

**IN THE COURT OF THE IV ADDITIONAL CHIEF JUDICIAL
MAGISTRATE ,BANGALORE**

CC No. 21344/2012

PW-1

DEPOSITION OF : B. Rajendra
FATHER'S NAME : H.R. Bayyanna
AGE : 71 years
OCCUPATION : Retd. Manager, KSIIDC
RESIDENCE : Nandini Layout, Bangalore

DULY SWORN ON: 26/03/2026.

EXAMINATION IN CHIEF BY Complainant Counsel Sri.R.P.H:

I was working as Manager in Karnataka State Industrial Investment and Development Corporation Ltd.,. I have been authorized to represent KSIIDC in this case. The true copy of the said resolution dated 28.11.1997 is marked as Ex.P1.

The complainant corporation is an institution establish by the State Government with the object of Financing for medium and Large Scale Industries. The accused No.1 to 6 are the partners of a firm by name M/s Balaji Dyeing and Printing Works. The accused No.3 B.R. Suryanarayana Shetty is the managing partner. The accused no. 4,5 and 6 are the other partners of the firm. The accused persons approached the KSIIDC for Equipment Finance, to purchase plant and machinery to enhance the processing capacity and also to create additional facility. They had sought for a loan of

Rs. 100 lakhs. The Corporation sanctioned the said loan on 27.03.1998. The accused persons had executed the loan agreement, hypothecation deed and personal guarantee on 28.03.1998.

The accused again approached the corporation for a further loan of Rs. 100 lakhs and the said loan was sanctioned on 07.12.1998. The accused persons had executed the loan agreement, hypothecation deed and personal guarantee on 28.12.1998.

The accused again approached the corporation for a further loan of Rs. 80 lakhs and the said loan was sanctioned on 26.10.1999. The accused persons had executed the loan agreement, hypothecation deed and personal guarantee on 30.10.1999. Later on the accused fail to repay the loan amount. We issued notice u/s 29 of the SFC Act. Thereafter we took possession of the said plant & Machinery. The accused again approached the Corporation and requested for safe custody and to their possession of Plant and Machinery. They promised to repay the loan amount regularly. The Corporation again took agreements from them on 07.06.2001 and handed over the possession of the Industry. After some days, when our officials visited the Industry

for recovery, we found that all the machinery's had been removed. Hence we lodged this complaint. I have produced the following documents.

- The authorization letter dated 5-2-2015 is marked as Ex.P.1.
- True copy of sanction letter dated 27.03.1998 by the Corporation to the accused is marked as Ex.P2.
- True copy of sanction letter dated 07.12.1998 by the Corporation to the accused is marked as Ex.P3.
- True copy of sanction letter dated 26.10.1999 by the Corporation to the accused is marked as Ex.P4.
- True copy of hypothecation deed executed by the accused dated 28.03.1998 as Ex.P5.
- True copy of hypothecation deed executed by the accused dated 28.12.1998 as Ex.P6.
- True copy of hypothecation deed executed by the accused dated 30.10.1999 as Ex.P7.
- True copy of safe custody agreement executed by the accused dated 07.06.2001 as Ex.P8.
- True copy of the legal notice dated 14.02.2007 as Ex.P9
- The sanction communication letter issued by the complainant to the accused on 27.03.1998 is marked as Ex.P.10.

Further chief Examination: Complainant Counsel:

Complainant counsel prays time for further chief of PW1. Further chief of PW1 is deferred as requested.

(Typed to my dictation in the open Court)

ROI&AC

IV ACJM, Bengaluru