DEPOSITION OF WITNESS

(Chapter XXIII code of Criminal Procedure)

<u>In the Court of XI Additional Special Judge for CBI Cases</u>

<u>(CBI Cases Relating to Banks and Financial Institutions)</u>

<u>Chennai - 600 001.</u>

Calendar Case	: C.C. No.27/2015
Deposition of witness for	: PW-52 (LW-8)
Name of the witness	: Mr. S.Krishna Kumar
Father's name	: Mr.A.Selvan
Age	: 42
Occupation	: Assistant Manager
Address	: Central Bank of India, Settu Road, Near Taluk Office, Peravurani, Thanjavur-614 804.

Solemnly affirmed in accordance with the provisions of Oaths Act, 1969 (Central Act 44 of 1969) on the 8th day of June 2026.

(A5 present. A3 charge abated. A6 split up in C.C.No.8/2024. Other accused absent. Petition u/s 317 CRPC filed and allowed).

<u>Chief Examination</u> :

1. At present I am working as Senior Manager in Central Bank of India, Peravurani Branch, Thanjavur District. Initially I had 6 month training then joined as Probationary Officer and worked in Mylapore branch. During the time Mr.T.S.Sridhar (A5) was a Chief Manager. Now I am shown Ex.P8, the current account opening form submitted by M.D.Bricks bearing CC NO.3304973225 dated 04.12.2013. As per Ex.P8, Mr.B.K.Mahendran (A1) and S.Murugan (A2)

shown as a authorised signatory of the said account. Thereafter, they applied credit facility in the name of MD Bricks which was submitted before A5 and the same was given to me for processing and I have processed it under the loan portal CLASS. I have made the data entries under this loan portal and it was place before Mr.Kannan for recommendation. Mr.Kannan refused to make recommendation and hence it was sent to the Chief Manager (A5) for sanctioning. There is no written refusal as per record and it was oral refusal. The sanction amount was fully disbursed.

2. After three months, the same party has approached the bank for CC Cash Credit Limit in the name of MD Trade Corporation. The Chief Manager took me along with him one day without any intimation to me to the inspection at a place near Redhills. We went in a car wherein Chief Manager, me, Prathan and driver were present. Only after going there I found out from the board present there as MD Trade Corporation. It was a big hall with number of plastic bags (மூட்டை). I was not aware what was present in said bags. Usually the loan application will be given to me for processing but in this case, processed loan application was given to me by Chief Manager. It was given during the working hours. As I was new I was not aware of the calculation regarding ratio in the CMA format. Hence I had kept it for verifying that ratio but the Chief Manager said that the same has been verified and I can signed it and sent it to Mr.Kannan for recommendation. The Chief Manager informed me that it has been verified by him. Mr.Kannan has

refused recommendation stating that only three months back loan has been given to them and we can wait to see their working and then it can be considered for recommendation. The Chief Manager made a harsh note against Mr.Kannan recommending for disciplinary action and the Chief Manager approved the CC limit. The security given by MD Bricks was extended as security for this CC limit also. When it came for disbursement before me Chief Manager was not available and he informed telephonically to me to disburse the amount and he will sign on his return. After this lot of transactions took place regarding RTGS, Cash and NEFT.

3. In the month of February 2014, the Chief Manager was on leave due to his daughter's marriage. At that time, the Vigilance officer Mr.Narasima Prasad came for routine vigilance inspection and he has given remarks on both the loans. In the month of April 2014, the Chief Manager was transferred and one Mr.Hari was placed incharge of the Chief Manager. In May 2014, the special audit was conducted by Mr.Ragavan regarding these accounts. Mr.Ragavan along with Hari found out lot of irregularities which includes that security property does not belong to Mr.Murugan and the IT returns have been forged. I was shocked to hear this because when they stated to me what all need to have been verified and the same was not done and how ignorant I have been as a new comer. If the Chief Manager had guided me regarding these verifications, I would have also checked this.

4. During May 2014, regarding the last pending disbursement of Rs.20 lakhs, I was getting repeated calls from Mr.Prathan (A3), Mahendran (A1) and Chief Manger (A5) for release of the amount. Due to the oral instruction not to processed the disbursement I did not process it and requested all of them to contact Mr.Hari, who was incharge of the branch. In this regard, the CBI officials enquired me.

Cross Examination by A5:

Question1: How many times you have been called by CBI for enquiry? How many statements I have given to the CBI?

Answer: I was called two or three times by the CBI for enquiry. I have given oral statements and written statements I don't remember now how many times I have given.

Question2: Whether the oral statements were typed in front of me? **Answer:** Yes.

Question3: What is the duration between the enquires? **Answer:** I don't exactly remember the durations between the enquires. It may be approximately 20 days.

Question4: During the duration between the enquires whether I had chance to meet my superior officers and talk about my enquiry? **Answer:** No. I have never met the superior officers regarding my enquiry and none of my superior officers have enquired about the same.

Question5: During enquiry whether the CBI officials had shown any documents for which whether I have taken time for answering? **Answer:** No time was given.

Question6: During the duration between the enquires what are the improvements in my statements? **Answer:** No improvements in my statements.

Question7: When was I asked to accompany for inspection by the Chief Manager who are all the persons who accompanied with me? **Answer:** I was not told that we were going for the inspection. We started in the car of Prathan with his driver, me, Chief Manager, Prathan and near Redhills Mahendran and Babu joined with us.

Question8: Inspection means sudden visit without informing the person who availing the loan to inspect the stocks? **Answer:** We were traveling with the customer only. I was not informed that it was inspection.

Question9: Have you filed any report regarding the inspection and whether I noted down the adversity in the said report? **Answer:** I was not aware about the inspection procedure at that time and also not aware about to note the adversities.

Question10: Are you ignorant about this procedure? **Answer:** As a beginner, I was not aware of the procedure and only during CBI enquiry I learned that even the wall hanging of the company board itself is the adversity.

Question11: Did you work for any other loans? **Answer:** I had worked on retail personal loans to the tune of Rs.1 lakh to 10 lakhs.

Question12: During CBI enquiry whether I made any statement regarding handling personal loans alone and not aware of the other loan procedures? **Answer:** As CBI did not ask about that I have not stated anything about that.

Question13: Due to my dereliction of duty and ignorance of the Bank procedure and law has caused huge loss to Chief Manager and Bank? **Answer:** No.

Question14: My six months prior training for probation is fully based on the banking procedures and operations? **Answer:** The six months training was posting in various smaller branches to understand their working.

Question15: You have made entries and made recommendation under the CLASS module and if there is any discrepancies the CLASS module would have rejected it? **Answer:** I have made entries and Mr.Kannan refused to make recommendation. Hence, I was forced to make recommendation by the Chief Manager.

Question16: CLASS module is the system generated it cannot be surpassed by the officials in making recommendation? **Answer:** The system permitted me to send recommendation even in the absence of Mr.Kannan's recommendation.

Question17: Whether I am well versed with computers? **Answer:** I know to operate the computers.

Question18: With my little knowledge in computer I have manipulated the system and recommended by Chief Manager? **Answer:** It is not possible because of the strong firewall present in the system. There is no possibility to manipulate the CLASS module in the system.

Question19: With the thorough discussion with CBI officials and Bank officials I have given false evidence during the enquiry and before this Court to wreck revenge against the Chief Manager? **Answer:** I strongly deny and I don't have any intention to take revenge.

Question20: Being the junior officer, as stated by the CBI officials to fix the responsibility on the senior manager so I have given false evidence to escape from the clutches of the law? **Answer:** I don't have any necessities to give false evidence.

The cross examination by A5 is adopted on behalf of the A1, A2 and A4.

21. Who opened the account of MD Bricks and MD Trade Corporation? **Answer:** Mr.N.Viswanathan, Assistant Manager.

22. Who has verified the KYC documents submitted at the time of account opening? **Answer:** Mr.N.Viswanathan, Assistant Manager.

23. In most cases, you have done second authorization of cheques pertaining to above party's loan account. While allowing huge amount withdrawal, have you obtained permission from Chief Manager, by properly referring it through reference book. If not, why? **Answer:** Not required as loan limit is already sanctioned.

24. Have you been given proper training in operational and credit portfolio before you are posted to Mylapore Branch? **Answer:** Theoritical training.

25. What is meant by CLASS Module being in vogue during 2015?

Answer: CLASS-loan processing module which was used for retail and tailored MSME products like Cent Mortgage and Cent Trade etc.

26. What is the role of officers while processing a proposal in CLASS Module? **Answer:** To feed the data in module for it to access and come out with eligible

sanction amount.

27. What are the documents required for opening a current account? Taking the case of MD Bricks and MD Trade Corporation accounts in mind and reply? Whose duty is to check the authenticity of each such documents submitted? **Answer:** KYC, Trade registration certificate.

28. Similarly, when a loan proposal is received from a borrower customer what are the documents required to be submitted? Taking the case of MD Bricks and MD Trade Corporation accounts in mind and reply? Whose duty is to check the authenticity of each such document? **Answer:** Loan application, KYC, Aadhaar, PAN, ITR for 3 years, LSR, VR, Assets and Liabilities statement and sanctioning authority.

29. Have you checked the documents submitted by the borrower customer while processing the proposal in CLASS Module? If not why? Without checking/cross checking how you recommended the proposal to CM for sanction? **Answer:** I did not check as I was not trained to check.

30. Because of your negligence, the loan sanctioning authority is questioned now? **Answer:** No. It was the negligance of the sanction authority who has put bank to financial loss.

31. Who pays for Valuation reports, Legal scrutiny report taken for a property offered as a security in a loan? If that loan is not considered, are we not to return them to the borrower? *(The purpose of returning such costly documents to the applicant so that he can avail the loan somewhere else?)* **Answer:** Applicant

under proper acknowledgement.

32. Is there any rule in Bank that a borrower whose case was considered under compromise settlement should not submit any other proposal in any other's name? *(THE RULE IS THAT SUCH PROPOSAL HAS TO BE CONSIDERED BY NEXT HIGHER AUTHORITY BASED ON MERITS)* Gee Pee Chemical proposal was entertained on such grounds only. He sought a limit of Rs.3.00 crores and such that proposal was to be forwarded to next higher authority, but definitely should have to be processed at Mylapore Branch only and that too under CLASS Module. **Answer:** To save the bank interest.

33. Subsequently that proposal was withdrawn by the borrower due to conflict between the Borrower and Mr. Kannan, then Manager. **Answer:** Yes.

34. Do you aware that Mr. Pradhan has sourced Rs.20.00 crore deposit from Government Agencies during that time? Are we to respect him or not?

Answer: No.

35. Please tell me who can be sanctioned a Cent Mortgage Loan? What are the basis requirements? *(Keep the reference MD Bricks case)* **Answer:** I don't know.

36. Can you pinpoint any deviation the Mylapore branch done from the Central Office guidelines? **Answer:** I am new to bank and could not comment.

37. You only download the CIBIL report for the above parties and during investigation by CBI authorities, you did not properly check them on a flimsy reason you were new and did not know about it? CIBIL score is the prima facie report to be seen before entertaining any loan proposal. How did you say that you

were unaware of it? **Answer:** I know but I was not taught what to look for except score.

38. What do mean by probation? That means one has to be more careful in his job, and job negligence if noticed, it may lead to cancellation of employment itself? **Answer:** Probation means to learn the banking practice alongside the officers and learn to become a better officer.

39. Do you aware that once a person submitted VRS application, he cannot sanction or recommend a proposal since then. But he cannot refuse to perform his duties such as verification/cross verification, processing of a proposal, taking all care to secure the Bank's interest. **Answer:** I am not aware.

40. Since he disregarded the higher authority and refused to perform his duties, he was instructed to perform his duties, that too after taking the advice of then Regional Manager. Then only he recorded in the proposal that he has thoroughly verified the facts and figures on the last page of the process note. Are you aware of that? You only got such recording from him. **Answer:** I am not aware.

41. You said in your 161 statement that on 08.01.2014, you along with the Chief Manager went to the godown at Vadaperumbakkam. What did you see there? What the Chief Manager told you to see? What are all the things you noticed? Name Board, stock, records etc., **Answer:** Big hall full of gunny bags not known about that is in their. I was not told to see anything name board, stocks-not aware what we were dealing with, records-informed by Mahendran and Babu in Prathan office.

42. You only prepared the pre-sanction inspection report. Have you mentioned the shortfalls in your report that proper records of purchase and sales, availability of stock etc., are not available, in the second godown, the name board was not available etc.,

Answer: I have not done / taught how to write inspection report for such units.

43. You said in your 161 statements that you were given only 2 hours by the CM for going through the proposal. It is totally wrong. You were given 15 days' time to thoroughly verify the facts and figures. The process notes alone prepared by Mr. Duraisamy was given on 20.01.2014. that too remained with you for more than two days for going through, and to confirm whether that was in order.

Answer: I deny.

44. In the process note itself there is SWOT analysis, *(Strength, weakness, opportunities and thrust)* which confirms why this proposal was considered.

Answer: It was prepared by Mr.Duraisamy who has done many credit proposals to look very appealing. I am not sure whether he visited the units and records.

45. On what intervals inspection of stock to be carried out? *(Quarterly basis)*

Answer: Quarterly as directed/alloted by Chief Manager.

46. The stock inspection was done and proposal was sanctioned during the last week of January 2014, what may the due date for next inspection? Mr. Sridhar was transferred suddenly on 10th April 2014 from Mylapore Branch? Instruction came

in morning and he was relieved in the afternoon. Whose fault it is for not assigning the stock verification work?

Answer: I am not competent to answer.

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

R ARULMOZHI SELVI

Digitally signed by R ARULMOZHI SELVI

08.06.2026

XI Additional Special Judge for CBI Cases.