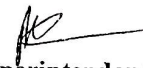


Express / Ordinary
Criminal
C.A.No. 448 /2013

Copy of :- Deposition
of witnesses
No-1 To 11.

1. The date on which the copy
was Applied for on 05/04/2013. Fifth of April 2013
2. The date on which the application
Was completed on 09/04/2013. Ninth of April 2013
3. The date (When the date once
Given is subsequently changed,
the list of such changed dates)
given to the applicant for taking
delivery of the copy 15/04/2013. Fifteen of April 2013
_____ 2013 _____ 2013
_____ 2013 _____ 2013
_____ 2013 _____ 2013
_____ 2013 _____ 2013
4. The date on which the copy
Was ready for delivery on 15/04/2013. Fifteen of April 2013
5. The date on which it was
Delivered / Posted on 15/04/2013. Fifteen of April 2013


Asst. Superintendent
Court of C.J.M.Wardha
Date :- 15/04/2013.

In the Court of :- Chief Judicial Magistrate, Wardha,
Reg. Cri. Case / Sum. Case :- 573 / 2002
Misc. Case / Crime No. _____
In Case of Parties :- State Vs Sanjay Agrawal
Decided / Pending on Dt. :- 20-4-13

Witness K. for the government
I hereby solemnly declare that

Name :-Arun.
Age :-62 years
Will live in:-MHADA Colony, Wardha.

His father's name was Bhauraoji Kadam
Occupation :- retired
District :- Wardha

**On behalf of the Government of India, through the Government Advocate Ms.
C. S. Somkunwar:-**

I was working as a 6th Accountant in the Accounts Department at Wardha District Central Cooperative Bank, Wardha in the year 2001-2002. My responsibilities were to adjust vouchers, issue pay cash orders and keep important documents in custody. Whatever is written in the statement is true but I do not remember it today. My

(Despite repeated questions from the government prosecutors and explanations from the court, the witness is not ready to say anything, therefore, it is ordered under Section 275 (3) of the Criminal Procedure Code that his evidence be taken in the form of a question and answer.)

Question 1. What did you find in the audit report when you were an accountant?

A. (Not answered.)

Q. 2 When you were shown the 2001 annual audit report, what did you find on page C. 59 regarding investments?

A. (Not answered.)

Q. 3 Were all the documents presented to you during the inspection?

A. (Not answered.)

(Order)

The witness does not answer the questions asked by giving repeated explanations. Remaining silent without answering means refusing to answer. The witness is being taken into judicial custody for a period of 07 days under Section 349 of the Cr. P. No. 1. If at any time before the expiry of this period of custody the witness gives a written statement stating that he is ready to answer the questions asked, he will be released immediately after giving his testimony.

Chief Judicial Magistrate, Wardha
Dated 08/10/2012

(04.40 pm) The witness has made a written application under IPC 379 and has shown his readiness to answer the questions asked, so the investigation will continue.

Sartapaas continues on his oath:-

It also included passing bills on my table, sending cash to the branch on demand. At that time, Salpekar was the General Manager of the bank. I do not know who provided the report to the auditor for audit. I did not give any vouchers etc. to the auditor. I do not remember what the police recorded my statement about in 2002. I do not even want to remember the statement I gave to the police. I do not want to see any documents in the case. I want to see the statement I gave to the police.

(On the oral request of V. V., the witness was allowed to peruse his statement under section 159 of the Evidence Act and the said statement was accordingly shown to him.) As stated in this statement, the security certificates of Rs. 25,00,00,000/- were not received by me in the bank. As per the voucher, I made an entry of Rs. 25,00,00,000/- in the relevant ledger on 16/03/2001. I do not know for what purpose this entry was made. I do not know whether it was made in respect of expenditure or in respect of credit. I will later state that the said entry was made in respect of expenditure.

Cross-examination by Advocate Shri. M. B. Dalvi for accused K. 01:-

I do not remember after how many days the police recorded my statement. I do not remember whether I gave any documents to the police or not. The police showed me the ledger and vouchers that I had made entries in. They did not show them to me in court today either. I did not examine any documents before taking these two entries. Since the incident took place till today, no document regarding this incident has ever come before me. I have no comment to the bank or

I have never given anything to the police other than my statement. It is not true that at the time of recording my statement by the police, I was aware that no fraud of Rs. 25,00,00,000/- had taken place. I have informed my bank about this fraud.

Neither Pakwa nor Dima was informed of anything in writing.

Cross-examination by Shri. P. M. Deshpande, Advocate for Arari Kakarita:-

Rejected

Cross-examination: For accused K. 05, 06, 07, 09, 12 and 13, Advocate Shri. P. B. Tawari, through:-

The original receipts of the amount deposited by the bank were also kept in the vault with the Chief Accountant. I used to keep all such receipts in the vault. I do not know whether the amount of Rs. 25,00,00,000/- was invested for purchasing government securities or not. The original security certificate has never reached the bank till now.

Cross-examination: Advocate Shri. R. N. Khare, for accused Nos. 08 and 11:-

Rejected.

There is no re-examination

Sharma)
Chief Judicial Magistrate, Wardha
Dated 08/10/2012

Witness K. for the Government:-02.
I hereby solemnly declare that.

FIR No.:- 573/2002
Signs a. :- 386

Name :- Rambhau.
Age :- 69 years.
Residence:-Sahakar Nagar,

Father's name:- Haribhau Pote
Occupation :- Retired
District:- Yavatmal

Assistant Public Prosecutor M.M. Mahajan, on behalf of the Government of the Republic of Turkey:-

1 In the year 2001, I was working in Yavatmal as District Deputy Registrar, Cooperative Society. On 30th July 2001, I joined District Registrar Cooperative Society, Wardha. Before me, J.P. Deshpande was Assistant Registrar Cooperative Society, Wardha. He had the additional charge of the post of District Deputy Registrar, Cooperative Society, Wardha. Regarding the Wardha District Central Cooperative Bank, Wardha, a meeting of the executive board was held on 24.2.01.

I cannot say anything about it. There was a meeting but no statement was recorded. No opinion was recorded with the police. Since I was not working in Wardha at that time, the police talked to me in this matter. Regarding the meeting of 24.2.2001, (As the witness did not support the prosecution, the prosecution was allowed to ask questions similar to cross-examination on the oral request of the learned S.S.V. under Section 154 of the Evidence Act.)

Cross-examination by the government on behalf of the government. Through the public prosecutor M.M. Mahajan:-

2. It is not true that I did not register my opinion with the police that the meeting of the executive board of the bank dated 24.2.2001 was not legal. I cannot explain why the police underlined 'A' in my statement. It is not true that I gave false testimony in court today. I myself say that my testimony is neither false nor true. Because I was not working at that time.

Cross-examination: Advocate Y.I. Sheikh on behalf of accused K. 1:-
denial

Cross-examination: Advocate Shri. P.M. Deshpande on behalf of accused K. 2 and 4:-
denial

Cross-examination: Advocate Shri. P.B.Tawri on behalf of accused K. 5, 6, 7, 9, 12,13:-
denial

Cross-examination: Advocate Mr. Khare on behalf of accused K. 8 and 11:-
denial



फेरतपास काही नाही.

श्रवणोत्तर स्विकृती.

[Signature]

मुख्य न्यायदंडाधिकारी, वर्धा.

दि. १९.१०.२०१२.

समक्ष,

[Signature]

मुख्य न्यायदंडाधिकारी, वर्धा.

दि. १९.१०.२०१२.

Copyist *[Signature]*
15-4-13

TRUE COPY

[Signature]
Assistant Superintendent
of Chief Judicial Magistrate
15-4-13 Wardha

Witness K. for the Government:-03.
I hereby solemnly declare that.

FIR No.:- 573/2002
Marking No.:- 388

Name :- Anand Nathuji Kalokar,
Age :- 65 years, Occupation :- Retired,
Resident:- Snehalnagar, Wardha, District:- Wardha

**Assistant Government Advocate Mr. Tonde on behalf of the Government of
Sartapa :-**

1. I was working in the Wardha District Central Cooperative Bank in the year 2002 as Banking Officer Grade-1 in the Administration Department. At that time, accused K. 5 Rajen Salfekar was working as the General Manager in the said bank. At that time, Sharadrao Deshmukh accused K. 12 was the Chairman of the Board of Directors of the bank. My responsibilities included appointments, transfers, promotions of employees, writing minutes of all meetings, etc. I was doing all these works on the orders of the General Manager. I have no information about the investment of Rs. 25 crores. I do not know where the bank had invested Rs. 25 crores. The police had not recorded my statement regarding the investment. They had recorded my statement regarding the minutes of the meeting.

(Since the police personnel involved in this case did not appear and the government prosecutors did not appear to be prepared, the investigation was adjourned for some time on their oral request)

The Chief Inspectorate will continue with the oath after the break.

2. If I am shown the minute book of the said meeting, I can identify it. The minutes of the meeting of the Executive Board dated 25.04.2001 were shown to me from the relevant register. The said minutes have been written in my own handwriting on the basis of what happened in the meeting. It is on N.K. 418. At the end of that minute, the signatures of accused K. 5 Rajan Salpekar and accused K. 12 Sharad Deshmukh are there. The General Manager and the Chairman of the Executive Board have the right to put the subjects to be discussed in the meeting. (Accused K. 5 and 12) The contents of it were spoken by accused K. 5. They are the signatures of all the members present at that meeting.

Cross-examination of accused K. 1st party Advocate Mr. Z. Z. Ali :-

3. It is not true that I did not write down in my own handwriting everything that happened in the meeting. It is true that I do not know in advance the topics that will come up in the meeting. Also, the topics are decided by the General Manager and the Chairman. It is not true that I did not know what the topics of the meeting were.

Advocate Shri A.K. Choubey for accused 2 and 4:-

4. While the meeting was in progress, I was taking notes in my handwriting. I did not give those notes to the police during the investigation. It is true that I was writing the minutes of the meeting on the basis of the notes. I have not filed the original notes of N.K. 418 in the court. Did HomeTed make any proposal regarding the purchase of securities? I do not know this. I have never seen accused K. 2 and 4 present at any meeting of the bank as representatives. The date written as 25.04.2001 on N.K. 418 is clearly distorted in the year. The pen ink in the handwriting of Resolution K. 11 in it is different. It is not true to say that I inserted the contents of Resolution K. 11 later.

Cross-examination: Advocate Shri. P.B. Tawari on behalf of accused K. 5, 6, 7, 9, 12, and 13:-

5. It is true that the minutes of the meeting dated 24.02.2001 are also written in my handwriting. I do not remember whether the police asked me for the minute book or not. The minutes written by me dated 24.02.2001 were shown to me. It is at N.K. 419. As per the prevailing practice, the minutes of the previous meeting are read out to all those present at the next meeting and approved. Generally, that resolution is K. 1.

Cross-examination: Advocate Shri. R.N. Khare on behalf of accused K. 8 and 11:-

6. Rejected.

There is no re-examination.

After hearing, acceptance.

Chief Judicial Magistrate, Wardha.
Dated 30.10.2012.

Witness K. for the Government:-04.
I hereby solemnly declare that

FIR No. :- 573/2002
Signs a. -389

Name :- Vijay Champatrao Ugale'
Age :-65 years. Business:- Agriculture,
Resident: - Sevagram, T. Wardha, District: - Wardha

Assistant Government Advocate Shri. V.B. Tonde on behalf of the Sartapaas Government:-

1. In the year 2002, I was working as a cashier in Wardha District Central Cooperative Bank. Accused K. 5 was the Regional Manager at that time. On 26.04.2002, the police had seized some bank records from accused K. 5 in my presence. The police prepared a seizure slip accordingly. The said seizure slip has been shown to me and it is on N.K. 390. My signature on it and the text is correct.

(Since the police personnel involved in this case did not appear and the government prosecutors did not appear to be prepared, the investigation was adjourned for some time on their oral request)

The oath-taking process continues after the midterms.

2. I can identify all the said documents if they are shown to me. I have my signatures on all those documents. The complete list of the said documents, which includes pages K. 1 to 38, is on item K. 1. On 06.05.2002, the police had seized some bank records from accused K. 5 in my presence. The police prepared a seizure order accordingly. "This seizure slip has been shown to me and it is at N.K. 391. My signature on it and the text is correct. I do not remember today how many documents were seized in total from me. On 29.04. 2002, the police had seized some bank records from accused K. 5 in my presence. The police prepared the seizure slip accordingly. This seizure slip has been shown to me and it is at N.K. 392. On 04.05.2002, the police had seized some bank records from accused K. 5 in my presence. The police prepared the seizure slip accordingly. This seizure slip has been shown to me and it is at N.K. 393. I do not remember exactly what the records seized under all these seizure slips were. But my signatures were taken on all the seized documents. All these documents were regarding the investment transactions of the bank.

Cross-examination of accused Ketak Advocate Mr. I.H. Sheikh:-

3. At that time I was working in a bank. It is true that at that time the police brought the seizure documents to me and I signed them. Apart from that, the police did not bring anything before me.

Advocate Shri A.K. Choubey for accused 2 and 4:-

4. Documents were seized in my presence on a total of 4 occasions. I cannot say today at what time the panchnama was started and ended on all four occasions. It is true that the police collected all the documents, then prepared a list of them and then took my signatures. I cannot say today which documents were seized from whom. Documents were not seized from different people in my presence.

On cross-examination, accused K. 5, 6, 7, 9, 12, and 13 were represented by Advocate Shri. P.B. Tower :-

5. I have worked with accused K. 5 for many years and I recognize his signatures. Every seized document was shown to me and my signatures were taken on it. The correspondence that had been received from the bank regarding the investment was also taken on the seizure of that correspondence. The bank's correspondence was now shown to me. I have my signatures on all those letters N.K. 394 to 403 for the seizure. I recognize the signatures of accused K. 5 on N.K. 394, 395, 396, 398, 401, 402 and 403. I also recognize the signature of the then accountant Mr. Bodade on N.K. 397. The receipt for depositing money in the bank N.K. 404 was shown to me, and I also have my signature on it for the seizure.

6. Two letters from the bank dated 24.02.2001 and 16.08.2001 were shown to me, both of which bear my signatures for the seizure of the said documents. I also recognise the signatures of accused K. 5 on those documents, Nos. 405 and 406. A total of four letters received by the bank were shown to me, Nos. 407 to 410. They bear my signatures for the seizure and his signatures on those documents, as well as those of accused K. 5 for the seizure.

7. I was shown some uncashed cheques, their cheque return slips and copies of the agreement. All of these bear my signatures for their seizure and are at Annexures 411 to 417.

Cross-examination: Advocate Shri. R.N. Khare on behalf of accused K. 8 and 11:-

Rejected.

There is no need to re-examine.

Accepted after hearing.

Chief Judicial Magistrate,
Wardha- 30/90192

Witness K. for the Government:-05.
I hereby solemnly declare that

FIR No. :- 573/2002
Signs a. :-420

Name :- Jagannath Parshuram Deshpande,
Age :-69 years. Occupation: Retired and Farmer,
Resident:- Sahakarnagar, Wardha, District:- Wardha

**Assistant Government Advocate Mr. Tonde on behalf of the Government of
Sartapa :-**

1. I was working as Assistant Registrar Cooperative Society (Administration) from 2000 to 2001. My responsibility was to investigate and resolve the complaints and control the office work. I attended a meeting of the Board of Directors at District Central Cooperative Bank, Wardha. I do not remember the exact date of that meeting. I had received the notice of that meeting. I signed the minute book for being present at the meeting. Since all this happened ten years ago, I do not remember what was decided in that meeting. The job of presenting the subject in the meeting is that of the General Manager. The subject related to the purchase of debt securities was not in the meeting I attended. Page C. 109 of the minute book of the meeting of the Board of Directors was shown to me. It contains the minutes of the meeting dated 20.02.2001. My name and signature are on the subject of my presence as a government representative. The said minutes are at N.K. 421. The subject of investment in securities related to these matters was not discussed in the said meeting.

Reverse investigation Accused c. 1 on behalf of Advocate Shri. A.H. Khan:-

3. denial

Advocate Shri A.K. Choubey for accused 2 and 4:-

4. denial

On the other hand, Advocate Shri. P.B. Tawari on behalf of accused K. 5, 6, 7, 9, 12, and 13:-

5. It is true that the meeting of the Board of Directors is separate from the meeting of the Executive Board. Our government representatives from the department are only called to the meeting of the Board of Directors. There is no need for an Executive Board meeting. If NABARD has taken up any issues, they are also discussed in the meeting. I have never made any complaint to my superiors regarding the meeting I attended.

Cross-examination: Advocate Shri. R.N. Khare on behalf of accused K. 8 and 11:-

6. Rejected.

There is no re-examination.

Post-hearing acceptance.

Chief Judicial Magistrate,
Wardha. Dated 30.10.2012.

Witness K. for the Government:-6.
I hereby solemnly declare that.

FIR No.:- 573/2002
Sign A.:-427

Name: Devidas Daulatrao Dofe,
Age: 67 years
Residence:- Sant. Tukadoji Ward, Hinganghat,
Occupation: Retired,
District:- Wardha

Assistant Public Prosecutor L. S. Gayabhiye, for the Government of Sartapa:-

1. I was working as an auditor at Wardha Co-operative Bank since 1999. I had the task of auditing accounts. I audited the accounts of all the cooperative banks in Wardha district which came under my jurisdiction. My senior Mr. Taywade did not tell me any work of the headquarters of the bank, Wardha District Central Co-operative Limited, in the year 2000-01. I did not verify any documents of that bank.

(As the witness did not support the prosecution, the prosecution was allowed to ask questions similar to cross-examination on the oral request of the learned S.S.V. under Section 154 of the Evidence Act.)

Six government officials were present during the cross-examination.
Government lawyer L.S. Gajbhiye:-

2. It is not true that Taywade gave me a list and asked me to check the investment. It is not true that I checked the bank documents as per that list. It is not true that I checked that the entry regarding the investment of Rs. 25 crore was on page C. 59 of the audit report. The underlined part 'A' of my statement is not true. I cannot tell you why the police wrote it that way. It is not true that I am giving false testimony to save the accused.

Cross-examination: Advocate A.H. Khan on behalf of accused K. 1:-

denial

Cross-examination: Advocate Shri P.M. Deshpande on behalf of accused K. 2 and 4:-

denial

Cross-examination: Accused K. 5 to 7, 9, 12 and 13, Advocate Shri P.B. Tawari

denial

Cross-examination: Advocate Shri R. N. Khare on behalf of accused K. 8 and 11:-

denial

There is no re-examination.

Chief Judicial Magistrate, Wardha.
Dated 09.11.2012.

Witness K. for the Government:- 7.
I hereby solemnly declare that.

FIR No.:- 573/2002
Signs a. :- 428

Name:- Manoj Laxmanrao Chutke,
Age:-49 years,
Resident:- Saibaba Ward, Civil Lines, Chandrapur

Occupation:- Job,
District:- Chandrapur

Assistant Public Prosecutor L. S. Gayabhiye, for the Government of Sartapa:-

1. I was working as an administrator in Wardha District Central Cooperative Bank from 07.05.2002 to 12.02.2004. The investigating officer in this case, Shri Deshpande, Police Inspector, had asked me for some information from this bank on 18.07.2002. I have shown the letter given by him and it is at N.K. 429. Accordingly, I provided him with the information available in the bank through written letters dated 29.07.2002. I have shown that letter and it is at N.K. 430. I had also provided some information through three letters dated 27.05.2002, 02.08.2002 and 26.08.2002. They are at N.K. 431 to 433 respectively. I have my signatures on all those letters and the contents thereof are true as per the records of the bank. All this correspondence was regarding the investment of twenty-five crores made by the bank and accordingly I had provided information. There was a mention that the said amount was given to a company called "Home Trade Limited" for investment....

(The examination is being adjourned due to the break time.)

(Resumed on oath)

2. The police did not seize the bank draft from me. The transaction of Rs. 25 crores mentioned by me is recorded in the cash book and vouchers. I had given my information in the above letter only after looking at the original record.

Cross-examination: Advocate O.H. Khan on behalf of accused K. 1:-

3. It is not true that the original documents related to the information were in the possession of the police at that time. It is not true that I gave the information without verifying any documents in the bank. It is not true that I gave the information to the police on the basis of the information given to me orally by the employees and officers of the bank.

In cross-examination, accused K. 2 and 4 were represented by Advocate Shri P.M. Deshpande:-

4. Before I took charge of the bank as the administrator, the police had seized some documents. It is true that I did not find any documents or correspondence bearing the signatures of accused K. 2 and 4 in the bank.

Cross-examination: Accused K. 5 to 7, 9, 12 and 13, Advocate Shri P.B.T.

5. The police had never taken my statement. The photocopies of the documents seized by the police were available in the bank. My appointment was as District Special Auditor, Class-1 Cooperative Society, Wardha. I was appointed as an administrator there after the executive board of the bank was dissolved.

Cross-examination: Advocate Shri R. N. Khare on behalf of accused K. 8 and 11:-

denial

There is no re-examination.

Approved after hearing.

Chief Judicial Magistrate, Wardha.

Dated 09.11.2012.

Witness K. for the Government:-08.
I hereby solemnly declare that.

FIR No. :- 573/2002
Signs a. :- 438

Name :- Shivsingh Sandusingh Bidhot
Age:- 57 years Occupation:- Job
Residence:- Birla College, Kalyan West, Mumbai

Six. Government Advocate S.K. Umre on behalf of the Sartapaas Government:-

1 . I joined Maharashtra State Cooperative Bank Fort Mumbai as an Assistant on 31.8.2002. I was working as a manager. At that time I was working as a bookkeeper in the accounts department. On 16.3.2001, Wardha District Central Cooperative Bank sent a fax At exactly 12 o'clock, Wardha District Central by sending a message with cipher code No. 193734. Cooperative Bank account as per the instructions and transfer the money to the account of Mr. Home Ted Ltd. by entering their names. The amount was Rs. 25,24,72083.33. Accordingly, on 16.3.2001, Wardha District Central Cooperative Bank was renamed as May. The said amount was deposited in the account of Home Trade Ltd.

2. Mr. Home Ted Ltd. presented a cheque No. 695101 for Rs. 25,24,70000/- to Janata Sahakari Bank Ltd., Pune Branch, Fort, Mumbai for payment on 19.3.2001 through clearing. The said cheque was drawn on their current account No. K. 3-A/17031 in their head office. I gave written information in this regard to the police through a letter. The letter was shown to me and is in my handwriting and my signature is on it. The letter is at No. 439.

3. I had provided the police with the shadow copies of the ledger books of the transactions in this regard. I checked all those copies against the original ledger books and ensured that they were correct and wrote a note to that effect and affixed my signature and the bank's seal. They are at N.C. 440 to 442. (The learned counsel for accused K.1 objected that the said documents cannot be given N.C. As per the directions of the Hon'ble Supreme Court in Bipin Panchal v. State of Gujarat, the objection was reserved for final argument.) I know Vijay Bhosale. At that time he was working in our bank.

Cross-examination: Advocate Shri A.H. Khan on behalf of accused K.1:-

4. I was working as a Grade 1 officer at the headquarters in Mumbai at that time. I was aware of the amount of money that the district level banks had the authority to sanction. I did not take any action against the Central Wardha District Cooperative Bank when it transacted more than Rs. 25 crore. This is true.

It is true that the said investment transaction was legitimate and I did not take any action or dispute. Bank correspondence is done on printed letterhead. I gave N.C. 439 from my office in Mumbai. The said certificate is on blank paper. The reason for this is not on printed letterhead is that the inspector asked me to write it on blank paper. It is not true that I did as the police told me. This is true that it is possible to bring it in court. The documents were prepared as stated. It is true that the original ledger of N.C. 440 to 442 is not true that I did not write it on the police's letterhead.

Advocate Shri A.K. Choubey for accused 2 and 4:-

(Adjourned for the afternoon)

Chief Judicial Magistrate, Wardha.
Dated 23.11.2012.

On the contrary, the investigation will continue on oath...

5. It is true that both Home Trade Limited and Wardha District Central Cooperative Bank had accounts in our bank. The entire original ledger of both of them was seized by the police. The said original ledger was not shown to me in the court. I cannot say for sure whether the original ledger is in the bank. I am still working in the said bank. I have not brought the original documents of N.No. 440 to 442 to the court today. I have not brought the original account book of account No. 54/2351 of Wardha District Central Cooperative Bank.

6. I received the fax mentioned in N.C.439 in Mumbai. Both the accounts were being handled in Mumbai. The money transferred in both the accounts was done in Mumbai itself. The above mentioned fax came from Wardha District Cooperative Bank. There was no request from Home Trade to deposit the said amount in their account. I never saw accused K.2 and 4 coming to my bank. N.C. 439 and N.C. 440 to 442 were shown to me. I cannot show from this or any other document that Home Trade deposited Rs. 3 crore in the account of Wardha District Central Cooperative Bank on or between 17.8.2001.

7. In N.C.440, it is recorded that Rs. 4,17,986.11/- was transferred from the account of Home Trade to the account of Wardha District Central Cooperative Bank on 30th March 2001. It is evident from the account statement shown to me that the said entry was deposited in the bank account. That account statement is on N.C.443. It is not true to say that I have done this with the intention of helping the people of Wardha District Central Cooperative Bank

The original account book was not knowingly brought to the court. It is not true to say that I am not aware of any transfer of more amount than the amount due from the Home Trade account to the Cooperative Bank account.

In cross-examination, accused K.5 to 7,9,12 and 13 were represented by advocate Shri.S.S. Khopade:-

(Adjourned due to the end of court business)

Chief Judicial Magistrate, Wardha
Dated 23.11.2012.

In cross-examination, accused K.5 to 7,9,12 and 13 were represented by Advocate Shri. P.B.Tawri:-
Proceeding on oath -

8. Maharashtra State Cooperative Bank is the apex bank in the cooperative sector of the state. This bank has accounts of all the district central cooperative banks. Along with the account statements from No. 440 to 443, another account statement was shown to me. It is on No. 449. This account statement is of Wardha District Central Cooperative Bank and is of the account in our bank. All these account statements have been taken from the original account book of the bank and have been duly certified and authenticated. I have never received any notice to bring the original account book to the court, nor have I been told to do so.

Cross-examination: Shri, D.M. Verma, Advocate, on behalf of accused K. 8 and 11:-

Refusal

There is no re-examination.

accepted after hearing

Chief Judicial Magistrate, Wardha.
Dated 14.12.2012

Witness K. for the Government:-9.

I hereby solemnly declare that.

FIR No. :- 573/2002

Signs a. :- 451

Name :- Vijay Dattajirao Bhosle,

Age :- 63 years.

Occupation :- Retired

Will be staying at:- Rukhmini Vaibhav Society, Mumbai,

Six. Government Advocate S.K. Umre on behalf of the Sartapaas Government:-

1. On 31.8.2002, I was working as an accountant in Maharashtra State Cooperative Bank, Mumbai. Both Home Ted Limited and Wardha District Central Cooperative Bank had accounts in our bank. All the documents of the accounts opened with us by Home Ted were available with the bank. On the demand of the police, I had given the attested copies of the documents regarding the opening of all the said accounts to the police. The police had prepared a seizure order accordingly. I have my signature on it. It is on No. 452, and Panch Vilas Kamble also has his signature on it.

2. The cheque seized from me is at No. 453 and my signature is on it after seizure. The account statements of Hometed are at No. 440 to 442. My signature is on it after seizure. The account statements of Wardha District Central Cooperative Bank are at No. 449 and 443. My signature is on them after seizure. Hometed had given a cheque to Wardha Bank. The pay in slip with which the cheque was deposited in the Wardha Bank account is at No. 454. Wardha District Bank deposited Rs. 25 crore 24 lakh 72 thousand 83 Rs. 33 paise in Hometed's account under cipher code K. 193734 and its receipt is at No. 455. The debit voucher for sending the money is at No. 456. The details of the cipher code given on the demand of the police are at No. 457. The debit and credit vouchers of the said amount are at Ex. 458 and 459. The certified true copy of the application for opening an account of Homestead is at Ex. 460. The certificate given by me to the police that the photocopies given to the police have been checked against the original documents is at Ex. 461. The form of specimen signatures of Homestead is at Ex. 462. All these seized documents are signed by me and the Pancha.

3. The police had sought information from me regarding the cipher code. I gave it to them through letter No. 463.

4. Cross-examination: Mr. A.H. Khan, Advocate, on behalf of accused K.1:-

All the documents seized from me were in my possession. The account opening documents do not come directly to me but are under the control of the concerned junior officers. The cheques are not presented to me directly. It is not true that all the documents provided were not in my possession at that time. I also have senior officers in the said office. It is not true that I provided the documents to the police on my own without showing them to my seniors. There is no such. separate evidence. The senior officers of this bank always have contact with us. It is true that after opening the account, we had contact with the officials of HomeTed. It is not true that the State Bank had no objection to HomeTed. It is not true that I made a statement in court regarding our district bank. If I demand the original documents from which I gave certified copies to the police, I can bring them to the court. It is not true that I am giving false testimony.

Mr. A.K. Choubey, Advocate for accused 2 and 4:-

5. In accordance with the petition filed on N.K. 450 and the court's order dated 23.11.2012, it was found incapable of conducting cross-examination.

In cross-examination, Mr. P.B. Towery, Advocate, on behalf of accused K.5 to 7, 9, 12 and 13:-

6. The accused showed inability to cross-examine without the lawyers of accused K. 2 and 4 being cross-examined.

Cross-examination: Shri. DM Verma, Advocate on behalf of accused K. 8 and 11: - Denial.

There is no re-examination.

accepted after hearing

Chief Judicial Magistrate, Wardha.
Dated 14.12.2012.

Witness K. for the Government of Sartapaas:-10.

NF.V.K.:573/2002

I hereby solemnly declare that -

Sign A.:4

Name :- Sadanand Kavaduji Uike

Age:- 44 years,

Occupation:- Government job

Residence:-Pimpaleguro Pune,

District :- Pune

Chief Assistant Government Advocate P.B. Wagh:-

1. While I was working in Nagpur as Third Additional Special Auditor of Cooperative Societies, as per the order issued by the Divisional Joint Registrar of Accounts, Cooperative Societies, Nagpur Division, Nagpur vide letter dated 145, 2002, I took the additional charge of Special Auditor of Cooperative Societies, Wardha, in lieu of Mr. G.M. Taywade, Special Auditor, Wardha. The said charge was for the audit of Wardha District Central Cooperative Bank for the financial year 2001-2002. As the Special Auditor of the said bank, I have completed the audit of the bank for the relevant period on the basis of the documents and records provided by the officers and employees of the bank at the time of audit and as per the information received with the help of the subordinate staff.

2 With reference to the documents and records seized by the Local Crime Investigation Branch, Wardha in connection with the crime registered in connection with the transaction made by the bank in the government securities investment of Rs. 25 crores, as per the order of the Hon'ble Chief Judicial Magistrate, Wardha, the relevant seized records have been inspected and examined in the office of the Local Crime Investigation Branch, Wardha and necessary notes have been taken and my necessary opinions have been recorded in the audit report. I have completed the said audit under the authority vested in me under Section 81 (1) A of the Maharashtra Cooperative Societies Act, 1960. I have completed the said audit from 20.7.2002 to 30.9.2002 and have submitted my audit report on 16.10.2002.

3. The said audit report has been shown to me and it is a report prepared by me, it is on N.K. 486, my signatures are thereon and the content is true. On pages C. 21 to 40 of the said audit report, I have recorded detailed opinion regarding the serious irregularities and financial irregularities found in the transaction of Rs. 25 crores in Government securities by Wardha District Central Cooperative Bank, G.O.I-2015-10.47. We have conducted the said audit by considering the provisions of the Maharashtra Cooperative Societies Act and the rules thereunder as well as the bye-laws of the bank, the Banking Regulation Act 1949 applicable to Cooperative Societies and the circular instructions and guidelines issued by the Reserve Bank of India from time to time. The person concerned is responsible for what reason and how as per the bye-laws of the bank in the said transaction.

4. Investment in violation of Reserve Bank of India circulars dated 04.09.1992, 28.7.1993, 1.12.1994 and 235.1995

It has been clearly mentioned about the matter. In accordance with the said points, I have recorded the final conclusion under page C. 38 paragraph C. 30 of the audit report. It has been clearly mentioned in it how the Board of Directors and the General Manager of the bank are responsible for the loss incurred in the relevant transaction. While it is the responsibility of the Board of Directors and the General Manager as trustees to protect the interests of the members and depositors of the bank, they have made investments in the relevant transaction in violation of the circular instructions of the Reserve Bank, and have betrayed the trust of the concerned by not fulfilling their role as trustees and causing loss to the bank. As per the circular instructions of the Reserve Bank, while making investments under the Subsidiary General Ledger (SGL) account is safe in terms of the bank's funds, they have made investments in physical form through Hometrade Limited and caused loss to the bank. In accordance with the said transaction, the bank actually made investments in Hometrade Ltd. The company paid Rs. 25,24,720,83.33/-. The bank did not receive the security for the amount invested in the said investment. Also, the said investment amount was not returned to the bank. Despite continuous follow-up by the bank, Hometrade Ltd. Company did not return the amount to the bank. In the meantime, the bank received some amount as interest. Since the bank did not invest under the S. G. L account and the invested amount was not returned, it was prima facie apparent that there was collusion between the board of directors, the manager of the bank and the concerned Hometrade Ltd. Company.

5. Hometrade Ltd. Company did not return any kind of security or its amount to the bank despite continuous follow-up with the bank. In this, it was seen that Hometrade Ltd. Company had cheated the bank. Thus, in accordance with the above points, as detailed opinion was recorded on pages A. 21 to 40 of the audit report, the Board of Directors and General Manager of the bank, as well as Hometrade Ltd. Company and its directors, who are eligible for legal action in connection with the relevant transaction, are mentioned on pages A. 39 and 40 of the audit report.

Cross-examination: Advocate Shri. A.H. Khan on behalf of accused K. 1:-

6 . It is not true to say that Hometed Ltd. This company has nothing to do with this matter and is not at fault.

(Intermission)

Chief Judicial Magistrate, Wardha.

Dated 14.02.2013.

After the interval, the cross-examination continues:-

19. It is true that I was appointed as a special auditor. I did not give the police the source of the order I received for the special audit. I cannot bring it to your notice today. The audit I did was in accordance with my annual audit, which also raised the issue of fraud. I do not know whether the bank had made any complaint in this matter or whether any order was received from the Reserve Bank. I

Originally from Yavatmal district. I had only one office and at that time I was the head of my office. It is not true to say that I did not have any order to conduct a special audit and therefore I could not present any such order in the court. It is false to say that whatever details I have told in the court, I have told without seeing the documents. It is not true to say that Hometrade Company has no fault or collusion in this matter. It is not true to say that I falsely implicated Hometrade in this matter.

Advocate Shri A.K. Choubey for accused 2 and 4:-

8. My educational qualification is M.Com., B.Ed. and a government diploma in Accountancy and Audit under the department. I do not remember the exact period of passing the said diploma but it must have been around 1996. It is true that two audits are conducted in the District Central Cooperative Bank. One of them is the internal audit of the bank and the other is the statutory audit. I do not know about the internal audit, but the statutory audit has to be done every year. That is a legal requirement. I do not remember now whether I had seen the internal audit or not while doing my audit. However, I had seen the previous statutory audit. It is true that I conducted the special audit sitting in the office of the local crime investigation branch. I sat in the said office and recorded all my notes and later took them to my office and prepared the audit report. The said notes were not seized from me by the police and they are not even registered in the court records. I have not brought those notes with me to the court even today.

9. I have not studied the working of Mumbai Stock Exchange, National Stock Exchange or any other stock exchange in depth. 'G.O. I-2015-10.47' means Government of India maturing in 2015 and carrying an interest rate of 10.47 percent. I cannot tell you the exact wording of maturing or due. The security earns interest half-yearly, so the annual interest rate is 10.47 percent. I do not know whether the said interest is paid on the accumulated amount of interest or only on the principal amount. I have already said that it is paid on the principal amount. The name of the security is the one who gets the said interest.

10. It is not true that pages A. 1 to 20 of the Audit Report No. 486 have no bearing on this case. In the underlined part 'A' on page A. 4, underlined part 'B' on page A. 7 and underlined part 'C' on page A. 15, Hometrade or the names of the accused are not mentioned. On page A. 7 also there is no mention of Hometrade or accused C.2 and 4. On page A. 15 also there is no mention of them. Paragraph C. 2 on page A. 21 was shown to me. The resolution taken by the bank was taken in the matter of the said securities, hence the text related to this case was discussed under the said heading. Whether the bank purchased the said securities or not cannot be answered in yes or no. The answer to that is that the bank has paid the amount to Hometrade for the purchase, but the said securities have not been received by them. The said amount was paid to Hometrade from the Ford branch of Maharashtra Central Cooperative Bank of Wardha Bank. Their account C. I cannot say today that I have not personally checked both the accounts. Page C. 29 above paragraph 16

It was shown. I had seen the letter mentioned in it. Since it is a bank level letter, I cannot show it today. I had seen that letter in person. It is possible that the amount of Rs. 1,28,12,500/- mentioned in it is interest.

(Adjourned until dawn due to the end of court business.)

Chief Judicial Magistrate, Wardha.

Dated 14.02.2013.

Proceedings on Oath:-

11. When I conducted an audit at the office of the Local Crime Investigation Branch on the orders of the Chief Judicial Magistrate, Wardha, no officer of the bank at Wardha was present. It is not true that I prepared the report as the officers of the Wardha Bank and the accused K.5 Salpekar were telling the truth. During my inspection, no contact note was available to me in its original form. I have noted this in the audit report, N. K. 486. I was shown a photocopy of the cheque dated 4.9.2001 which is now N. K. 490. The said cheque K 942613 for Rs. 1,28,12,500/- was given by Homestead Limited to the Wardha District Central Cooperative Bank which is recorded as having been withdrawn at underlined A on page K. 29 of my report. I cannot say for sure whether this amount is for interest only or not. Rs. 10.47 per cent per annum as Rs. The interest on 25,00,00,000/- for one year comes to Rs. 2,61,75,000/-. The interest for half a year comes to Rs. 1,30,87,500/-. If this amount is calculated at Rs. 10.25 per cent per annum, it comes to six months. I did not inquire as to why interest was paid at the rate of Rs. 10.25 per cent even though the original agreement was at the rate of Rs. 10.47 per cent and I did not feel the need to do so. I was shown the letter regarding the sending of the mother cheque. It has now been given N. K. 491. This letter mentions 10.25 G.O.I 2012. It is not true that I had noticed that Homestead had purchased the security 10.25 G.O.I 3012 and the said security was sold on the instructions of Wardha Central Cooperative Bank.

12. I was shown a photocopy of the contact note dated 15.3.2001 which was now given as N.K. 492. It appears from this that brokerage was not paid. I have mentioned in my audit report the details of the matters which I have seen and heard. The total value of this document is Rs. 25,24,72,083.33. The text underlined A on page C. 28 of the audit report was shown to me. I had checked what the cheque of Rs. 4,17,986.11/- mentioned therein was for. The letter in support of it is not with this report and that letter will be with the bank.

13. I was shown five fixed deposit receipts of Rs. 5 crore each, totalling Rs. 20 crore. I did not examine the same during the audit. These receipts appear to have been made after the date of audit. They are now at N. K. 493 to 497. I am not aware whether the said amount is still secured in the custody of the court as fixed deposit and has been renewed from time to time. The original copy of N. K. 492 is at N. K. 417.

14., A photocopy of the letter dated 28.3.2001 was shown to me. She was now given N. K. 498. No information was available regarding the amount mentioned in this letter. It is not true that the securities were sold as mentioned in the letter N. K. 498 and the said amount was deposited in the account of Wardha Bank at Mumbai. It is not true that I concluded that Homestead did not purchase the security to help the officers of the bank at Wardha. A photocopy of the contact note dated 28.3.2001 was now shown to me and she was now given N. K. 499. It is recorded that the said securities were sold. It is not true that the proceeds of the said sale were deposited in the account of Wardha Bank. I do not know for sure how long it takes to transfer the securities purchased.

15. I do not know what is meant by 'Principal to Principal Sale'. It does not appear that brokerage was given in N. K. 499. What is the connection between the reference to HDFC, Federal Bank etc. in the underlined A on page 28 of my audit report and Homestead Limited or these matters? I cannot say. I am generally aware of the directions of the Reserve Bank regarding the purchase of Government of India securities.

(Adjourned until the next date due to the end of court business.)

Chief Judicial Magistrate, Wardha.
Dated 28.02.2013.

Proceedings on Oath :-

16. Certificates in physical form to be given in physical form in the name of those to whom they were sold SGL means Subsidiary General Ledger, Security in SGL form. I do not know whether it can be transferred in physical form or not. I do not know whether there is any process to convert security in SGL form into physical form or not. I also do not know how long the said process takes. It is not true to say that the said process takes at least 30 days, I know

Even so, to help the bank officials, I told them that I was not aware of the matter.

17. What is Consolidation of Physical Certificate? I do not know. What is Odd Lot? I do not know. I do not know how much time the process of Consolidation of Physical Certificate takes. It is not true that the said process takes at least 6 months and despite knowing this fact, I am telling you that I do not know this matter to help the bank officials.

18. What is splitting of certificate? I don't know. I don't know how many days it takes to process it. It is not true that the process takes at least 30 days and even though I know this, I am telling the bank officials that I am not aware of this matter.

19 Before conducting the audit, I had not studied the provisions of the National Stock Exchange's Wholesale Debt Marketing and the related rules and regulations. It is not true to say that all the transactions of Government Securities Trading, such as maintaining SGL accounts, conversion of securities from SGL, payment of interest on securities, etc., are done through RBI. I personally say that they are done under the control of RBI. I cannot say for sure that RBI has appointed a Public Debt Officer for all these matters and all these transactions are done through him.

20. I cannot tell the difference between trading in Government of India Securities and investing in Government of India Securities.

21 Constituents of Broker, Agent and Principal What is it? I cannot tell Counter party is the party selling the security What is LIP (Last Interest Paid Date)? I do not know. What is A.I. (Approved Interest)? I do not know I do not know what BR (Brokerage) is. I was shown the original contract note N. K. 417. Only a photocopy of it was made available to me at the time of audit. In this document, the column of BR is blank, so the brokerage amount is nothing. There was no agreement to transfer the security G.O. I 2015 mentioned in this document in physical form. I know whether the said amount was to be traded or invested. As per the resolution, it was to be invested in government securities and in physical form. Audit Report

I was shown page C. 23 of N.K. 486. In this, the underlined text A is correct.

22 What is an off-market deal? I do not know. I cannot say whether this transaction was a market deal or an off-market deal. The police provided me with all the documents seized during the audit. It is not true to say that I saw only the documents shown to me by the bank staff and I do not know the other documents. There are rules laid down as to what matters the auditor should follow while conducting an audit. I am aware of them. Those rules are binding. The auditor is given some special powers. I do not know whether the auditor is liable to punishment or not if he does not follow the rules. I had seen all the documents that I needed. No.

The amount of Rs. 24,72,083.33 / - shown as A.I. on C. 417 is the interest payable. The total amount of Rs. 25,24,72,083.33 / - is the total amount paid by the bank to Hometrade. The transaction was completed on 15.3.2001 and 16.3.2001 mentioned therein. From this, it is seen that Hometrade bought the security G.O. I 2015 1087. Accordingly, it is seen that Hometrade sold the said security to Wardha District Central Bank. It is not true that documents C 1 and 2 filed with the list N.K. 504 were not seen by me during the audit. It is true that Hometrade is registered with both B.S.E. and N.S.E. and was authorized to trade in G.O. I securities. This is mentioned in my audit report. I cannot give the exact date on which the next interest was to be paid on the amount mentioned in N. K. 417. Since the date of the previous interest in the said document is 12.2.2001, the date of the next interest should be 12.8.2001. I can calculate the interest for the next six months by using a calculator. I was given a calculator, and after calculating it, I say that on 12.8.2001, the interest amount will be Rs. 1,30,87,500/- at the rate of Rs. 10.4.7.

23 The letter N.K. 498 shown to me was not seen by me during the audit. From this document, a difference of Rs. 4,17,986.11/- has been shown from the security sale. It is the profit received from the security sale. But I myself say that in this both the seller and the buyer are the same home traders. It is not true to say that I had seen the said amount of Rs. 8,17,986.11/- deposited in the bank account by cheque N.K. 453. The true copy of the account statement filed by the prosecution was shown to me and now it is N.K. 505. From this it is seen that the said amount was deposited in the account of Wardha Bank, Mumbai. It is true that from these three documents it is seen that 10.25 G.O.I. 2012 and 10.47 G.O.I. 2015 were purchased

The difference amount from the sale transaction was Rs.4,17,986.11/- deposited in Wardha Bank account.

24 . A copy of the contract note filed by the prosecution was shown to me and he was now given N.K.506. I had not seen this during the audit. From this contract note, it appears that a purchase and sale transaction of Rs. 25 crores was made of the security 2012 CG 10.25. The interest payable on this document is Rs.83,99,30556/-. The total value is Rs. 25,33,99,305.56. A copy of the contract note filed by the prosecution was shown to me and he was now given N.K.507. I had not seen this during the audit. From this contract note, it appears that 2015 G.O. I. 10.47

There was a purchase and sale transaction of securities worth Rs. 25 crore. The total value of this is Rs. 25,38,17,291.67. The difference in the values of these two documents is Rs. 4,17,986.11/-

It is seen that the above amount has been deposited in the bank account but it does not appear that all these purchases were made on the instructions of the bank. I was shown the letter of Wardha Bank No. 397. I had checked this during the audit and it is mentioned in paragraph 14 on page C 28 of my audit report. It is not true to say that all these transactions were made on the instructions of the bank. During my inspection, the bank did not reveal anything like this. It is not true to say that I came to know about this matter only then but on the instructions of the bank officials I prepared false records.

(Adjourned due to the end of court business)

Chief Judicial Magistrate, Wardha.
Dated 12/03/2013.

Cross-examination on oath continues:-

25. Contract Note No. 506 was shown to me. I am not sure what the words C.G. mentioned in it mean. It shows that the name of the security is C.G. 2012 and the interest on it is 10.25 percent. From the said document, it is seen that the face value is Rs.25 crore. The total value is seen to be Rs.25,33,99,305.56. It is seen that the interest paid but not actually received is Rs.83,99,305.56. In this agreement, it is also not seen that brokerage was paid. This transaction of 29.3.2001 is seen. The date of the last interest paid on the security in this transaction is seen to be 01.12.2000. The next interest was to be paid on 01.06.2001.

(Adjourned for intermission.)

Chief Judicial Magistrate, Wardha.
Dated 22.03.2013.

After the interval, the cross-examination on oath continues:-

26. Interest on Rs. 25 crore at the rate of 10.25% for 6 months was Rs. 1,28,12,500/-. N.C. 491 was shown to me. From this it is seen that the amount of Rs. 1,28,12,500/- was given under Janata Sahakari Bank's cheque No. 982613 dated 04.09.2001. It is also seen from this letter that the said cheque was for interest up to 04.09.2001 and it was deposited in the current account K. 54/2351/1 of Wardha District Central Sahakari Bank with Maharashtra State Sahakari Bank. The underlined 'A' on page number 29 of Audit Report N.C. 486 was shown to me. The amount mentioned therein is Rs. 1,28,12,500/- and it is shown for interest. N.C. 399 is a letter from Wardha Bank.

This letter was shown to me only to inform about the deposit of the above cheque. It is not true that I knowingly and with the connivance of the officers of Wardha Bank falsely stated that the security of Rs. 25 crores was not purchased. I have noted in the audit report that the interest in N.C. 491 was due on 01.06.2001 and was paid three months late on 04.10.2001. I had seen the letter of N.C. 400 of Wardha Bank and it was mentioned that the bank suffered a loss of Rs. 2 lakhs due to the late payment of the interest. It is not true that the security taken earlier was sold and another security was taken from that amount and the bank received interest on it, these matters came to my notice during the audit. It is not true that I even then deliberately concealed this matter in the audit report to help the officers of the bank. I was shown a photocopy of a cheque. It is at No. 511. The mention of the cheque being dishonoured is at point 'B' underlined at page No. 29 of the Audit Report No. 486. It is not true that I lied even after I came to my senses that no bonds of Rs. 25 crore were taken to save the bank officials. It is not true that I wrote the underlined 'C' in the Audit Report at that time falsely.

27. I am not aware that the police had seized all the documents from the company 'Home Trade Limited' on 03.06.2002. It is not true to say that all those documents were made available to me. I deliberately saw only as many documents as I wanted.

28. There are guidelines regarding the responsibilities and powers of the auditor as an auditor. Those guidelines and notifications are not filed in this case or I have not brought them with me. It is not true to say that I have

The directions were not followed. It is not true to say that I deliberately concealed this matter from the court so that it would not come to the court's attention.

29 What is meant by buying government securities at a premium? I do not know. What is meant by premium and accrued interest? I do not know. Accrued interest should be paid to those in whose name the security is held. I do not remember who pays the accrued interest. It is not true to say that I prepared the audit report as directed by the bank officials without making any inquiry or thorough study.

30. Audit Report No. 486 on page C. 34, paragraph 29 was shown to me. It is not true that I have written the underlined text 'A' therein falsely. The following sentence underlined 'B' is also correct. I do not remember for sure whether I myself had calculated the exact amount of interest that could be earned on the security amount at that time or not. I have written this fact on the basis of records that 100 percent provision has been made in the balance sheet. It is not true that I wrote as the bank officer Salpekar told me.

31. Whether the accused C2 and C4 had induced the bank officials to make the said investment or not, I have not seen from the record. I was shown paragraph 10 on page number 26 of the audit report, in which it is seen that the letter mentioned therein was sent by Wardha District Central Cooperative Bank to Maharashtra State Cooperative Bank, Mumbai by fax. The said amount was paid from Wardha Bank's Mumbai Bank account to Home Trade's account in Mumbai itself.

32. I do not know whether the security holder can sell the security himself or transfer it in the name of others and trade it. N.C. 402 was shown to me. This is a letter given by the bank and it can be seen that in this letter, at the underlined 'A', 2012 has been crossed out and "2015" has been changed. I cannot say anything about this. I was shown a photocopy of the letter dated 01.02.2002, which is on the record of the court. It is now given as N.C. 512. It is not true that I had seen N.C. 512 during the audit and Salpekar had mentioned the security GOI 2012, therefore the interest on it was accepted by the bank. It is not true that I had lied that no investment of Rs. 25 crores was made. I do not remember now whether I had seen this letter N.C. 512 or not.

33. The complaint filed by accused K. 5 with the police on 26.02.2002 was shown to me. It is being given as N.K. 513. I have seen this complaint and I cannot say for sure whether the contents of paragraph 4 thereof are false or not. I did not inquire as to what interest was paid and on what security it was paid as mentioned therein. It is not true that I saw what interest was paid but deliberately concealed this matter. Two contract notes on the court record were shown to me. They are now being given as N.K. 514 and 515. It is not true that I did not see these during the audit. It is not true that I have stated that these two contract notes and the transaction made thereunder were never purchased even though I came to know about them. It is not true that Salpekar dated 17.08.2001

The signed letter which has now been shown to me is being given the number 516. It is not true that I had seen this letter. Since I have not seen this letter, I cannot say that Salpekar had admitted to receiving Rs. 6,07,48,575/- from Wardha Bank through the said letter. It is not true that I came to know from this that a security of Rs. 25 crores was purchased and Wardha Bank accepted a profit of Rs. 6 crores in return. It is not true that I deliberately lied to the bank officials to avoid the original document being produced before the court. It is not true that during the audit, I came to know that the security GI 2015-10.47 was sold on the instructions of the bank before it was physically received. It is not true that I also came to know that. Therefore, the physical transfer of the said security was not possible. It is not true that the Reserve Bank circulars dated 04.09.1992, 2708.1993, 01.12.1994 and 2305.1995 are applicable only to the bank and not to home trade or other private companies. It is not true that I drew the false conclusion that the securities were not purchased.

Cross-examination of accused K. 5 to 7, 9, 12 and 13 Shri P.B. Tawari

(Testimony is being adjourned due to the end of court business)

Chief Judicial Magistrate, Wardha.
Dated 22.03.2013.

Proceedings on Oath:-

Cross-examination of accused K. 5 to 7, 9, 12 and 13 Shri P.B. Tawari:-

34. In this case, my previous Special Auditor Mr. Taywade had given an interim report before my audit report. He had also given the report on the basis of that. Even before Taywade gave the interim report, the bank officials had filed a complaint at the police station.

35. It is true that the bank could invest in government securities as per the rules of the said bank, provided that sufficient funds were available with the bank before making the investment. I do not remember this for sure. I do not remember whether the CRR SLR was maintained properly before this investment. Call money is the amount invested by the bank for a certain period which can never be withdrawn. If call money is to be invested, it is generally to be done in a cooperative bank. The interest rate is lower than that of a fixed deposit. I cannot say for sure whether five to six percent interest rate is available on fixed deposits. It was the practice at that time to get high interest on securities. I did not find that the bank had invested in securities before 24.2.2001. On 16.3.2001, the bank sent the amount for the security but I did not see that the amount was ever sent before that. I do not remember this for certain. Before 16.3.2001, the bank had no correspondence with Hometrade. Out of the contract notes placed on the record of the court and shown to me in cross-examination by the counsel for accused C2 to 4, none of the contract notes bears the signature of any officer of the bank. It is true that I have not seen from any document that Hometrade purchased any securities for the bank before 16.3.2001, but I have also seen that the bank had a lot of correspondence with Hometrade in which the purchased securities were actually demanded. Hometrade had also informed them that after the RBI came

I have not seen any document showing that Hometrade has actually purchased the securities provided to the bank in physical form.

36. Bank had sent Hometrade an amount of Rs 25,24,72,083.33 for the purchase of securities. It is evident from their bank statement that Hometrade received this amount. It is true that in the contract note N.K. 417, the exact amount above Rs 25 crore is shown as accrued interest. It is true that. The accrued interest shown therein is Rs 24,72,083.33, which is not shown to have ever been received by the bank from Hometrade.

37. I was shown the photocopies of the two contract notes filed in the court, which are now being given as N.K.520 and 521. I did not find that any amount was paid to Hometrade by the bank before 16.3.2001 with reference to these two contract notes. It is true that the bank had repeatedly written to Hometrade requesting for the return of its investment. For the repayment of the said amount, Hometrade had given two cheques N.K.411 and 414 signed by accused K.1. These cheques were for the amount of Rs.1,28,12,500 and Rs.26,75,15,270 respectively. It is true that during the audit, I noticed that both these cheques were returned undelivered due to insufficient amount. It is true that the bank had filed a criminal case against accused K.1 and others with reference to these cheques. These matters are mentioned in my audit report on page 31, item C. 24.

38 It is true that the board of directors of a bank meets every two months. The executive board meets once a month.

(Adjourned for intermission)

Chief Judicial Magistrate, Wardha.
Dated 25.03.2013.

After the interval, the reverse sequence continues:-

39. Paise Investment Resolution No. 419 was passed on 24.2.2001. The resolution was approved in the subsequent meeting held on 23.3.2001 under Resolution No. 1. The resolution of 23.3.2001 is at No. 522 in the resolution book. In the meeting of the Board of Directors held on 16.7.2001, the minutes of the Executive Board meeting held on 24.2.2001, 23.3.2001, 25.4.2001 and 26.5.2001 were approved. It is not true that no meeting of the Board of Directors was held after 24.2.2001 till 16.7.2001. It is true that the meeting of the Board of Directors held on 20.3.2001 was to discuss the important issues in the inspection report conducted by NABARD. Generally, a resolution of the executive board is put forward for approval at the next meeting and only then is it put forward for approval at the board of directors meeting.

40. Cooperative banks have H. G. L. (Subsidiary General Ledger) accounts. I cannot say for sure that this account has to be opened with the approval of the Reserve Bank. It is true that the Reserve Bank had directed that cooperative banks should not purchase securities in physical form after 16.4.2002.

41. Hometrade Limited was also registered with SEBI and NSE etc. and I had seen the documents in this regard. The certificate in this regard was sent by Hometrade Limited to the bank. I checked the documents by going to the police office and checking the seized records and checking the bank records by going to the bank. When I checked, I did not allow the bank officials to be present. I cannot say for sure whether I had checked the correspondence received by the police from SEBI and RBI or not, I cannot say that Hometrade Limited was not eligible to trade in the wholesale debt market segment and in government securities. From the documents made available to me, I did not see that Hometrade had purchased any securities or had them in their physical possession.

42. No other amount was ever given to the bank except Rs. 4,17,986.11 as home trade and Rs. 1,28,12,500 and Rs. 2,00,000/-. In this regard, I cannot say for sure that whatever transaction the bank had done was a transparent transaction. It is in the bank's resolution that the bank had made a decision that the bank would get more profit. The said transaction was done. Whatever amount the bank invested and whatever amount. The bank received all these transactions were done through the bank's accounts. There was no actual cash exchange. It is true that no officer of the bank or any member of the board of directors has actually handled this amount. I cannot say for sure that. Therefore, it is not true to say that they have not misappropriated any amount, but the officers and officials of the bank had invested the said amount as per the rules. It is not true that the officers and officials of the bank did not misappropriate any amount. It is true that the officers and officials of the bank have followed up to get the bonds in their possession. Even after following up, they have not received the bonds in their possession or have not received the money back. I have not seen any evidence of Homestead Limited actually purchasing the bonds. It is true that Homestead, in the correspondence it had sent to the bank, had pretended to have purchased the bonds for the bank.

43 I am not aware that when the incident in this case took place, there was a coalition government of Congress and Nationalist Congress in the state. I know that at that time the Minister of Cooperatives Department was from Congress 'I' party. Yes" It is true that the Board of Directors of the bank was from the Nationalist Congress Party at that time. At that time, Shri. Ratnakar Gaikwad was the Cooperative Commissioner of Maharashtra. It is not true to say that. Under pressure from the Cooperatives Department, a false audit report was prepared in relation to the officers and officials of the bank to falsely implicate them. The bank has been cheated in this transaction. It is false to say that the officers and officials of the bank are not responsible in any way for this matter. It is not true to say that the officers and officials of the bank have not violated any instructions of the Reserve Bank.

Cross-examination: Advocate Shri D.M. Verma (on behalf of R.N. Khare Advocate) for accused K. 8 and 11:

48. Other accused's lawyer Mr. P.B. Tawari refused, stating that he had accepted the cross-examination.

There is no re-examination.

accepted after hearing,

Chief Judicial Magistrate, Wardha
Date 2503 2013

Express / Ordinary
Criminal
C.A.No. 219 /2014

Copy of:- P.W. No. 11

1. The date on which the copy
was Applied for on 06/02/2014. Five of Feb 2014
2. The date on which the application
Was completed on 12/02/2014. Twelve of Feb 2014
3. The date (When the date once
Given is subsequently changed,
the list of such changed dates)
given to the applicant for taking
delivery of the copy 15/02/2014. Fifteen of Feb 2014
25/02/2014 Twenty Five of Feb 2014
2014 2014
2014 2014
2014 2014
4. The date on which the copy
Was ready for delivery on 25/02/2014. Twenty Five of Feb 2014
5. The date on which it was
Delivered / Posted on 28/02/2014. Twenty Eight of Feb 2014

Asst. Superintendent
Court of C.J.M. Wardha
Date :- 28/02/2014.

In the Court of :- Chief judicial magistrate, Wardha
Reg. Cri. Case / Sum. Case :- 573/2002
Misc. Case / Crime No. :-
In Case of Parties :- State Vs Sanjay. Agrewal
Decided / Pending on Dt. :- 07-2-14.

Witness K.-11 on behalf of the Government.
I hereby solemnly declare that -

NF.V.K.:573/2002
Sign A.:527

Name-Gangadhar Mahadevrao Taywade

Age :- 68 years.

Occupation: Retired,

Resident:- Somalwada, Nagpur

District: Wardha.

Assistant Government Advocate Mrs. L.S. Gajbhiye on behalf of the Government of Sartapa :-

1. In the year 2002, I was working as a Special Auditor in a Cooperative Society (Bank) in Wardha. The office of the Divisional Joint Registrar, Cooperative Societies, Nagpur had informed me through a letter that I should inquire into the scam related to the investment of Rs. 25 crore in the Wardha District Central Cooperative Bank and submit a report. Accordingly, I went to the office of the said bank in Wardha on both the days of 2.5.2002 and 3.5.2002 and made an inquiry. My office was in the same building as that bank. Through my employee, I requested all the records of the bank's cash book, general ledger book, meeting minutes book and correspondence with the company Hometrade Limited from the said bank to my office. The records I requested were from the period from 1.4.2000 to 31.3.2001. Some of the correspondence was also from the period after 1.4.2001. The concerned officers and employees of the bank also came with the records. I do not remember their names now. I studied all the records and took notes.

2. The minutes of the Executive Board which I have examined are at item K. 'A' from 24.3.1995. The relevant resolutions in this register are at N. K. 419,418 and 522. The minutes of the Board of Directors' meeting are at item K. 'B'. The relevant resolutions in this register are at N. K. 421. In addition, the resolution dated 2.3.2001 is at N. K. 528. I have made a note regarding the reading of that resolution on page K. 122. The relevant letters which I have examined are at N. K. 407, 408,409,410. I have also examined the cheques in respect of the transactions with Home Trade.

3. During the investigation, it came to my notice that the Board of Directors of Wardha Bank should have opened an S.G.L (Subsidiary General Ledger) account with the Reserve Bank as per the directions of the Reserve Bank and made investments but instead of doing so, they made physical investments of Rs.25,24,72,083/- through Hometrade Company. I also noticed that the actual resolution was for an investment of only Rs. 255 crore. The circular containing the directions of the Reserve Bank dated 4.9.1992 along with its accompanying documents K. I, II and III has been filed at No. 529. Due to non-compliance with the said directions, this fraud was possible. If the said directions had been followed, such an opportunity would have been available. I also noticed that the bank should have entered into an agreement with Hometrade Limited for the said transaction but no such agreement was found during the investigation. No tenders were invited for the securities transaction. Tenders invited

If they had, they could have studied comparative interest rates and invested in more profitable bonds in the market.

(Adjourned for intermission.)

Chief Judicial Magistrate, Wardha.
Dated 01.04.2013.

After the intermission, the oath-taking continues:-

4 The then market value of the brokerage rate mentioned in the contract note received from Hogtrade Limited was also not checked by the management and the board of directors of the bank. As mentioned in the circular N.K.529, the board of directors did not approve the government securities investment every six months. The bank's general manager Salpekar did not submit the complete details of the government investment to the board of directors. Therefore, general manager Salpekar and members of the board of directors Sharadrao Bapuravji Deshmukh, Diliprao Narayanrao Kale. Sureshrao Bapuravji Deshmukh, Vasantao Janardhanrao Karlekar, Suresh Motilalji Jaiswal. Vishwanandh Yadavrao Mohod, Syed Shafat Ahmed. Dnyaneshwar Balwantrao Kasnare, Yuvraj Panlabrao Hone, Bharrao Laxmanrao Deshmukh, Madan Babulalji Shrivasa, Shankarrao Bapuravji Waghmode, Dnyaneshwar Ganpatrao Jhalke, Mrs. Mangalabai Deshmukh, Mrs. Smita Bhise, Hometrade Limited Company Mumbai are all found to be responsible. I also noticed that a letter from Hometrade Limited had reached the bank stating that securities had been purchased in the name of the bank. But in reality, the bank had never received any such securities. The said letter from Hometrade is at No. 407 and 408.

5. I had examined all the records up to 25.2002 in relation to securities. Up to that date, no member had received any actual notice of the meeting of 16.7.2001 which is shown in the minutes of the meetings of the Board of Directors, item K B. The members had received the meeting of 27.2001 but the meeting has been shown as 16.7.2001 by tampering in the minutes of the meeting. The said page is K. 123 and is at N.K. 530. We also receive a copy of all the notices. The notice of the meeting of 9.7.2000 which I received is at N.K. 531.

6. Conduct Note N.K. 417 was shown to me. In this, it is mentioned that Hometrade invested Rs. 25 crores in Wardha Bank at the rate of G.O. I. 2015, Security 1087. The bank has not received the investment securities mentioned in this contract note. This amount was also never returned to the bank, due to which the bank suffered losses. I prepared a report on all these matters that came to my notice. The said report was also sent to the Divisional Joint Registrar Cooperative Society, Nagpur on 7.5.2002. A copy of my report is at N.K. 532, my signature is on it and the text is written. After that, on the basis of the said report, I filed a written complaint at Police Station Wardha

The complaint was filed on 8.5.2002. In that report, the Board of Directors, the General Manager, Hometrade Mumbai and their officials were held responsible. My said report is at No. K.533 on which the police registered a first instance under No. K.534, both of which are true and my current content is true. Along with my report, I had given a copy of my audit report No. K.532 and some other documents to the police. My interim report and the letter regarding the documents I gave to the police is at No. K.535.

Reverse investigation Accused c. 1 on behalf of Advocate A.H. Khan:-

7 The audit I conducted was done on the orders of my superiors. I do not know whether it was done on the instructions of the bank or not. It was not a regular annual audit. It is true that the irregularities in the bank were being discussed at that time and the audit was conducted in accordance with that. It is true that I had to conduct the audit only in accordance with the irregularities related to the bank. It is not true that I did not have the order to investigate other matters apart from the irregularities in the bank. I was shown the shadowed letter of Hometrade dated 21.3.2001 which was now given as N.K.536. There were no other securities or certificates with this letter. It is not true that the role of Hometrade Limited Company cannot be determined on the basis of this letter. It is not true that I expressed a wrong opinion.

8. I was shown the Vastu Kab minute book, most of its text is written in Marathi. But in some places some text is in English, I did not ask why the text was written in English. I cannot say that the text inserted later to use the space left blank in the said book was inserted in English. In this minute book, I did not see the leave applications of the members D.N. Kale, S.B. Deshmukh, M.B. Shrivastava who were absent from the meeting on 7.3.2002, because the said date is after the last audit. Even during the audit during my tenure, there were applications of some absent members and there were no applications of some absent members. It is not true to say that the missing letter on page C 156 of the book Vastu Kab. 6 It is not true that Hometrade Ltd. was later forged to protect the bank officials. It is not true that Hometrade Ltd. is not at fault in this case. It is true that Hometrade has paid interest to the bank twice. It is not true that I gave false testimony against Hometrade to protect the bank officials.

Cross-examination: Advocate A.K. Chaubey for accused K. 2 and 4:-

9. (Adjourned by order above N.K.526)

1/4/13 Chief Judicial Magistrate, Wardha. Dated 01.04.2013.

Cross-examination on oath continues:-

9. In 2002, I was suspended for about one and a half years. My audit report did not mention the issue of embezzlement of Rs. 25 crore, so I was suspended. After a departmental inquiry was conducted in the matter, I was given a minor punishment of withholding one increment for one year. After that, I was reinstated. After returning to work, I worked for about 15 days and retired. I did not bring any departmental voucher paper.

10. I have completed my education up to the first year of M.Com. I have given my final year examination. I have obtained a government diploma in auditing. I have almost 34 years of experience in auditing. No other person in my group has been suspended. I had not studied the stock market transactions before doing the audit. G.O.I means Government of India. What does G.S.E.C. and CG mean? I do not know. I had not studied the procedure for investing in government securities. Rs. 25 crore was given for investment. I do not know whether it was given for trading or not.

11. N.K. 419 was shown to me. I know the difference between trading and investment, it is said that the amount was given by the bank for trading. I did not inquire whether it was trading or not. Face value of Government of India Security is the original price of the mother security. The amount of money given for a fixed period is called premium. In the language of stock market, I do not know what discount is. I do not know what principal to principal sale is. Trade date means the date of trade and settlement date means the fixed date. What does buying Government of India Security at premium and buying at discount mean? I do not know.

12. I do not know the meaning of the transaction in the underlined part 'A' of 12 N.K.514 and 499 which were shown to me. Since brokerage is not mentioned in these documents, it means that brokerage was not paid in this transaction. Brokerage is paid to the agent. What is G.I. 2015-1047? I do not know. My meaning is that the bank had paid the said amount for the Government of India securities of the year 2065. The said securities were to be paid in the year 2015. But Hometrade did not buy the said securities. N.K.520 and 492 were shown to me. It is mentioned in these documents that the securities were bought. From these documents, the bank had paid the amount mentioned in it but the bank did not receive the securities. I submit that the amount of brokerage is not mentioned in these. During my inspection, I was provided with the documents which I found to be incorrect. I do not know what is the difference between arrears of interest premium and accrued interest. What is arrears of interest? I do not know anything about it. I do not know what are the government securities of Kharif.

13. I do not know whether Government of India Securities can be converted into physical form in SGL form. The securities should have been taken in SGL form. These securities should have been taken in physical form. Securities could have been taken in physical form but I do not know the process and method. I have not made any enquiry about this. I have also not made any enquiry about how long it takes to convert them. I do not know what is meant by consolidation of Government of India securities. I do not know what is meant by splitting of Government of India securities. I also do not know through whom this is done. I do not know whether there is any difference in buying Government of India and Uttar securities. I do not know anything about the type of trading. I do not know how interest is paid and by whom. I don't know what is meant by market deal and off market deal, a broker should be a member of the stock exchange but I don't know. I don't know whether every member is a broker or not. I don't know whether a member can do trading, investment etc. in his own name or not. I have never seen what are the rules of the stock exchange. SGL account is opened in the Reserve Bank to buy Government of India securities. It is not opened for private securities. I don't know what is the purpose of SGL account

14. The first form I gave was shown to me. I cannot now say on what basis I wrote the text underlined 'A' in it. I do not know whether I had given the letter mentioned in underlined 'B' in it to the police or not. It is not true to say that I did not receive any such letter. It is not true to say that I had no authority to audit the accounts of the said bank. The date of my interim report is 7.5.2002. No date appears on the report N.C.532.

15 It is not true to say that the text 'A' in this interim report is true, as written by Interim Annawal. It is not true to say that I had noticed that Hometrade and its officers had not committed any fraud against the bank, therefore I did not mention them in N.K.535. N.K.529 was shown to me. It is true to say that the said circular is applicable only to banks and not to private institutions. It is true that the transactions made as per the said circular are binding on the banks and not on Hometrade.

16 I have never noticed that accused K. 2 and 8 were present in any meeting of the bank. I have used the word 'premium' underlined in place 'B' in N.K.532 in the said sentence because the bank used that word. N.K. 492 was shown to me. It is not true to say that I knew that the amount written in place 'B' underlined in N.K.532 was not premium but accrued interest. I do not know who pays accrued interest to whom. It is not true to say that I know about accrued interest. The police recorded my statement on 27th May 2002.

was recorded. I do not remember whether I told the police the underlined 'A' text or not. I do not know why the police wrote it like that. I do not know whether the securities were to be converted from the SGL form to the physical form or not. I must have mistakenly written the underlined 'A' part in N.K.535. It is not true to say that the underlined 'B' part is false.

17. Cheque N.K.453 was shown to me. I did not inquire about the amount in it. I do not remember whether the said amount was credited to the account or not. It is seen that the amount of the said cheque was credited to the account N.K.5059. It is not true to say that the said amount is about the profit received from the sale of GOI 2015 securities. I did not inquire about the amount of this deposited amount. It is not true that I filed a false complaint to protect the bank officials even though I came to know during the audit that the above securities were purchased on the instructions of the bank and the profit was deposited in the bank account on their instructions. It is not true that. It is true that I came to know that this transaction was not just a paper transaction.

18 It is true that HomeTed was registered with SEBI, BSE and N.A.C. I do not know whether the mother company was also registered with the Reserve Bank.

(Adjourned due to the end of court business hours.)

Chief Judicial Magistrate, Wardha.
Date:2008 2013.

Ulattapal Shayever Start

Cross-examination: Advocate Shri. A. K. Chaubey for Ropi K. 2 and 4:-

I do not remember whether I gave a copy of the letter in which the Divisional Co-Registrar Cooperative Society had informed the police about the investigation into the scam and submission of the report in 2002. I saw the relevant documents from the bank's sixth new manager, Mr. Parne. I do not remember whether I took certified true copies of the documents and gave them to the police or not. I did not take anyone's statement.

(Testimony adjourned due to the end of court business)

Chief Judicial Magistrate, Wardha.
Dated 02/05/2013

Cross-examination to proceed on oath

On the contrary, accused No.2 and 4 are represented by Shri A.K. Choubey, Advocate :-

I was shown the contract note No. 505. I do not know where the comma is in it. I cannot tell what was the transaction in it after reading this contract note. It does not show that the brokerage amount was paid. I cannot tell that Home Trade had purchased the securities in the name of Wardha Bank as per the said contract note. Home Trade itself had purchased those securities. I do not know that the securities mentioned in that contract note were owned by Home Trade itself and they transferred them in the name of Wardha District Central Cooperative Bank. It is not true to say that. The collateral mentioned in it falls under the heading 'Principal to Principal Sale' and even though I know this, I do not say it. I do not know that due to this, brokerage was not shown. The total price shown in it is Rs. 25,28,72,083.33.

I was shown the letter No. 394. The amount mentioned in this letter is Rs. 25,24,72,083.33 which is the same as the amount mentioned in No. 505. It is also mentioned in this letter that the said amount was to be transferred to the account of Home in Mumbai itself. I do not know whether it was transferred as per the transaction in No. 505 (in Contract Note No. 6541) or whether this amount was transferred from the account in Mumbai to the account in Mumbai itself.

I am not aware that financial institutions ensure their profits before 31st March as far as possible. N.K. 507 (Contract Note No. 6507) was produced to me. I am not aware of the transaction as per this Contract Note. I am not aware whether the security was sold as per the said Contract Note or not and I am not aware whether the brokerage amount was paid or not. I am not aware that this matter was brought to my notice. As per the said document, the Government security was sold for Rs. 100.16 per share. It is not true that I was also aware that the bank had made a profit of Rs. 9,45,208 34 in just 13 days.

Nick 506 (Contract Note No. 6571) was shown to me. I do not know what transaction took place as per this Contract Note. I do not know that as per the said Contract Note, the security of Minister CG 2012 worth Rs. 25.33.99.305.56 was purchased. It is true that I had noticed that as per the said Contract Note, 1047 interest rate securities were sold and 10.5% security was purchased as per the Wardha Sub-Bank. I do not know that the said security was purchased at the rate of Rs. 98 and due to this the bank made a huge profit.

I was shown the cheque No. 453. I do not remember whether I had seen the said cheque or not. I do not remember who gave this cheque to Kannanna. I do not remember that it was for the profit given to the Haiw District Central Cooperative Bank. I was shown the rice extract No. 443 of the bank in which it was stated that an amount of Rs. was deposited in the account on 1st April 2001 and now the amount had been received by the Dhardha Bank.

It was indicated. I was shown N.K.397. I do not remember that I saw the said document during the audit in which Wardha Bank had directed the head branch at Mumbai to deposit the said cheque in their account. I do not know whether I noticed that the transactions in Contract Note No. 6569 and 6571 were settled. I do not know whether I noticed that all these transactions took place in Mumbai itself.

(Testimony adjourned for recess)

Chief Judicial Magistrate, Wardha
Dated 20th May, 2013.

Cross-examination resumes on oath...

I was shown N.K. 506. I cannot say when the last interest was paid on the security mentioned therein. I cannot say anything about when the said interest was due and when it was to be received. I do not remember that the last interest was paid on this contract note dated 1.12.2000. I do not remember that in this the bank received a total interest profit of Rs. 83.99,305.56. I cannot say when the next interest was to be received.

(Testimony is being adjourned due to the end of court business)

Chief Judicial Magistrate, Wardha.
Dated 20/05/2013.

Next cross-examination continues

Before my retirement, I was dismissed from the post of Special Auditor from District Central Adhikosh Wardha. The witness himself says that he was dismissed due to the irregularities in the said case. I do not know about the Mumbai Stock Exchange. I do not know how their transactions are conducted. Also, I do not know what brokerage is, how tax is levied, I do not know about forward trading. The District Central Adhikosh, Wardha Bank had given an amount of Rs. 25,00,00,000/- to buy Government of India-2015, 10.47 per cent. It is true that according to it, the Government of India securities were to mature in the year 2015 and interest was to be paid on it at the rate of 10.47. It is true that I myself had seen the agreement in this regard and the Wardha District Central Cooperative Bank had demanded it in physical form. I am not aware that the Reserve Bank of India provides security in physical form and it takes at least one to one and a half months for that. I am not aware that the Home Trade Company sent a letter to the Reserve Bank of India asking for security in physical form because the parties demand it. It is not true to say that while the said proceedings were pending with the Reserve Bank of India, the Wardha District Central Cooperative Bank informed Home Trade through an e-mail that it had sold the amount of Rs. 25 crore it had invested and reinvested it.

It is true that the Wardha District Central Cooperative Bank had given the said amount of Rs. 25 crore to Home Trade for trading. I do not remember that as a result Home Trade sold Government of India-2015, 10.47 and bought 2012, 10.25 and its original price was 25 crore and the interest on the last day i.e. 01.06.2001 was 1,28,12,500/- and it was paid to Wardha District Central Cooperative Bank by cheque. I do not know whether this was mentioned in the complaint of accused K 5 Rajan Salpekar or not. It is true that in the agreement, Order No. (Order No.), Security No. (Security No.), Security Name (Security Name), Buy and Sell Trade No. (By & Sale Trade No.), Trade Time, Trade Date, Counter Broker Name, Counter Participate Name, Settlement Date, Purchase Value, Last Interest Date, Tax Deducted, Approved Date, Total Consideration etc. should have been mentioned. I was now shown Agreement No. 507. It is not true to say that as per the said agreement, Government of India-2015, Total Consideration of 10.47% was purchased by Home Trade in the name of Wardha District Central Cooperative Bank at a price of Rs. 25,38,17,291.67/-.

Chief Judicial Magistrate,
Wardha Date 09.01.2014

Punil's cross-examination continued

when I conducted an audit of the District Central Cooperative Bank, Wardha. The persons who came to my attention were Mr. Bodle, Mr. Dofe, the auditor, Mr. Bhun and Mrs. Joshi, the deputy auditor (si) auditor, four clerks and a soldier. I can tell you what the responsibility of each of those persons was at that time. It is difficult to say that I had the entire responsibility of auditing the District Central Cooperative Bank, Wardha and its other branches in Wardha district and therefore I had allotted the work to the said person for my convenience. I do not remember what the difference is between premium and accrued interest. I was aware of it at the time of the incident, because the matter was related to my work at that time. I was shown report No. 552 and I am aware that at the time of the incident, Government Securities were being sold only in SGL Farms and only in exceptional cases were they sold in the Military Farm. The contract number 417 which was being sold to me is correct in saying that the interest on the shares was shown as Rs. 24,72,083.33. It is true that the price of the original security was shown as Rs. 25,00,000/-. It is true that the total transaction value was $24,72,083.33 + 25,00,000/- = 25,24,72,083.33$. It is true that as per the said agreement, the Government of India's 2015 security amount of Rs. 25,24,72,083.33 was purchased from Hometrade. It is not true that the said security was taken by the bank without paying premium. I do not know who is paying the interest and who is paying the interest and who is supposed to get it. I did not read the circulars of the Government of India i.e. RBI before making the inquiry, but the said circulars are not attached with the audit report. I do not know what was the original price of one share in the disputed transaction.

Prakal Nadi, whether the shares in the said transaction were given at a premium or at a discount or in any other manner, I had read the resolution passed by the Executive Board dated 24/2/2001 and I have now been shown the original resolution No. 419: Having seen it, I state that it is true that the content of the subject matter of the resolution in clause 6, clause 9 is true. It is true that according to the said resolution, it was decided to trade the securities of the Government of India 2015 through home trade. I do not know anything about prorations and trading. I do not know that if a proration of Rs. 100/- is bought for Rs. 80/- or Rs. 110/-, what is that transaction called? I have now been shown the agreement no. 507. I did not see the said agreement at the time of audit because I did not find the said agreement on record. I have seen the agreement no. 507 and I state that the transaction therein is dated 28.3.2001 and the settlement date is 29.3.2001. I am not aware that any trading was done as per the said agreement. It is true that as per the said agreement, the Government of India had sold shares of 10.47 and its total price was 25,38,17,296.57 and it included accrued interest of Rs. 34,17,29,167. It is true that the price of one share was Rs. 100.16. It is true that as per the said agreement, there was one share. It is true that as per the said agreement, there is a counter party home trade. I am not aware that as per the said agreement, Home Trade bought back the securities from Wardha District Central Bank by paying a premium of 16 paise. It is not true that as a result, Wardha District Central Bank got a profit of Rs. 9,45,208.34 in just 13 days and as a result, the said bank got a net profit of Rs. 4,00,000/-. It is not true that even though I am aware of all the transactions, I am lying and saying that I am not aware of them. It is true that as per the said agreement, the net profit of Rs. 4,00,000/- has been deducted from 0.16 paise. I am not aware that as per the said matter, the said bank got a total profit of Rs. 13,45,208

It is not true that the matter came to my notice during the audit. I have known accused K5 since 1999. It is true that accused K5 did not show the agreement and K507. It is true that I had taken all the documents of the home trade in my possession. It is true that I had obtained all the documents of the home trade transactions with the Maharashtra State Co-operative Bank Fort, Mumbai and the District Central Bank, Wardha.

Agreement No. 506 I have now been informed that I did not see the said agreement at the expected time because the said agreement was not on the records of the said bank. It is true to say that I saw only the documents which were presented to me by the said bank.

Letter No. 498 was received. I had never seen the same letter. Now I have been given account slip No. 440 and letter 397. It is said that in letter No. 498, Home Trade has accepted the net amount of Rs. 4,17,986/- to Wardha District Central Bank. It is said that in letter No. 397, it is stated that Maharashtra State Co-op Bank should accept the cheque No. 695110 dated 29.3. 2001 from Home Trade for the District Central Co-operative Bank and deposit it in the account No. 54/2351/1 of Wardha District Central Co-operative Bank. Now I have been given account slip No. 443. I have been given account slip No. 7440. It is said that the account slip No. 445 dated 30/03/2001, it is recorded that the cheque No. 455 has been paid to Wardha District Co-operative Co-op Bank. In this regard, I state that the contents of the letter No. 498 are true. It is true to say that according to the letter No. 498, 397, cheque No. 453 and account statement No. 440, it appears that whatever agreement was reached between Wardha District Co-operative Co-op Bank and Home Trade has been fulfilled.

16/01/14 Chief Judicial Magistrate, Wardha
Dated 16.09.2063

Further cross-examination continues

The interest on Rs. 25 crores at the rate of 10.25 per cent for 6 months was Rs. 1,28,12,500/-. N.C. 491 was shown to me. From this it is seen that the amount of Rs. 1,28,12,500/- was paid under Janata Sahakari Bank's Cheque No. 942613, dated 4.2.01. It is also seen from this letter that the said cheque was for interest up to date 4901 and it was deposited in the current account C 54/2351/1 of Wardha District Central Cooperative Bank with Maharashtra State Cooperative Bank. Page C of Audit Report N.C. 486. 29 The underlined 'A' above was shown to me and the amount mentioned therein is Rs. 1,28,12,500/- and it has been deposited as interest. It is not true to say that the letter shown to me was to inform me about the deposit of the above cheque, but that I knowingly and with the connivance of the officers of Wardha Bank falsely stated that the security of Rs. 25 crores had not been purchased. The interest due date in NIC 491 was 16. 01 and the payment was made three months late on 410.01. I have noted this in the audit report. I had seen the letter of NIC 400 of Wardha Bank and it was mentioned that the bank suffered a loss of Rs. 2 lakhs due to the late receipt of the interest amount by three months. It is not true to say that the security taken earlier was sold and another security was taken from that amount and the bank received interest on it, these matters were brought to my notice during the audit. It is not true to say that, nevertheless, I deliberately concealed this matter in the first instance to help the bank officials. I was shown a shadow copy of a cheque, which is N.K.511. The cheque was dishonoured in the audit report N. K. 486 on page No.29, underlined 'B'.

It is not true to say that after coming to the court, the bank officials were lied about not having taken Rs. 100 crore in bonds to save them. At that time, I dug up the text underlined 'A' in the audit report, Nikola.

It is true that all the agreements and transactions in dispute were made at the Maharashtra State Co-operative Bank, Fort Shasta, Mumbai. I filed the first application on 85/2002 and before that, the accused K.5 Malpekar filed the first application on 26/4/2002. It is true that I read the first application filed by the accused K.5 Salpekar on 26/4/2003. It is not true that I came to know that there were also illegal trading activities in the District Central Co-operative Bank, Wardha and Home Trade. It is not true that the securities dated 10/457/2015 of the Central Bank of India, Wardha were sold in the open market as per the instructions of the District Central Bank of India and the bank made a profit and the profit was received by the bank by cheque. The plaintiff himself claims that the profit was received by the bank and the interest was received by the bank by cheque and the entries were made in the bank account. It is not true that the accused 5 Salpekar deliberately concealed the things which he had concealed in his previous statements, I also deliberately concealed in my statement because I wanted to help him and other employees of the bank. It is not true that I had noticed that the accused 5 Salpekar had deliberately filed a false statement. Not true, a false first-degree FIR was filed against accused K2 and 4 as per the instructions of accused K5 and other employees of the mother bank and to help them.

20/01/14

Chief Judicial Magistrate, Vada,

Deposition of Witness No. 12 for the State

I do hereby on solemn affirmation state that-

My name is: A Satyanarayana Sharma

Age is about: 63 years. Occ: Pensioner.

Residence: Peeruncheru Hyderabad,

District: Hyderabad-500091

Examination-in-Chief by Smt. Gajbhiye, A.P.P.

In the year 2002 I was working as Deputy General Manager in National Bank for Agriculture and Rural Development (NABARD) at Pune Regional Office. All Central Co-operation Banks in the State were supervised by our regional office. As per the approval of our regional office incharge I programmed the inspection of District Central Co- operative Banks. To the best of my memory. I can say that an inspection team of some officers headed by Shri.J.N.Prasad had inspected the Wardha District Central Co-operative Bank. I was not in the team. That inspection was with reference to the bank's financial position as on 31st March, 2002.

(The examination-in-chief is deferred vide order below Exh.

551 which is an adjournment application filed by the accused no.1).

FIR.PR.No.573/2002
Government vs. Sanjay Agrawal and others
No. 743

**The prosecution continues to give evidence on the oath of witness
number 13: also sung songs on oath,**

My name is Anant Ganpatrao Kanhe,
Age 75years Occupation Retired
Residence: Bachelor Road, Near Paras Oil Factory, Taluka. Dist. Wardha

Sartapas Shri. Umre Assistant Public Prosecutor Prosecution
Accused No. 1 Sanjay Agarwal, A. Ropi No. 2 Subodh Bhandari, Accused No. 4 Nandkishore " Nivedi does not know Accused No. 5 Rajan Salpekar, Accused No. 6 Dilip Kale, Accused No. 7 Dnyaneshwar Jhalke, Accused No. 8 Madan Shrivastava, Accused No. 9 Vasantkar Karlekar, Accused No. 11 Smitatai Bhise, Accused No. 12 Sharad Deshmukh and Accused No. 13 Kashinath Parve. Accused No. 5 was the General Manager of Wardha District Central Cooperative Bank. Accused No. 6,7,8,9,11 and 12 were directors of that bank. Out of them, accused No. 6 is deceased. Accused No. 13 was an employee of the bank. Complainant Gangadhar Taywade does not know. G. worked as a banking officer in Wardha District Central Cooperative Bank from 1972-73 until he retired in 2006

The police had called me as a witness to seize documents in Wardha District Central Cooperative Bank. At that time, accused No. 5 was working as a manager in the bank

was working. The police seized a total of four documents from me, namely the signature and signatures of accused No. 5, the leave application and the applications filed from time to time. All the seized documents have my signatures. Now the document shown to me is the same and the signature on it is mine. It is given as No. 744 to 747 respectively. Also, the extract of the register regarding the allowance of the Board of Directors was seized from me. Now the extract shown to me is page no. 7 to 18 and my signature on it as a judge. It is given as No. 748.

Opposite investigation: Shri.N.V. Pawar Advocate on behalf of accused No.1:

The police did not seize any documents of accused No. 1 in my presence. I have no knowledge of the incident. It is not true to say that the seizure committee signed on the instructions of the senior officers of the bank. I do not know which documents the police seized. It is not true to say that the police did not seize the documents in my presence and did not even take my signature.

On the contrary, Mr. P.N. Deshpande, Advocate, on behalf of accused No. 2 and 4, rejected the investigation.

On the other hand, the accused Nos. 5 to 13 were represented by Shri. P.B. Tawari, Advocate, Karle

N.F.P.No.573/2002 Government vs. Sanjay Agrawal and others N.No.743

The cross-examination is over. There is no further investigation.

Sa.wa.da.b.a.k.k

The prosecution continues to give evidence on the oath of witness number 14:

My name is: Sridhar Vasant Rajderkar.

Age 58 years

Occupation - Job, Junior Officer, Public Co. BANK LTD.

Resident of - Pune, Dombivali, Tal. Dist. Thane.

Sartapas Shri. Umre Assistant Public Prosecutor Prosecution:

Accused No. 1 Sanjay Agarwal, Accused No. 2 Subodh Bhandari, Accused No. 4 Nandkishore Trivedi, Accused No. 5 Rajan Salpekar, Accused No. 6 Dilip Kale, Accused No. 7 Dnyaneshwar Jhalke, Accused No. 8 Madan Shrivastava, Accused No. 9 Vasantrao Karlekar, Accused No. 11 Smitatai Bhise, Accused No. 12 Sharad Deshmukh and Accused No. 13 Kashinath Parve do not know. Also, I do not know the complainant Gangadhar Taywade. I have been working at Janata Sahakari Bank Limited, Fort Branch, Mumbai since 2002.

On 30.8.2002, I was working as a clerk in the same bank. Satish Arvendekar was working as a junior officer in our branch. Also, Shrikant Deshpande was working as the branch head of our branch. On that day, while I was present in the bank

The police of the local crime branch, Wardha, had come to our bank. They seized a total of eight cheques and one challan from Shrikant Deshpande in my presence and made a seizure panchnama in return. The seizure panchnama that has now been shown to me is the same and has my signature on it, along with the signature of another panch, Satish Arvendekar. I recognize his signature because I worked with him. The content in it is correct. It is given No. 754.

The seized challan and all eight cheques were shown to me. That is it. The challan Cheque No. 755 and all eight are given No. 756 to 763 respectively.

Opposite investigation: Shri.N.V. Pawar Advocate on behalf of accused No. 1:

I have no idea how much the seized checks were for.

The police did not show me the said cheque at the time of seizure. It is not true to say that the police had taken my signature on a blank piece of paper. The police did not inform me about the proceedings.

It is not true to say that the police did not carry out the seizure proceedings in my presence.

On the contrary, Mr. P.N. Deshpande, Advocate, on behalf of accused No. 2 and 4, rejected the investigation.

I do not know whether accused No.2 was employed in the company of accused No.1.

I do not know whether accused No. 2 distributed the cheques No. 759, No. 761 and No. 763 on the orders of his superiors. It is not true to say that the said cheques were not distributed personally.

Opposite investigation: Shri. P.B. Towery Advocate on behalf of accused No. 5 to 13:

Janata Sahakari Bank Limited, Pune is a Scheduled Bank and has been operating since 1949. All the people who open an account in the bank are provided with a cheque book by the bank. All the cheques from No. 756 to No. 763 are from Janata Sahakari Bank Limited, Pune Branch Fort Mumbai. Hometrade Limited, M/s Hooghly Trading and Investment, M/s Maniram Consultant and Investment Limited, M/s Dalhousie Securities Private Limited, M/s Podar Trading Company Limited and M/s EDTV India Limited all have accounts in our bank. Documents are taken as per the rules while opening an account. You need to find out who the signing authority is for the check.

All the above cheques are dated 19.3.2001. All the above cheques are dated on the same day.

That is, on 19.3.2001, after circulating in all the banks, Rs. 40 crore was finally given to Nagpur District Central Cooperative Bank Limited through cheques No. 756 to 763. As per cheque No. 755, the amount of Rs. 25,24,70,000/- was deposited in Hometrade Limited. After verifying the signatures on the cheque, all the above transactions were done. The said Rs. 25,24,70,000/- as well as Rs. 15,00,00,000/- coming from another account were circulated in four accounts and finally a total of Rs. 40,00,00,000/- was deposited in EDTV and the cheque of EDTV's account was deposited at Nagpur DCC Bank.

I recognize the signature of our manager Mr. Deshpande. The letter of Mr. Deshpande giving the above cheque to the police has now been shown to me. That letter bears the signature of Mr. Deshpande. Since he is my senior officer, I recognize that signature. The content in it is correct. It is given No. 764. At present, Mr. Limiye is the Assistant General Manager at the Head Office. I recognize his signature. Mr. Limiye

The letter dated 18.12.2012 to DCC Bank Wardha was shown to me. The signature on it is that of Mr. Limaye. Along with that letter, he has attached the account details of Messrs. Hooghly Trading and Investment, Messrs. Maniram Consultant and Investment Limited, Messrs. Dalhousie Securities Private Limited, Messrs. Podar Trading Company Limited and Messrs. EDTV India Limited as well as the details of the authorized persons. That information is correct. The content of the letter is correct. It has the seal of the General Manager of the bank, Mr. Limaye and the bank. It is given No. 765 and the information attached with it is given No. 766.

Cross-examination is over.
There is no re-examination.
Sa.wa.da.b.a.k.k.

in front

**The prosecution continues to give evidence on oath from witness
number 15:**

I swear,

My name: Shrikant Someshwar Deshpande
Age 67 years, Occupation Retired, Residing in Pune, Ta.G.Pune
Sartapaas Mrs. Jyoti Lakde Madam Assistant Public Prosecutor For the prosecution:

On 29.8.2002, I was working as a Branch Manager at Janata Sahakari Bank Branch Fort Mumbai. While I was on duty, Sanjay Deshpande had written to him and demanded some documents. In accordance with that letter, I gave him seven to eight cheques in the presence of S.No. 14 Rajderkar. I will be able to identify the said documents after seeing them. Now the credit voucher shown to me on N.No. 755 is the same. Cheque No. 695101 of Maharashtra State Cooperative Bank for the amount of Rs. 25,24,70,000/- was deposited in the account of Hometrade.

Now, the cheque No. 793893 dated 19.3.2001 against No. 757 shown to me is the same, amounting to Rs. 10,00,00,000/- and the said cheque was deposited by Hooghly Trading and Investments in the account of Maniram Consultants and Investments Private Limited on the same day.

Now, the cheque No. 857123 dated 19.3.2001 for the amount of Rs. 23,48,85,000/- on No. 760 shown to me is the same. The said cheque was given by Maniram Consultants and Investments Private Limited to Dalhousie Securities Private Limited, which is in our bank, and they deposited it in their account on the same day.

Now, the cheque No. 816567 dated 19.3.2001 against N.No. 758 shown to me is the same as the cheque No. 816567 dated 19.3.2001 for the amount of Rs. 1,51,15,000/- and the said cheque was given by Poddar Trading Company to Dalhousie Security Private Limited and since both the accounts are in our bank, it was deposited in their account on the same day.

Now, the cheque No. 816566 dated 19.3.2001 against No. 762 shown to me is the same, amounting to Rs. 13,48,85,000/- and the said cheque was given by Poddar Trading Company to Maniram Consultants and Investments Private Limited which was credited to their account on the same day.

Now the cheque No. 756 Breril Cheque No. 907392 dated 19.3.2001 amounting to Rs. 15,00,00,000/- shown to me is the same and the said cheque is drawn on Hometrade Company

He paid the money to the company, which was credited to his account on the same day.

Now I am shown the cheque No. 829998 dated 19.3.2001 on N.No.759. The amount is Rs. 40,00,00,000/- and the said cheque was given by Euro Discover India Limited to Nagpur District Central Cooperative Bank. This cheque came to our bank for collection from Maharashtra State Cooperative Bank which we cleared and sent on the same day.

Now the cheque No. 904726 dated 19.3.2001 on No. 761 shown to me is the same, amounting to Rs. 40,00,00,000/- and the said cheque was given by Dalhousie Security Private Limited to EDTV India Limited and it was credited to their account on the same day.

Now I was shown the cheque No. 907391 dated 19.3.2001 on No. 763, amount Rs. 10,00,00,000/- and the said cheque was given by Hometrade Limited to Hooghly Trading and Investment. Since we have both the accounts, it was deposited on the same day.

Now the letter No. 764 dated 30.8.2002 shown to me is the same and the said letter was given by my signature to the Police Inspector Local Crime Branch Shri. Sanjay Deshpande. According to the said letter, it is stated that all the documents requested by him as per the Caesar memo were provided to him. All the documents were already seized by the CBI after the account was opened by Hometrade Limited. .

Since all the above people have accounts in our bank, the said amount was deposited in their respective bank accounts. I cannot say anything about the subsequent transactions.

On behalf of the accused No.1, Mr. Zahid Ali, Advocate:

I was appointed on 8.6.2002 at Fort Branch, Mumbai. Since all those transactions were before me, I do not have direct knowledge of them. The witness himself says that I can tell after seeing the documents. The responsibility of the branch manager or senior officer is to verify the transactions and also to control the concerned branch. There is a separate department in the bank for opening accounts, accepting forms and taking signature samples of the concerned account holders. It is not true to say that the branch officer or senior officer does not have direct knowledge of the person whose signature samples are taken

I cannot say today whether the letter given by Sanjay Deshpande was received by an employee or officer in the bank. There is no comment on the letter No. 764 as to whether Sanjay Deshpande received it. Also, there is no receipt of which documents were provided on that letter. The witness further states that those documents are recorded in the Panchnama. The documents received in the bank have an incoming number and the documents provided in the bank have an outgoing number. I did not bring the original bank document with me today. It is not true to say that I cannot tell the information about the documents filed in the court without seeing the bank records. The account number and the names of the relevant account holders are not mentioned on the letter No. 764. It is not true to say that no documents were seized from me. It is not true to say that all the proceedings were conducted without my knowledge. It is not true to say that there is no comment on that letter as the police's receipt because I did not provide any information to the police. It is not true to say that I am giving false testimony on the instructions of the police...

On the contrary, Mr. P.N. Deshpande, Advocate for accused No. 2 and 4, rejected the investigation.

On behalf of accused Nos. 5, 7, 8, 11 to 13, Shri. P.B. Towery Advocate:

All the cheques mentioned in the certificate are high value cheques. I have an account with Hometrade Limited in Fort Branch of Bank Mumbai before joining. Now I am being shown

FIR.PR.No.573/2002
Government vs. Sanjay Agarwal and others
No.804

The cheque on No. 759 dated 19.3.2001 has been issued by Euro Discover India Limited to Nagpur District Central Cooperative Bank for the amount of Rs. 40,00,00,000/-. The signature of the drawer on all the cheques on No. 761, 756, 759, 763 is seen to be of the same person. It is not true to say that the name of the drawer on all the cheques is seen as Bhandari from the signature. I do not see his name as Bhandari.

I have given a certificate dated 30.8.2002. It was on our bank letterhead. The said certificate was given under my signature. On 19.3.2001, 25,24,70,000/- was deposited in our Home Trade account number 2364 from account number 17031 in Maharashtra State Cooperative Bank, Mumbai. After that, the amount in all the above cheques No. 763, No. 756, No. 757, No. 760, No. 758, No. 762, No. 761, No. 759 was finally deposited in the name of the same bank in Nagpur District Central Cooperative Bank. All the said cheques are dated on the same day i.e. on 19.3.2001. I had given a certificate as to how the said amount was deposited in Nagpur DCC Bank. All the above cheques were mentioned in that certificate. In 2001, as per the bank rules, the original documents of cheques should be kept for ten years. All the above cheques were account payee cheques. In the daily transactions of the bank, those cheques have to be recorded in the account and taken as such.

I had given the certificate only after verifying all those matters. All the above cheques were kept by the bank as per the rules and were provided to the police as per their written request.

Cross-examination is over.

There is no re-examination.

Sa.wa.da.b.a.k.k.

(The testimony of the witness is being recorded through video conferencing from the Minority Court, Mumbai)

The prosecution continues to give evidence on the oath of witness number 16:

I declare under oath that my name is

Ketan Rajnikansh Chowkse

Age 57 years Occupation Chartered Accountant

Residing at 1309, B-Wing, Shankar Sheth Palace, Nana Chowk, Mumbai-7

Sartapaas Mrs. Jyoti Lakde Madam Assistant Public Prosecutor For the Prosecution Party:

I am a Chartered Accountant. I have thirty years of experience as a Chartered Accountant. In the year 2002, I was working in Y. C. Dalal Associate. On 14th August 2002, I had received a fax from Sanjay Deshpande L. C. B. Wardha seeking information regarding Route Map and Follow Chart of Outflow of Money in Case No. 124/2002. The same letter has been shown to me now. It is given No. 839. After that, I was shown the account statements of all the transactions. Based on that, I prepared Route Map and Fund Follow Chart and on 3rd September 2002

Sanjay Deshpande along with the letter. Now the letter shown to me is the same and it has my signature on it and the seal of Y. C. Dalal Associate. The content in it is correct. It is given No. 840. Now the route map shown to me is the same and the content in it is correct. It has my signature on it and the seal of our firm Y. C. Dalal Associate. The content in it is correct. It is given No. 841. Now the fund flow chart shown to me is the same and the content in it is correct. It has my signature on it and the seal of our firm Y. C. Dalal Associate. The content in it is correct. It is given No. 842.

As per the route map and fund flow chart, Rs 25.25 crore was deposited from Wardha District Central Cooperative Bank in Maharashtra State Cooperative Bank Account No. 17031 of Home Trade Limited vide Cheque No. 193734 dated 16.3.2001. Thereafter, the entire amount was transferred to Janata Sahakari Bank Limited (JSBL) Account No. 2364 of Home Trade Limited vide Cheque No. 695101 dated

19.3.2001. From that account, Rs. 10 crore was deposited in Hooghly Trading and Investment's JSBL Account No. 2468 as per Cheque No. 907391 dated 19.3.2001 and the remaining amount of Rs. 15 crore was deposited in Poddar Trading Company's JSBL Account No. 2465 as per Cheque No. 907392 dated 19.3.2001.

Rs. 10 crores from Hooghly Trading and Investment's account number 2468 was deposited in Maniram Consultant and Investment Private Limited's JSBL account number 2566 as per cheque number 793893 dated 19.3.2001. From that account, the said amount was deposited in Dalhousie Security Private Limited's JSBL account number 2515 as per cheque number 857123 dated 19.3.2001.

Poddar Trading Company's JSBL Account No. 2465 out of Rs. 15 crores, amount Rs. 13.49 crores, Maniram Consultant and Investment Private Limited's JSBL Account No. 2566, Cheque No. 816566 dated

19.3.2001 and from there that amount was deposited in Dalhousie Securities Private Limited's J.S. B. L. Account No. 2515 vide Cheque No. 857123 dated 19.3.2001 and the remaining amount of Rs. 1.51 crore was deposited in Dalhousie Securities Private Limited's J.S. B. L. Account No. 2515 vide Cheque No. 816567 dated 19.3.2001.

Thus, Rs. 25 crore (10+1.51+13.49) deposited in JSBL Account No. 2515 of Dalhousie Securities Private Limited was deposited in JSBL Account No. 2599 of EDTV India Limited as per Cheque No. 904726 dated 19.3.2001 and from there the entire amount of Rs. 25 crore was deposited in Nagpur District Central Cooperative Bank. The said amount of Rs. 25 crore was out of the amount of Rs. 40 crore given by EDTV India Limited to Nagpur District Central Cooperative Bank vide Cheque No. 829998 dated 19.3.2001. This matter is shown as Note-1 in the follow-up chart. Also in Route Map No. 841

The said amount of Rs. 25 crore was out of the amount of Rs. 40 crore paid by EDTV India Limited to Nagpur District Central Cooperative Bank vide cheque No. 829998 dated 19.3.2001 and the matter is shown as Root Note-2. The said amount of Rs. 40 crore was deposited in the account of Nagpur District Central Cooperative Bank on 19.3.2001 as shown in the relevant bank statement. The highlighted entries in the said bank statement shown to me are the same. It is given No. 843.

For proper understanding, the flowchart above N.No.842 has been prepared as per the route map above N.No.841. All the transactions shown in both these documents are the same. All the transactions shown in the route map and flowchart have taken place between 16.3.2001 and 19.3.2001. All the documents on the basis of which the route map and flowchart have been prepared were kept in the custody of the police.

The next inquest was adjourned until a later date at the oral request of the public prosecutor.

(The testimony of the witness is being recorded through video conferencing from the Minority Court, Mumbai)

Government Prosecutor Mrs. Lakde Madam has submitted that the further examination of witness No. 16 Ketan Rajnikant Choukse is not to be conducted, and it is ordered that the examination of the said witness is over.

Opposite investigation Mr. Zahid Ali Advocate on behalf of accused No. 1:

Application No. 855 for further date by accused No. 1 was rejected. When accused No. 1 and the lawyer repeatedly appealed, an order was made that there would be no cross-examination due to absence.

On behalf of the accused No.2, Mr. Kaustubh Devgade, Advocate:

When accused No. 2 and his lawyer were called repeatedly, an order was issued stating that there would be no cross-examination due to their absence.

On the contrary, Mr. P.M. Deshpande, Advocate for accused No. 4, rejected the investigation.

Opposite investigation: Shri. P.B. Towery Advocate on behalf of accused No. 5 to 13:

Initially, the Wardha District Central Cooperative Bank issued a cheque to Home Trade Company.

The amount given was Rs. 25,24,70,000/-. It is shown in round figures as Rs. 25.25 crore. From the records, I found that the said amount was given by Wardha District Central Cooperative Bank to purchase GOI 10.47% 2015 bonds. The cheque of the payee was dated 16.3.2001. I do not know that 17.03.2001 and 18.03.2001 were holidays as they were Saturdays and Sundays. All the transactions that I have shown were of the same date i.e. 19.3.2001 and the record regarding them has been made in the document above No. 841. The police had given me the bank statements, based on which I have prepared the run map and fund follow chart above No. 841 and 842.

Home Trade Limited, Hooghly Trading, Potdar Trading, Maniram Consultants, Dalhousie Securities and EDT. All of them had accounts in Janata Sahakari Bank. From the route map and fund follow chart prepared by me, it is seen that the cheque of Rs. 25.25 crores given by Wardha District Central Cooperative Bank was deposited in Nagpur District Central Cooperative Bank on the same day i.e. on 12.3.2001. The route map and fund follow chart have been prepared after looking at the bank documents. The cheque number has been mentioned in the route map and fund follow chart after looking at the bank statement.

Pursis filed on behalf of accused no. 5 to 13 by Shri. P.B. Tawari Advocate at No. 858)

(Permission for cross-examination was granted as per the order in Application No. 859 regarding permission for cross-examination by accused No. 1.)

Cross-examination commenced on oath by accused No. 1 through Mr. Zahid Ali, Advocate.

It is not true to say that Y.C. Dalal and Associates does not exist at present. I have not brought any documents to prove that I was an associate of the above proprietary firm during the period 1999 to 2001-2002. The investigating agency had asked for the appointment of a special auditor for the firm Y.C. Dalal and Associates. I am not aware that any special audit was conducted. The account statements of Nagpur District Central Cooperative Bank were given to me. The route map and follow chart were not placed on the account statements of the bank. It is not true to say that the route map and follow chart were prepared without looking at the bank's account statements. Before preparing the route map and follow chart, I did not give notice to any of the related companies. I did not give an audit report to any company. Apart from the route map and follow chart, no other report or document was given to the investigating agency. Any way to indicate that I created the route map and follow chart

It is not true to say that the certificate was not given. It is not true to say that a false route map and follow-up chart were prepared solely on the instructions of the investigating agency. Therefore, it is not true to say that a copy of the account statement was not attached with these two documents.

Cross-examination is over.

There is no re-examination