Calendar Case : C.C. No.46/2015

Deposition of witness for : PW-03 (LW-03)

Name : K.Santhana Krishnan

Solemnly affirmed in accordance with the provisions of Act X of 1873 on this the 16th day of December, 2022.

Witness present. On Petition, permitted to cross examine this witness and

Cross Examination on behalf of A1:

I was called by CBI twice for interrogation and my statement was recorded. I did not go through the statement of mine which was recorded by the Investigating Officer. The Report which I submitted to bank management was shown to me during interrogation. I was unaware about the registration of case by CBI and its investigation when I inspected the branch.

It is incorrect to state that I was asked to verify certain selective documents and to file report based on them alone. During my inspection, one Suresh attached with the said branch assisted me by producing documents required by me. Originally the account of M/s.EXIM Focus was held with IndusInd Bank and thereafter it was taken over by Central Bank of India. I do not know whether Mid Corporate Branch of Central Bank of India was maintaining this account before it was transferred to Central Bank of India, Mylapore Branch. I am aware that Mid Corporate Branch of Central Bank of India was maintaining transactions under Packing Credit in Foreign Currency. I visited Mid Corporate Branch of Central Bank of India during November-2014 as a part of my inspection. In my Report I have not mentioned the CIF number of this account when it was held in Mid Corporate Branch of Central Bank of India.

From the name of the borrower his account detail were traced and the staff from Mid Corporate Branch of Central Bank of India helped me in identifying the transactions in the account of M/s.EXIM Focus. Even without the CIF Number, by using the name of the borrower the account can be viewed from the system. It is incorrect to state that on the instructions of CBI and my Regional Office I give this answer even after knowing that it is false. The computer systems in the bank never allow overdrawing on its own. There are checks and balances for overdrawing.

It is correct to state that there is a book called Reference Book maintained in every branch. I did not verify the Reference Book of Mylapore Branch in this regard. At the time of inspection, the overall outstanding of the borrower was within the overall sanctioned limit for all the facilities. I did not go through any record at Regional Office regarding the sanction.

It is incorrect to state that the previous witness Mr.Venkatesan then attached to Regional Office had specifically instructed me to not to disclose the name of the Officer of Regional Office who placed the records before Regional Level Credit Committee (RLCC). I have not cross checked the control returns submitted by Mylapore Branch from August-2013 to March-2014. I have not gone through the Control Return at Mid Corporate Branch of Central Bank of India about reporting of overdue bills of M/s.EXIM Focus that were beyond 365 days on and after August-2013. I did not go through any correspondence between Mid Corporate Branch of Central Bank of India and Mylapore Branch regarding over dues of M/s.EXIM Focus. I did not go through any correspondence between Mid Corporate Branch of Central Bank of India and Regional Office regarding over dues of M/s.EXIM Focus. At the time of submitting my report there was no over dues Export Bills at Mid Corporate Branch of Central Bank of India.

I do not know anything about the over dues of M/s.EXIM Focus at time of their account transferred from Mid Corporate Branch of Central Bank of India to Mylapore Branch. I do not know anything in depth about over dues but at the time of inspection there was no over dues. There was no specific instructions in respect of the way how I have to conduct inspection. But the management told me orally.

It is incorrect to state that I have been orally instructed not to mention the length of overdue in my report. I have no idea, if it is said that the duration of over dues of M/s.EXIM Focus was well with the knowledge of Regional Office even when it was crystallized and sent to Mylapore Branch.

I am not aware that Mid Corporate Branch was using a tool/facility that prevents over drawing by reckoning to INR Value. I do not know, if it is said that Mid Corporate Branch had disabled this tool for M/s.EXIM Focus without knowledge of the branch. I have no idea, if it is said that the Regional Office and Zonal Office have no Powers to permit overdue bills if they had exceeded 360 days.

During my inspection, I did not go through the concurrent audit report to know about the overdue bill position and account operation. It is incorrect to state if it is said that no report can be prepared about the transfer of funds from the current account to other parties without verifying the concurrent audit report and I have done it. I am aware of the overdue details that relate to Cash Credit account.

It is correct to state that with the concurrence of the two persons alone over drawing can be permitted. Generally, these two persons will be Branch Head and Accountant. In this case, Branch Manager-T.S.Sridhar is a first person and the second person is the Accountant of the branch. I do not know the name of that Accountant.

I noticed the signature of T.S.Sridhar and other in the Request Letter submitted by M/s.EXIM Focus. I do not know as to the purpose for which the transfer of fund from current account to Mr.Ayub Khan and Mr.Dinesh Kumar were permitted. CBI interrogated me about these transactions and I replied them on the strength of my report. CBI did not inquire anything as to Reference Book. There is no restriction for operating a current account. I did not see any document stating that it is one time gesture at the request of Regional Office dated 31.03.2014.

It is incorrect to state that the transfers were made at the instruction of Regional Manager to avoid the account becoming NPA. It is incorrect to state that now I conveniently suppressing this fact in order to safe guard the Officers of the Regional Office.

I did not come across the partial Compliance Certificate by the branch issued for M/s.EXIM Focus during September-2013. The "Loan Officer" has the duty to process the request of the borrowers and have to process the credit papers and have to submit for sanction. During processing, the said Officer is expected to work diligently and have to peruse the records. It is incorrect to state that the "Loan Officer" was not diligent in processing the papers. I did not verify whether cash withdrawals were permitted at Mid Corporate Branch. I verified the Valuation Report. However I could not recollect the date. I did not make spot inspection.

It is incorrect to state that I am giving evidence by suppressing selective documents and details in order to safe guard the Regional Officer who actually overlooked the rules and accorded sanction. It is incorrect to state that even at the time of sanction, the Regional Office/Zonal Officer do not have powers to sanction limit to M/s.EXIM Focus since the over dues are more than Three Sixty Days.

It is incorrect to state that I have been asked by CBI to give a Report as convenient to CBI by deliberately suppressing certain documents and I have given the Report as instructed by CBI.

Re-Examination : Nil