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.27/2015
Deposition of witness for	: PW-36 (LW-02)
Name of the witness	: Mr. T.R.Raghavan
Father's name	: Mr. T.S.Ramakrishnan
Age	: 65 years
Occupation	: Retired as Senior Manager, Central Bank of India
Address	: No.39/60, Anandham Apartments, II Floor, Kamaraj AvenueNo.06/200, 1st Street, Adyar, Chennai-20.

Solemnly affirmed in accordance with the provisions of Oaths Act, 1969 (Central Act 44 of 1969) on the 14th day of July 2025.

(A1, A5 present. A3 charge abated. A6 split up in CC No.08/2024. Other accused absent. Petition u/s 317 CRPC filed and allowed).

Chief Examination :

I joined as Clerk in Central Bank of India in 1981 and got VRS as Senior Manager on 1st April 2015. During August 2013 to March 2015, I was Senior Internal Auditor at Chief Internal Auditor office (CIA), Chennai. I was authorized to conduct risk based internal audit of Mylapore branch. I conducted regular audit of

Mylapore branch and during the course of audit, I submitted special audit report dated 16.05.2014 in respect of two accounts namely M/s M.D.Trade Corporate and M/s M.D.Bricks. Mr.Mahendran and Mr.Murugan were the Partners of these firms. M/s M.D.Trade Corporation was sanctioned a sum of Rs.2.50 Crores and M/s M.D.Bricks was sanctioned with Rs.1.95 Crores. Mr.Murugan had offered collateral security. Mr.Sridhar, the then Chief Manager, Mylapore branch had sanctioned the above loans. At the time of inspection, Mr.Hari was officiating Branch Manager of Mylapore branch, due to the reason that Mr.Sridhar was transferred to Regional office. I have perused the documents available in the branch regarding these loan transactions. In my report, I have mentioned the irregularities found in these loan transactions.

1. In respect of M/s M.D.Bricks, pre-sanction inspection report is not available on record.

2. Due diligence was not done properly.

3. Party had submitted a statement of account of A/c No.800410220000512 with Bank of India, Thousand Lights branch. The said statement of account appears to be fabricated.

4. Myself and Mr.Hari visited Bank of India, Thousand Lights branch in person and were informed that Account number does not match with their record and no such account exists with them. As such, the said statement of account appears to be fabricated.

5. IT Returns show the name and signature of Mr.Rajesh Modi (Rajesh Modi & Co), 48, Lingi Chetty Street, Chennai-3, bearing CA Membership No.28425 as the Auditor who has certified the said statement of account accompanying the IT Returns. The membership number 28425 throws up a different name in the CA portal and as such appears to be fake and fabricated. We personally searched at the above address of the Auditor and could not find any office of the Auditor by that name. Old No.48 of the said address premise was used as Car parking space. But New No.48 of the said address does not contain any tenant of that name. The telephone number of the CA 044-42134546 returns a message that the dialed number does not exists. As such the whole Returns appears to be fabricated. The Chartered Accountant also issued a letter on 21.01.2014 regarding infusion of capital for the firm. The said letter also bears the same address. This also appears to be fabricated since no such Chartered Accountant by that name exists in that place.

6. No opinion was taken from Bank of India, where the party purportedly having that account. This is a normal due diligence procedure to be taken by the Bank. This is a serious lapse which could have prevented the perpetration of fraud.

7. The collateral security was open land of around 60984 sq.ft. at Vandalur, Chennai. It is purportedly owned by Mr.Murugan. The Legal Scrutiny Report (LSR) was given by Mr.K.Rajasekaran and according to it, Mr.Murugan is having valid title. However, when we (myself and Mr.Hari, Branch Manager) visited the

collateral security and met the VAO, we were informed that the property in question is in the name of Mr.Varadharaja, S/o. Srinivascharalu. The patta, letter regarding the land in the name of Padmanabhan etc., are all termed as not issued by VAO and bogus. According to our enquiries, the land belongs to Mr.Srinivascharalu and is presently held in their legal heir name, since long. As such as per Revenue records, the name of Murugan, who has mortgaged the land with us does not appear.

Findings with respect to M/s M.D.Trade Corporation :

1. In this case, there is available one pre-inspection report done by Mr.A.M.Krishnakumar, the then Assistant Manager and Mr.Sridhar, the then Chief Manager dated 07.01.2014 and 08.01.2014.

2. IT Returns show the name and signature of Mr.Rajesh Modi (Rajesh Modi & Co), 48, Lingi Chetty Street, Chennai-3, bearing CA Membership No.28425 as the Auditor who has certified the said statement of account accompanying the IT Returns. The membership number 28425 throws up a different name in the CA portal and as such appears to be fake and fabricated. We personally searched at the above address of the Auditor and could not find any office of the Auditor by that name. Old No.48 of the said address premise was used as Car parking space. But New No.48 of the said address does not contain any tenant of that name. The telephone number of the CA 044-42134546 returns a message that the dialed number does not exists. As such the whole Returns appears to be fabricated. The

Chartered Accountant also issued a letter on 21.01.2014 regarding infusion of capital for the firm. The said letter also bears the same address. This also appears to be fabricated since no such Chartered Accountant by that name exists in that place.

3. The party had produced a statement of account bearing A/c no.157505000265 with United Bank of India, Virugambakkam branch. Our Mylapore branch vide letter CM/Myla/258 dated 03.01.2014 wrote to United Bank of India seeking their opinion on operations and conduct of account. But this letter is not on record. However, branch received letter dated 09.01.2014 from United Bank of India confirming that MD Trade Corporation is having current account with them and they have not availed any credit limit. But, the letter from United Bank of India does not have any account number and the account opening date. Why a/c number and a/c opening date is not mentioned is not known. The statement of account of A/c no.157505000265 submitted by the borrower at the time of availing facility was confirmed as incorrect. The same was already marked as Ex.P21. The correct account number of the party with United Bank of India, Virugambakkam branch is 1676050002332. This account was opened on 05.01.2014 and initial deposit was received on 06.01.2014. Thereafter there was no transaction in this account. This has been confirmed to us by United Bank of India vide their letter dated 12.05.2014. It is thus clear that SOA given at the time of opening of account with Central Bank of India is fabricated.

It may be noted that when borrower had submitted their loan application at Central Bank of India on 02.01.2014, no such account was opened and existed with United Bank of India, Virugambakkam branch as shown in the letter that was submitted by the borrower. The security offered by Murugan for M/s M.D.Bricks was extended for this facility also.

Mr.Kannan, the then Branch Manager has made endorsement thus :

"Mr.Mahendran and Mr.Murugan, parties of these firms have recently been sanctioned Cent Mortgage loan of Rs.1.95 Crores for M/s M.D.Bricks, Now they had approached for Rs.2.50 Crores for M.D.Trade Corporation. Under the circumstances, the undersigned is of the opinion that we may watch the operations of M.D.Bricks for six months and if the operation is satisfactory, we may consider the proposal after six months".

In the same note, Mr.Sridhar, Chief Manager also has made endorsement thus:

"You are expected to verify the facts, information, figures furnished in the various documents submitted, legal points and other aspects. You have no role to direct the Chief Manager for deferring the proposal which was already processed. Therefore you are instructed to confine to your role and responsibilities, failing which suitable and appropriate actions will be initiated against you. You are again instructed to verify the facts and report compliance".

Totally a sum of Rs.4.24 Crores were availed out of both facilities. My report dated 16.05.2014 is now marked as **Ex.P180 (4 sheets)**. Before my Audit inspection, there was an investigation by Vigilance Department of our Bank and reports also submitted to Field General Manager, Zonal Office, Chennai vide letter dated CO/Vig/2013-14/4054 dated 21.02.2014. It is marked as **Ex.P181 (3 sheets)**.

Now I have been showing the Circular dated 28.12.2010 regarding modified Cent Mortgage Scheme by Retail Banking Department, Central office, Mumbai. The said Circular is marked as **Ex.P182 (55 sheets)**. In this regard, the CBI enquired me.

(Learned Counsel for A5 is present and at the request, the cross examination adjourned to 01.08.2025. Learned Counsels for other accused are not ready for cross examination).

Taken down before me in the open court read over to the witness and acknowledged by him/her to be correct.

VADIVELU T P

Digitally signed by VADIVELU T P

14.07.2025 XI Additional Special Judge for CBI Cases.