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-2
Name	: Mr. K.Venkatesan
Father's Name	: Mr.P.Krishnamoorthy.

Solemnly affirmed in accordance with the provisions of Act X of 1873 on this the 22nd day of August 2022.

Cross Examination continuation on behalf of A1 :-

I did not verify the bank records to know the exact amount of overdues of the borrower. The Regional office of the bank has not power to permit nonpayment upto 360 days in case of export credit and various such limit for various types of loan. As I am retired, I cannot verify any record from the bank to answer any question regarding Regional office. I cannot comment anything if it is said, once the accounts are crystalised, the amount should be credited to separate current account. We, as Regional office, have not sought for any explanation /legal action against overdues. We have advised the branch office to recover the overdues from the party and regularize the account. I cannot recollect the exact amount of overdues from the borrower concerned in this case. It is correct to say, that a Regional Level Credit Committee had rejected the proposal of enhancement submitted by the branch. When the enhancement proposal was submitted for 2nd time it was sanctioned. The report by RLCC is with the Regional Office. In the said report the overdues is noted as Rs.3 lakhs and odd and the same was recovered before sanctioning. Mid Corporate Branch (MCB) has submitted monthly control return to the Regional office. In the monthly control return of January 2014, the overdues of the borrower is stated, however I am unaware as to whether the length of overdue was reported in that report. It is correct to say that the Regional Office has taken sufficient time from receipt of proposal to sanctioning of the loan. It is correct to say that we the Regional office had verified the details before sanctioning the enhancement proposal. However we did not cross verify the correctness of the details and datas furnished by

our branch office. It is correct to say that we have forwarded the enhancement proposal to Regional Level Credit Committee for sanctioning without cross verifying the details and datas submitted to us by the branch. I am not aware as to whether the overdues were reported to the Regional Office prior to January 2014 by MCB. We the Regional office did not verify the documents that relates to Overdues reported by MCB. The Regional office appoints the Panel of valuers. We have power to interact with valuers, in case if it was needed. In this case, we have not discussed anything with valuers in respect of the valuation certificate issued by them. There are two valuation certificate by two different valuers. The 1st one was issued by 2011 and the 2nd one relates to 2013.Both the certificates relate to the same property. It is correct to say that the value of the property noted in the certificate that related to 2013 is nearly double that of the value as per the certificate issued in 2011. Though there is a remarkable difference in the valuation certificate, we did not personally verified it. It is the duty of the branch to verify the valuation certificate by making visit of the property, irrespective of the loan amount/value of the property. It is incorrect to say that the branch has got power only to verify those properties which are valued at Rs.10 lakhs. I am not aware as to whether the property was inspected by the Senior Regional Manager of Regional office along with the borrower. I cannot comment anything if it is said that the A1, as Chief Manager of the branch had merely initialed the proposal application and have instructed the office to process it. I cannot comment anything if it is said that the Chief Manager (A1) had forwarded the details and datas submitted by his staffs to your Regional office. It is incorrect to state as per Ex.P2, the internal transfer by A1 had been made only upon the instruction of the Regional office. It is incorrect to say that as per the instructions of the Regional office, the branch had extended one time gesture to the borrower by allowing adhoc export packing credit limit. The branch is not empowered to do so. Only after verifying the CIBIL Report, the loans are generally sanctioned. I am unable to recollect as to whether the CIBIL Report generated in this case had revealed the overdues of this borrower. I am unable to recollect as to whether MCB Branch had reported to my office as to the poor performance of the borrower prior to the disputed sanction of facility. It is incorrect to state that the poor/ non performance of any borrower will be communicated to the branch and Regional office simultaneously by the MCB Branch. It is incorrect to state that the MCB prepares daily

consolidated report and sends it to respective branch and Regional office simultaneously. It is false to say that I am deposing falsehood to protect Regional office and also myself. I am not able to recollect as to whether I had seen SMA-I and SMA-II reports by the System on daily basis. The Investigating officer did never interrogated anything about these reports.

(At request of the defence counsel, cross examination adjourned)