DEPOSITION OF WITNESS

(Chapter XXIII code of Criminal Procedure)

In the Court of XI Additional Special Judge for CBI Cases

(CBI Cases Relating to Banks and Financial Institutions)

Chennai - 600 001.

Calendar Case	: C.C. No. 46/2015
Deposition of witness for	: PW-4 (LW- 1)
Name	: Mr.Sandeepan Das Gupta

Solemnly affirmed in accordance with the provisions of Oaths Act, 1969 (Central Act 44 of 1969) on the 28th day of August 2024.

A3 and A5 charge abated. A1,A2,A4 and A6 present.

Cross examination continuation by A2:

The inspection by higher officials were conducted prior to the FIR. I had conducted the inspection and my predecessor also had done. After the account became NPA on 15/5/2014, there was no inspection by the Regional Office. I joined on 3rd June 2014 at Mylapore branch and my service lasted there till 22nd April 2016. (Ex.P5 shown to the witness). It is the forwarding letter addressed to Senior Regional Manager regarding inspection report submitted by K.Santhanakrishnan, Chief Manager, ARB. It is the detailed report on M/s.Exim Focus of Mylapore branch regarding its history, loan availability, securities and transactions happened in that account. The report was submitted on 29/11/2014. At that time I was in Mylapore branch as Branch Manager. During the inspection referred to in Ex.P5 I was present and gave particulars as per their request. The complaint was lodged on

27/11/2014. The complaint was much before the completion of this report. In this report it is requested that some fraudulent activities happened in that account and the branch should have opted laid down rules and regulations to avert the fraud. Before giving complaint, I have gone through all records relating to M/s.Exim Focus. I have not gone through Ex.P5 since it was prepared after the complaint. I denied the suggestion that I was not authorised by the Regional office to lodge my complaint dated 27/11/2014 since the Inspection Report of the officer from Regional office submitted to Regional office only on 29/11/2014. When I was branch Manager I visited three times the immovable properties given as security. I did not prepare any report when my visits were made. Some colleagues of my bank accompanied me for visit. It is incorrect to say that I did not get valuation report till October 2014. I could not remember the valuation report which I obtained. (Witness is shown with a valuation report dated 21/11/2014 Ex.P30). It is incorrect to say that I obtained valuation reports dated 21/11/2014 with intention to lodge police complaint dated 27/11/2014 even before getting authorisation from the Regional office. (The witness adds that permission from the Regional office is not necessary). In Ex.P30 at Page No.12 there is a classification of the Survey No.20/49, 20/50A1,20/50B and 20/51. It has been classified as dry special type-I. There is no mention in page No.12 that the land is agricultural land. In the same report at Page No.6, the land is mentioned as Agricultural land. I did not get any clarification from the valuer about the contrary found in the report as to the classification of the land. There is no supporting revenue records with the valuation report to indicate that the land is agricultural land. The land is situated near Akshaya College of Engineering. The valuation report dated 13/8/2013 relating to the property situated at Karikili

Village, Kancheepuram District(Ex.P33). There is no reference about Ex.P33 in Ex.P30. In both reports, the land mentioned is same and there is difference in valuation of amount. The period also is different. Apart from this, both reports are same. I did not get any valuation report after getting the valuation report, Ex.P30 as to the difference noted in Ex.P30 and Ex.P33. After my joining, I have issued Recovery notices, private calls for requesting recovery and action under SARFAESI Act. Recovery proceedings were initiated on my initiatives. (Witness shown with L.D.No.24 page No.30). It is a letter from Central Office dated 27/11/2014 to the Branch Manager, Mylapore branch regarding recovery process on M/s.Exim Focus. It is marked as Ex.P41 (Entire file is marked as per Public Prosecutor's request.) At page No.30 containing the above letter is marked as Ex.D1 (As per the request of the defence counsel). In this letter, under the last two lines, it has been mentioned that ' you are advised to remain in touch with the party and try to explor alternative measures to upgrade the laccount through recovery of critical amount'. There is no advice in this letter to initiate criminal action against M/s.Exim Focus and others. After receiving this letter, I did not send any reply to Central office, Mumbai. The copy of the above letter sent to Regional office. The outstanding amount was Rs.7.34 Crores as on NPA. It is incorrect to say that M/s.Exim Focus availed only Rs.7.34 Crores out of 9 Crores limits sanctioned to him. Ex.P41 (page No.25 to 29) is a document dated 19/12/2014 of sticky form named as STF (Sticky form) to be prepared for NPA accounts for filing suits relating to M/s.Exim Focus. At Page No.29 I have signed as Branch Manager and Mr.N.S.Hari, Manager also signed. This report prepared by me after filing my complaint. At Page No.29, there is a heading in column-7 as to the particulars of how and when the account became sticky. Reason for sickness as mentioned in 7(b)' is:

"Due to non realisation of Bills due on importers, and being the importers were in negative list of RBI, their bills could not be discounted and the borrower also could not realise the proceeds of bills. As a result the account gradually became irregular and ultimately turned NPA. As per Prudential Norms, H/L was classified as NPA, since Housing loan of S.Venkatraman is grouped under M/s.Exim Focus". We have not mentioned any other reason for the sickness of M/s.Exim Focus.

(At request of Defence counsel, the cross examination of A2 is adjourned)