraud cannot be made out, which is prima facie clear. The other important fact is that in this case, apart from issuing cheques, they have also mortgaged lands to compensate the bank regarding the said outstanding amount of Rs. 16,09,60,500/-. This shows that their intention was not dishonest and they were acting bona fide. If their intention were truly dishonest and they wanted to commit fraud, they were not bound in any manner to issue cheques or to execute land documents in this manner; nevertheless, they have performed

these matters voluntarily and proactively. This shows that they have the interest of the bank at heart and they have reimbursed the money that the bank was entitled to receive in lieu of the government securities of Rs. 16,09,60,500/- which they could not provide. This shows that their intention was bona fide. Thus, the bank has also received land against the outstanding amount. This shows that whatever claim of the bank now remains is only of a civil nature, and it clearly emerges from this that the case is one of breach of contract.

(10) Now, regarding the representation we made above that documents were mortgaged in favor of the bank upon not receiving delivery of securities, the Learned Court is humbly requested to see the statement of the Complainant himself dated 03/01/2003, wherein it is written as follows:

"It appears that land of Shetrunjay Co-op Society at Block Numbers: 226, 227, and 229 has been provided to the Surat Nagarik Sahakari Bank as collateral for the aforementioned sixteen crores. In that connection, it is to be stated that on 26/04/2002, upon not receiving delivery regarding the bank's 8.07% securities at the Mumbai office of Home Trade, members of the bank's Board of Directors went to Mumbai with Neeraj Surti and at the end of discussions with Ketan Sheth and others there, they provided the documents of the premises of Shetrunjay Co-op Society as a guarantee to the Board of Directors of the bank in lieu of securities if the securities did not arrive within the prescribed time. Thereafter, during telephonic conversations with Ketan Sheth, Neeraj Surti, and the guarantor Shetrunjay Society, it was decided to mortgage the documents in favor of the bank. Thereafter, the bank carried out the procedure of certifying the documents and mortgaging them in favor of the bank through the advocate. Thereafter, Neeraj Surti had said that as soon as all your documents are ready, we will complete that work by bringing the necessary persons. On 08/05/2002, these persons had caused the documents to be notarized in person with the bank's advocate Shri Hemant Topiwala at

Bahumali Bhavan, Surat. Thereafter, through necessary proceedings, the charge of the bank's right was registered on the land, due to which a copy of registration 7 x 12 was also obtained and an advertisement for objections was given in the Jay Hind paper at Ahmedabad on 07/09/2002. On 24/09/2002, a hearing regarding this land was conducted in the Civil Court at Ahmedabad, wherein after understanding the arguments of the bank's and Shetrunjay Co-op Society's advocates, a final entry of the charge has been made in favor of the bank. A copy of the same along with a new extract of 7 x 12 is with Advocate Shri Ravani, which I will produce if required."

Thus, the aforementioned fact is in the charge sheet itself and two facts emerge from it:

(i) If the office bearers of Home Trade Ltd. had so intended in this case, they would not have provided any such land or have created a charge over it and would not have secured the bank's money. They have provided a clear arrangement such that if the defaulted securities cannot be provided in this case, the money can be recovered from this land. From this, it emerges that they were not dishonest, but could not provide securities due to the issues arising from economic recession, against which they have welcomed the charge on the land in this manner honestly to reimburse the funds. This fact clearly proves that the officers of Home Trade have not committed any fraud; rather, they have made full efforts to ensure the bank's money is not lost and when they have secured the alleged fraudulent amount of over sixteen crore rupees of the bank, then it cannot be said in this case that there was a dishonest intention or an intention to cheat from the beginning. Therefore, no offence under Section 420 of the I.P.C. emerges from the charge sheet and this evidence rather shows that it secures the bank's money.

(ii) Current Accused Neeraj Surti has made efforts to secure the bank's money in this manner and he went to Mumbai with the directors of the bank and by participating in all negotiations, he has secured the bank's money; at that time,

under such circumstances, Accused Neeraj Surti has intended for the well-being of the bank and he is not involved in any conspiracy. He has not committed or caused any loss to the bank. Considering that fact, it also emerges from this that no prima facie case is made out against Accused Neeraj Surti.

(11) Now, as far as Section 406 of the I.P.C. is concerned, there is no entrustment at all in this case. Securities were to be purchased and provided to the bank. There was no transaction of keeping any money or any other dealing therein. Under such circumstances, Section 406 of the I.P.C. does not prima facie apply.

(12) Now, let us come to the point that as far as Accused Neeraj Surti is concerned, his criminal involvement in the aforementioned offences is not prima facie evident. First of all, the following facts regarding Accused Neeraj Surti clearly stand out from the entire charge sheet, which need consideration:

(i) Accused Neeraj Surti is not connected with Home Trade Ltd. in any manner and is not its office bearer. He is a Chartered Accountant and personally conducts consultancy at Bharuch.

(ii) Under these circumstances, he has not received even a single penny from the alleged fraud of over sixteen crores. Under these circumstances, the possibility of his involvement with the crime is primafacie ruled out.

(iii) There is nothing wrong with a person working by taking a fee as a Chartered Accountant. However, no evidence regarding the fee has been found from the charge sheet in this case.

(iv) As a Chartered Accountant, he has to perform the work of advising banks. It does not appear that the bank has paid any amount. Nevertheless, even if it is assumed for the sake of argument that he advised the bank or introduced a certain party as good or bad, it would be considered to have been performed as a part of professional duty. If a Chartered Accountant advises purchasing government securities from a certain party and also introduces that party, it

cannot be said that he is involved in a conspiracy with the party he introduced. At most, it can be said that the trust placed by the Chartered Accountant in a certain party turned out to be wrong. Due to that, his judgment turned out to be erroneous, but if a certain party turns out to be wrong, the Chartered Accountant who introduced them cannot be held criminally responsible. Similarly, on behalf of the bank too, only a certain officer or the Board of Directors conducts dealings with a party and they recommend to the bank or these officers of the bank introduce that party; however, just as they cannot be said to be involved in a conspiracy with everyone, the same cannot be said about the Chartered Accountant. In short, until there is other evidence that this Chartered Accountant has acted in collusion with Home Trade Ltd. company or has participated in a conspiracy with it, an inference of involvement in a conspiracy cannot be made merely from the act of introducing. perusing the entire charge sheet, nothing appears to indicate that current Accused Neeraj Surti has participated in any secret agreement with Home Trade Ltd. Under Section 120(B), a person is held responsible only when an agreement has been made between the accused secretly, which can also be implied. It is not apparent from the record that such a conspiracy existed. Nevertheless, even if its existence is assumed for the sake of argument, nothing appears to indicate the involvement of Accused Neeraj Surti in any such conspiracy. Merely because he introduced the party to the bank or came with them on some occasion, he cannot be considered to be involved in the conspiracy and it cannot be considered criminal evidence of involvement in the conspiracy. Under those circumstances, it can be said that there is no evidence to frame a charge against the Accused in this case.

(v). In this case, there is no evidence that the bank has paid the money of the aforementioned cheque to Home Trade Ltd. through Accused Neeraj Surti. It also does not appear that any correspondence has been carried out with the Accused upon not receiving government securities as per the contract notes.

If Accused Neeraj Surti had conducted dealings with the bank on behalf of the said Home Trade Ltd., he would have mediated in all this; however, nothing of that sort is visible and not a single document among the produced documents proves that Neeraj Surti was involved in this in any manner. No signature of Accused Neeraj Surti exists on the contract notes executed for the government securities in connection with which the fraud of over sixteen crores is alleged to have been committed. If he were a mediator and a broker, his signature would have been there. It is also not found that a copy has been sent to Accused Neeraj Surti anywhere in the letters written even when the government securities were not received. It emerges from the entire charge sheet and specifically from the complaint that Neeraj Surti comes to the bank only once with Sanjay Agrawal, Ketan Sheth, and Kanan Mevawala of Home Trade; however, at that time, on the contrary, it appears that Accused Neeraj Surti is working for the benefit of the bank and he causes cheques to be issued to the bank in lieu of the government securities which Home Trade Ltd. has not provided. This shows that when the party introduced by him did not provide government securities, Accused Neeraj Surti caused the aforementioned cheques to be issued from that party to look after the interest of the bank. Thus, looking at it in any manner, this circumstance is a circumstance of his innocence; it cannot be called a criminal circumstance. A criminal circumstance is one that points towards the involvement of the accused in the crime; nothing of this sort has been found.

(13) Furthermore, perusing the charge sheet in this case, the statement of Witness Jayantilal Ranchhoddas Gandhi dated 09/09/2002 is found. Perusing the final paragraph of the said statement, it is written that, *"Furthermore, land documents brought through advocates Bakshi Pujara and Meghani at Surat have been taken as mortgage on behalf of the bank and equitable mortgage has been performed. The same was performed on 08/05/2002. The charge of the aforementioned land at Mouje: Chekhla, Taluka: Sanand, District:*

Ahmedabad has been registered in the records of the Talati on 18/05/2002. Upon return of the cheques, the complaint under Section 138 regarding the same has been registered on 03/08/2002." From this, it clearly emerges that upon not receiving the securities for which the money was provided, Home Trade Ltd. has not misappropriated the funds, but has also created liability by providing cheques against it and therefore a case under Section 138 of the Negotiable Instruments Act remains; not only that, but land has also been mortgaged against this money and therefore they have also received that amount accordingly. Under these circumstances, no fraud regarding the amount stated has occurred at all; rather, as they have received land in mortgage against it, the fact that no offence is prima facie made out under such circumstances is clear. Furthermore, the fact also appears in the statement of another witness Jayantilal Chhotalal Jariwala that, *"Furthermore, upon taking land documents as mortgage through Advocates Bakshi Pujara and Meghani at Surat, equitable mortgage was performed, regarding which on 08/05/2002, the charge of the aforementioned land at Mouje: Chekhla, Taluka: Sanand, District: Ahmedabad has been registered in the records of the Talati on 18/05/2002. Upon return of the cheques, the complaint under Section 138 regarding the same has been filed on 03/08/2002."* This fact also shows that cheques have also been issued against the money that the bank was to receive for the securities, and the land has also been taken in equitable mortgage; as they have received their money, no fraud of any amount has been committed at all. Furthermore, perusing the entire charge sheet, the fact also emerges that Neeraj Surti has shown a positive approach in all this that has occurred. Furthermore, this fact also appears in the statement of Mahendrabhai Nathjubhai Katargamwala dated 09/08/2002 that, *"Furthermore, upon taking land documents as mortgage through Advocates Bakshi Pujara and Meghani at Surat, equitable mortgage was performed, which occurred on 08/05/2002. The charge of the aforementioned land at*

Mouje: Chekhla, Taluka: Sanand, District: Ahmedabad has been registered in the records of the Talati on 18/05/2002. Upon return of the cheques, the complaint under Section 138 regarding the same has been registered on 03/08/2002." This statement is also similar to the one above. These facts are in the last paragraph of every witness's statement. This shows how the bank has secured its funds. On one hand, cheques have been taken and liability has been created, and on the other hand, land has been taken in equitable mortgage and the money has been secured in that manner. Similarly, this fact has been written in the final paragraph of the statement of Bansilal Mohanlal Fudanawala that, *"Upon coming to know through the following English newspapers, on 26/04/2002, our Vice Chairman Shri M. N. Katargamwala and I as well as a team of Directors went to the office of Home Trade at Mumbai and upon continuing pressure to provide securities, at the end of the evening, they brought land documents regarding securities for Mouje: Chekhla, Taluka: Sanand, District: Ahmedabad."* Furthermore, it is also stated that, *"Furthermore, upon taking these land documents as mortgage through Advocates Bakshi Pujara and Meghani at Surat, equitable mortgage was performed. The same occurred on 08/05/2002. The charge of the aforementioned land at Mouje: Chekhla, Taluka: Sanand, District: Ahmedabad has been registered in the records of the Talati on 18/05/2002. Upon return of the cheques, the complaint under Section 138 regarding the same has been provided on 03/08/2002."* This statement also proves the same fact that both cheques and land have been taken in equitable mortgage. Civil proceedings can be initiated for taking land in equitable mortgage and proceedings under Section 138 of the Negotiable Instruments Act can be initiated regarding cheques. A fact to the same effect exists in the last paragraph of the statement of Chandrakant Chunilal Shah dated 08/08/2002, which is not being repeated again. Under all circumstances, from these statements, the fact emerges that against the money for securities for which

the bank was to take delivery, land has been provided to them in equitable mortgage and cheques have also been issued. Regarding the cheques, they have also filed a complaint under the Negotiable Instruments Act. Under those circumstances, no criminal case under other sections remains and as there is property in equitable mortgage, this case is only regarding their civil rights. If the intention of the accused was bad and they did not intend to pay the money, they would not have provided these lands in equitable mortgage nor have issued cheques under such circumstances. It is a different matter that the cheques have been returned, because it was a question of the financial situation. But they would not even have created liability under the Negotiable Instruments Act if the intention of the accused was to commit fraud. On the other hand, the equitable mortgage clearly proves that if the intention of the accused were to commit fraud, why would they execute their land in favor of the bank by performing an equitable mortgage. That fact proves that the intention to pay this money was there from the beginning and therefore the equitable mortgage was performed. Under these circumstances, no case of fraud is made out.

(14) Thus, viewing in entirety, it clearly emerges that as far as this case is concerned: (i) there is no forgery nor any entrustment of funds, therefore no sections regarding forgery or criminal breach of trust apply; (ii) as far as Section 420 of the Indian Penal Code is concerned, an intention to cheat from the beginning does not emerge from the entire charge sheet, rather numerous transactions have been performed systematically and thereafter government securities of an amount of over sixteen crores could not be provided, but even against that, land has been provided in equitable mortgage and liability has been created by issuing cheques under the Negotiable Instruments Act, thus the situation is not such that it can be said that there was an intention to cheat from the beginning; (iii) as far as Accused Neeraj Surti is concerned, he is not an office bearer of Home Trade Ltd., he has not received a single penny, no

written evidence appears to suggest that he has worked in any manner as a Chartered Accountant in the alleged transaction of sixteen crores, rather it emerges from all documents that the Complainant conducted dealings directly with Home Trade Ltd., on the contrary, considering all circumstances, it appears that Neeraj Surti has assisted them in recovering money as well as regarding the equitable mortgage; under these circumstances, a tendency to involve everyone who comes in the way as an accused is evident from the entire case, viewing which, it is required to discharge the Accused. The case against the Accused is only regarding the first introduction, which was for other institutions and their successful transactions have occurred, at which time that also cannot come in their way. In entirety, whatever words have been used or whatever big claims regarding involvement have been made, but what criminal circumstances exist against the Accused are to be seen and the primary issue is to be seen. The primary issue is regarding not providing government securities of over sixteen crores, but as lands have been provided in equitable mortgage in lieu of the same to the bank through settlement, no question of committing fraud remains at all. Additionally, cheques have also been provided. On the basis of which liability under the Negotiable Instruments Act has been created and complaints regarding the same have also been filed, at which time it is our humble representation to the Learned Court that no case under Section 420 etc. of the I.P.C. remains.

(15) Furthermore, it is to be stated that in the bail order of the Learned High Court, the finding of the High Court Judges is that the Accused was only an advisor and this entire transaction is a commercial transaction. This also indicates that there is no question of fraud but a question of breach of contract. The Learned High Court has also made such observations that current Accused is a Chartered Accountant and he practices in the name of Neeraj A. Surti & Associates; it appears from the record that his role was only to introduce some persons and that too was to the previous company of Home

Trade. Thereafter, the High Court has noted that even if the case is viewed with maximum gravity, it appears that current Accused brought an investor to Home Trade from whom the bank could purchase government securities, but ultimately, it is the discretion of the bank whether to invest money or not. The bank has a battalion of several officers and they invest in government securities with their help. Thus, from the meaning of what the High Court says, it clearly appears that as current Accused is a Chartered Accountant, he conducts this business; therefore, it is possible that he brings any client to the bank, but ultimately, the bank has to decide where to invest money with the help of its officers, and if they decide accordingly and suffer a loss therein, then no fault can be found of the Chartered Accountant who has provided some advice. We have made an argument to this effect previously, which is also corroborated by the order of the High Court. Under these circumstances, perusing the entire charge sheet, it is clear that no evidence sufficient to frame any charge against current Accused is evident. Under these circumstances too, there is a requirement to discharge the Accused.

(16) Under all circumstances, in this case, from the prosecution's case and from the charge sheet, the situation is such that no charge can be framed against current Accused Neeraj Surti under any section; under those circumstances, it is a humble request to discharge the Accused.

(17) We shall produce the list of authorities separately.

Date: 01/02/2008

Surat.

(K. C. Panwala)

Advocate for Accused Neeraj Surti.

IN THE COURT OF THE LEARNED CHIEF JUDICIAL MAGISTRATE SIR, SURAT

Varachha Police Station First C.R. No. 274/2002

Criminal Case No. 168/2003

Complainant: Government

Versus

Accused: Ketankantilal Sheth

In connection with the application filed by Accused Ketan kantilal Sheth under Section 239 of the Code of Criminal Procedure vide Exhibit-30 for discharge, the written arguments of the Original Complainant, Nainesh Arvindbhai Chintaniya, are as follows:

(1) The facts of the complaint of us, the Complainant, in this case are such that all the accused together hatched a criminal conspiracy and in collusion with each other, committed fraud of Rs. 16,09,60,500/- (Rupees Sixteen Crore Nine Lakh Sixty Thousand Five Hundred only) by creating a forged SEBI certificate.

(2) Accused Ketankantilal Sheth has stated in the application under Section 239 of the Code of Criminal Procedure that he has resigned on 15/05/2001 and ceased to be a Director of Home Trade Ltd., and under those circumstances, he has not played any part in the offence committed.

(3) According to the complaint of us, the Original Complainant, the fact has been clearly stated that upon not receiving the delivery of securities, members of the bank went to Mumbai and a meeting with Ketankantilal Sheth and

others was held, and even thereafter, telephonic discussions used to take place with Ketankantilal Sheth and others. Considering this fact, it emerges that Accused Ketankantilal Sheth was playing an active part.

(4) Furthermore, it also emerges from the statement of Witness No. 4, Meher K. Vaidya, that a meeting was held at the Varachha Road main branch of the bank in Surat on 06/12/2001, in which Ketankantilal Sheth was present; that is to say, even after he resigned as per his claim, he used to remain present in the meetings and play an active part. Furthermore, even thereafter, a meeting was held on 21/02/2002, in which Ketankantilal Sheth was also present.

(5) Additionally, the police have also taken the statements of Witness No. 5 Chandrakant Chunilal Shah, Witness No. 6 Bansilal Mohanlal Fudanawala, Witness No. 7 Mahendra Nathubhai Katargamwala, Witness No. 8 Sureshchandra Parsottambhai Patel, Witness No. 9 Jayantilal Chhotalal Jariwala, as well as Witness No. 10 Jayantilal Ranchhoddas Gandhi, Witness No. 11 Amrutlal Ramsingbhai Contractor, etc., and the same have been included in the charge sheet. In the statements of all these witnesses too, the fact that Ketankantilal Sheth was present in the meeting dated 06/12/2001 emerges. Furthermore, Ketankantilal Sheth was also present in the meeting dated 21/02/2002, and thus the fact that Ketankantilal Sheth played an active part emerges.

(6) A letter dated 22/01/2002 was written to Home Trade Ltd. by Surat Nagarik Sahakari Bank Ltd. (the Complainant bank). The said letter was written addressing Ketankantilal Sheth, in connection with which a reply was provided by Home Trade Ltd. on 23/01/2002. Both these letters have been included in the charge sheet. When all these meetings took place and correspondence was carried out, Ketankantilal Sheth never declared that he has ceased to be a Director.

(7) Section 120(B) has been applied against all accused in this case, and in such circumstances, an act committed by one accused is sufficient to punish

other accused. As the Accused in this case has played an active part, he is also a member of the criminal conspiracy; in those circumstances, he cannot be discharged at the present stage.

(8) Prior to filing the charge sheet against the Accused, the Learned Court has to see what the allegations are against the Accused and whether a prima facie allegation appears in the case of the charge sheet. One does not have to go into the merits, i.e., verification is not to be conducted. The evaluation of the facts stated by the witnesses in their statements in the police record can be conducted only after taking evidence; whereas, at the time of framing charge, only whether there is a prima facie case or not is to be seen.

(9) As mentioned above, when the presence and statements against Ketankantilal Sheth emerge from the F.I.R. as well as the statements of witnesses, and his active part is also established upon perusing the correspondence, it cannot be said at the time of framing charge that there is no evidence against the Accused.

Kindly reject the application vide Exhibit-30 of Ketan kantilal Sheth under the above circumstances.

Surat

Date: 15-09-2009

Sd/- Illegible

(Jatin J. Gandhi)

Advocate for the Original Complainant

IN THE COURT OF THE LEARNED CHIEF JUDICIAL MAGISTRATE SIR, SURAT

Varachha Police Station First C.R. No. 274/2002

Criminal Case No. 4002/2004

Complainant: Government

Versus

Accused: Ketan Rameshbhai Maskariya

Regarding the application filed by Accused Ketan Rameshbhai Maskariya under Section 239 of the Code of Criminal Procedure vide Exhibit-22 for discharge, the written arguments of the Original Complainant, Nainesh Arvindbhai Chintaniya, are as follows:

(1) Accused Ketan Rameshbhai Maskariya of this case had been serving in Home Trade Ltd. He himself has admitted this fact. Upon perusing the F.I.R. of this case, it appears that Ketan Rameshbhai Maskariya has remained present on several occasions on behalf of Home Trade Ltd. regarding the operations. Furthermore, he has played an active part in whatever proceedings have taken place on behalf of Home Trade Ltd. He has been shown as accused in the F.I.R.

(2) Section 120(B) has been applied against all accused in this case, and in such circumstances, an act committed by one accused is sufficient to punish other accused. As the Accused in this case has played an active part, he is also

a member of the criminal conspiracy; in those circumstances, he cannot be discharged at the present stage.

(3) Prior to the filing of the charge sheet against the Accused, the Learned Court has to see what the allegations are against the Accused and whether a prima facie allegation appears in the case of the charge sheet. One does not have to go into the merits, i.e., verification is not to be conducted. The evaluation of the facts stated by the witnesses in their statements in the police record can be conducted only after taking evidence; whereas, at the time of framing charge, only whether there is a prima facie case or not is to be seen.

Kindly reject the application vide Exhibit-22 of Ketan Rameshbhai Maskariya under the above circumstances.

Surat

Date: 15-09-2009

(Jatin J. Gandhi)

Advocate for the Original Complainant

IN THE COURT OF THE LEARNED CHIEF JUDICIAL MAGISTRATE SIR, SURAT

Varachha Police Station First C.R. No. 274/2002

Criminal Case No. 4085/2006

Complainant: Government

Versus Accused: Neeraj J. Surti

Regarding the applications filed by Accused Neeraj J. Surti under Section 239 of the Code of Criminal Procedure vide Exhibit-3 and Exhibit-15 for discharge, the written arguments of us, the Original Complainant, Nainesh Arvindbhai Chintaniya, are as follows:

(1) Accused Neeraj J. Surti of this case has provided representations and inducements to the Complainant bank right from the beginning regarding making investments in Home Trade Ltd. The Accused has played a primary role since the commencement of the investment. A detailed representation regarding the role of the Accused has been shown in the F.I.R. Accused Neeraj J. Surti has been serving as an agent in Home Trade Ltd. and he himself has facilitated the contact with Home Trade Ltd. Whatever representations were made regarding the investment, the same have been made by the Accused, and thereafter, representations and inducements regarding investment have been provided by other accused along with this Accused, and in that manner, trust has been gained, and subsequently, all the accused, as part of a criminal conspiracy, have committed fraud with us, the Complainant.

(2) In the statements recorded for the purpose of this offence, the facts regarding the presence of this Accused in whatever meetings were held at the Bank and in Mumbai, i.e., the meetings dated 06/12/2001 and 21/02/2002, as well as facts regarding frequent correspondence, have emerged. Apart from this, it also has emerged from the statements of the witnesses that he used to visit our Complainant bank in person.

(3) Section 120(B) of the Indian Penal Code has been applied against all accused in this case, and in such circumstances, an act committed by one accused is sufficient to punish other accused. As the Accused in this case has played an active part, he is also a member of the criminal conspiracy; in those circumstances, he cannot be discharged at the present stage.

(4) Prior to filing the charge sheet against the Accused, the Learned Court has to see what the allegations are against the Accused and whether a prima facie allegation appears in the case of the charge sheet. One does not have to go into the merits, i.e., verification is not to be conducted. The evaluation of the facts stated by the witnesses in their statements in the police record can be conducted only after taking evidence; whereas, at the time of framing charge, only whether there is a prima facie case or not is to be seen.

(5) As mentioned above, when the presence and statements against Neeraj J. Surti emerge from the F.I.R. as well as the statements of witnesses, and his active part is also established upon perusing the correspondence, it cannot be said at the time of framing charge that there is no evidence against the Accused.

Kindly reject the applications vide Exhibit-3 and Exhibit-15 of Neeraj J. Surti under the above circumstances.

Surat

Date: 15/09/2009

(Jatin J. Gandhi)

Advocate for the Original Complainant