

Cbi vs Dr. Chandra Shekhar Page 1 Of 112 on 7 November, 2019

IN THE COURT OF SHRI LAL SINGH
SPECIAL JUDGE, CBI-12, ROUSE AVENUE COURT
COMPLEX, NEW DELHI.

CC No. 193/2019
RC No. BD1/2008/E0001/BS&FC/CBI/ND
U/s 120-B r/w 420, 471 IPC and
Section 13 (2) r/w 13 (1) (d) of PC Act

Central Bureau of Investigation

Versus

Dr. Chandra Shekhar,
S/o Late Sh. Fakira Singh,
R/o H. No. 6089/2, Sector D-6, Vasant Kunj,
New Delhi.

.....Accused

Date of Institution : 20.12.2008
Date of Argument : 18.10.2019
Date of Judgment : 30.10.2019

JUDGMENT

1. At the very outset, it is pertinent to mention here that in the instant matter there were two accused i.e. accused Kamlesh Kumar Sinha and accused Dr. Chandra Shekhar. Accused Kamlesh Kumar Sinha was already convicted by the Id. Predecessor court vide judgment dated 23.01.2018 for the offence punishable U/s 120B read with 420 IPC and U/s 13 (2) r/w 13 (1) (d) of Prevention of Corruption Act. Accused Dr. Chandra Shekhar did not appear before the Id. Predecessor court, when the matter was at the stage of recording of his statement U/s 313 Cr. P. C and hence, the proceedings U/s 82 Cr. P. C was initiated against accused Dr. Chandra Shekhar and thereafter, vide order dated 16.09.2016 Id. Predecessor court declared accused Chandra Shekhar as proclaimed offender. Thereafter, accused Dr. Chandra Shekhar was arrested on 20.03.2018 and he was produced before Id. Predecessor court on 21.03.2018 and he was remanded to JC. After that vide order dated 02.04.2018 Id. Predecessor court has allowed the bail application of accused Dr. Chandra Shekhar and he was admitted on bail. Thereafter, further proceedings of the case from the stage of recording of statement U/s 313 Cr. P. C., of accused Dr. Chandra Shekhar have been taken place.

2. The instant case was registered against the accused on 20.2.2008, on the basis of a complaint received vide letter No. DZ/FPC/F/680 dated 11.2.2008 from Sh. K. L. Jagga, AGM, FPC, Punjab National Bank, Zonal Office, New Delhi, as address to Superintendent of Police, CBI, BS&FC, New Delhi. In the said complaint it was alleged that Sh. K. K. Sinha while posted and functioning as Branch Manager, Bara Hindu Rao Branch of PNB, New Delhi, entered into a criminal conspiracy with Dr. Chandra Shekhar (a private person) and in his capacity as public servant abused his official position and cheated the bank to the tune of Rs. 5,71,20,027/□

3. It is alleged that in pursuance of said criminal conspiracy Sh. K. K. Sinha purchased cheques issued by Dr. Chandra Shekhar from time to time and allowed withdrawal /transfer of amounts to Dr. Chandra Shekhar even without realization of the cheques. Investigation also revealed that in the year 2006 and 2007 Sh. Kamlesh Kumar Sinha @ K. K.Sinha, while posted and functioning as Senior Manager and incumbent Incharge, Punjab National Bank, Bara Hindu Rao Branch, New Delhi, entered into a criminal conspiracy with Dr. Chandra Shekhar with the object to cheat the Punjab National Bank and to commit the offence of criminal misconduct by gross abuse of his official position as public servant to obtain pecuniary advantage for his co-conspirator.

4. Investigation further revealed that two current account no. 0155002100111928 (hereinafter referred as CA 2111928) and No. 0155002100111937 (hereinafter referred as CA 2111937) were opened by Sh K. K. Sinha on 23.8.2006 at PNB, Bara Hindu Rao, New Delhi, in the name of the proprietary firms of accused Dr. Chandra Shekhar namely M/s Medical Equipment Consultants and M/s Hindustan Biotech Corporation on the self introduction of accused Dr. Chandra Shekhar. Investigation also revealed that one overdraft account no. 0155009600000028 (hereinafter referred as ODA 9628) was opened on 29.09.2006 by Sh. K. K. Sinha at PNB, Bara Hindu Rao, New Delhi in the name of M/s Hindustan Biotech Corporation, a proprietary firm of accused Dr. Chandra Shekhar and overdraft limit of Rs. 45,00,000/ was sanctioned to him against the security of FDR of Rs. 51,80,000/ Thereafter, on 03.10.2006, the overdraft limit was enhanced upto Rs. 67,99,500/ by Sh. K. K. Sinha against the further security of the FDR of Rs. 23,75,000/ Further, on 19.10.2006, the overdraft limit was again enhanced by Sh. K. K. Sinha upto Rs. 1,12,99,500/ against the further security of FDR of Rs. 50,00,000/ These FDRs were prepared by purchasing the cheques presented by Dr. Chandra Shekhar and also by transferring the amount from CA No. 2111928 on 29.09.2006, 03.10.2006 and 19.10.2006.

5. Investigation also revealed that overdraft account no. 0155009600000037 (hereinafter referred as ODA 9637) was opened on 07.10.2006 by Sh. K. K. Sinha at PNB, Bara Hindu Rao, New Delhi in the name of M/s Medical Equipment Consultants, a proprietary firm of accused Dr. Chandra Shekhar and overdraft limit of Rs. 24,57,000/ was sanctioned to him against the security of FDR of Rs. 27,30,000/ This FDR was also prepared by purchasing the cheque presented by Dr. Chandra Shekhar on 05.10.2006.

6. Investigation further revealed that overdraft account no. 0155009600000073 (hereinafter referred as ODA 9673) was opened on 01.01.2007 by Sh. K. K. Sinha at PNB Bara Hindu Rao Branch, New Delhi, in the name of M/s Hindustan Biotech Corporation, a proprietary firm of accused Dr. Chandra Shekhar and overdraft limit of Rs. 2,77,50,000/ was sanctioned to him against the security of two FDRs of Rs. 2,12,00,000/ and 88,00,000/ (total Rs. 3,00,00,000/). Thereafter, on 03.01.2007, the overdraft limit was enhanced by Sh K. K. Sinha upto Rs. 3,70,00,000/ against the further security of FDR of Rs. 1,00,00,000/ These FDRs were prepared by purchasing the cheques presented by Dr. Chandra Shekhar and also by transferring the amount from ODA No. 9628 on 30.12.2006 and 03.01.2007.

7. Investigation further revealed that the above FDRs were issued by purchasing the cheques presented by Dr. Chandra Shekhar and they were duly discharged by him in favour of bank and were

marked under the bank's lien by K. K. Sinha.

8. Investigation also revealed that accused Dr. Chandra Shekhar was maintaining two current account in the name of his proprietary firm M/s Medelec Systems (A/c no. 19087) and M/s Micronic Devices (A/c no. 19088) with Bombay Mercantile Co-operative Bank, Daryaganj Branch, New Delhi since 2003. He was maintaining one current account no. 1131 since 1998 in the name of his proprietary firm M/s Hindustan Diagnostics Ltd, at Lord Krishna Bank (now merged with HDFC Bank), Connaught Place, New Delhi. He was also maintaining one current account No. 2251 since 2003 in the name of his Proprietary firm M/s Hindustan Diagnostic Ltd, at Jammu & Kashmir Bank, Rajindra Place, New Delhi.

9. Investigation further revealed that one Cash Credit (Hyp.) A/c No. 0155008700001344 (hereinafter referred as CCA 87□344) was opened on 18.09.2006 by Sh. K. K. Sinha at PNB Bara Hindu Rao, New Delhi, in the name of the proprietary firm of accused Dr. Chander Shekhar namely M/s Medical Equipment Consultants and CC limit of Rs. 68,00,000/□was sanctioned to Dr. Chandra Shekhar by Sh. K. K. Sinha. For sanction of this loan Dr. Chandra Shekhar had offered the stocks and book debts of the said firm as primary security and H. No. 1324 (20%), Sector 34□C, Chandigarh as collateral security. He was supposed to maintain this primary security at any point of time. As per the terms and conditions dated 18.09.2006 of this CC Account the debtor (Dr. Chandra Shekhar) shall not without prior concurrence of the bank in writing, sell, assign, mortgage, alienate or otherwise dispose off any of the assets of the borrower charged to the bank. However, Dr. Chandra Shekhar failed to maintain the primary security hypothecated to the bank and Sh. K. K. Sinha also failed to secure the primary security and protect the interest of the bank. On checking with the bank officers who did appraisal after the fraud was detected, the extent of primary security held by accused Dr. Chandra Shekhar in his firm M/s Medical Equipment Consultants is of the stocks, the value of which is Rs. 1.5 Lac only. Again this appraisal before sanction was done by co□accused K. K. Sinha and thus no expert opinion of panel advocate or valuer was taken before sanction of the loan. So far as collateral security of H. No. 1324 (20%), Sector 34 C Chandigarh is concerned, the said property was purchased by Dr. Chandra Shekhar on 23.8.2004 from Sh. Harish Chhabra S/o Sh. Pran Nath Chhabra and this property was transferred in his name on 15.09.2004. However, Dr. Chandra Shekhar sold this property to Sh. Narinder Kumar S/o Sh. Phool Chand and Sh. Bhupinder Singh S/o Sh. Sunder Singh on 01.02.2006 and the property was transferred in their names (buyers name) on 07.02.2006. Therefore, as such Dr. Chandra Shekhar had no right in this property and no authority to offer this house as collateral security. Further, Sh. K. K. Sinha accepted the same without proper verification and sanctioned the loan on the basis of fake valuation report dated 05.09.2006 and legal opinion/non encumbrance certificate dated 28.08.2006 of Sh. Kuljit Singh and Sh. Surinder Chandana respectively.

10. Further, investigation also revealed that Dr. Chandra Shekhar in pursuance of the criminal conspiracy with Sh. K. K. Sinha presented the cheques of his aforesaid accounts of Bombay Mercantile Cooperative Bank (217 cheques), Lord Krishna Bank (134 cheques) and J & K Bank (07 cheques) in his account nos. CA 21□11928, CA 21□11937, CC 87□344, ODA 96□28 and ODA 96□37 maintained with PNB, Bara Hindu Rao, New Delhi and requested the bank to purchase such cheques which were accommodating in nature and were not the part of genuine trade transactions.

Dr. Chander Shekhar knew that the cheques presented by him are from the accounts of his own firms, issued by him and that these firms were not existed. During investigation it was found that these firms were non existent and were not carrying out any genuine business transaction and the firms were on papers only.

11. As per the investigation Sh.K. K. Sinha in furtherance of criminal conspiracy purchased the aforesaid cheques presented by Dr. Chandra Shekhar and allowed to withdraw/transfer the respective amount of purchased cheques. The cheques so purchased were the accommodation cheques of the associate/allied firms of accused Dr. Chandra Shekhar and were not the part of a genuine trade transactions. Before purchasing of these cheques Sh. K. K. Sinha was required to ascertain the confidential reports about the issuing firms from the concerned banks. Moreover, as per the guidelines and instructions of the bank, the purchase of the cheques of allied /associate firms were not allowed.

12. Investigation also revealed that co-accused K. K. Sinha in furtherance of said criminal conspiracy purchased 111, 66, 56, 35 and 34 number of cheques presented by accused Dr. Chandra Shekhar in CA 21□111928, CA 21□111937, CCA 87□344, ODA 96□28 and ODA 96□37 respectively beyond his purchasing power of Rs. 04 lacs. He obtained confirmation of his action by giving incorrect certification to the controlling office that the cheques so purchased were not the accommodation cheques of the allied/associate firms and that were part of a genuine trade transactions and thereby he misguided his controlling office also. It is also alleged that Sh. K. K. Sinha in furtherance of the said criminal conspiracy purchased 217 cheques of Bombay Mercantile Cooperative Bank and four (04) cheques of Pune Cantonment Sahkari Bank against the prevailing bank rules laid down in PNB Loans and Advances Circular No. 85 dt. 11.08.2006 that the cheques of cooperative bank should not be purchased.

13. Further, investigation also revealed that in the ODA 96□28 maximum sanctioned overdraft limit was Rs. 1,12,99,500/□from 19.10.2006 onwards and in no case the above account should have been overdrawn. However, overdrawal in this account was allowed during the period 04.10.2006 to 28.03.2007 on 43 occasions by Sh. K. K. Sinha to Dr. Chandra Shekhar. From 13.02.2007 to 28.03.2007 this account remained overdrawn over the sanctioned limit and on number of occasions the debit balance in this account had been more than Rs. 03 Crore against the sanctioned limit and on 24.03.2007 the maximum debit balance in this account was Rs. 3,42,42,327/□which was more than three times of the sanctioned limit and against the guidelines of the bank.

14. Investigation further revealed that in ODA 96□37 the maximum sanctioned overdraft limit was Rs. 24,57,000/□from 07.10.2006 onwards. However, overdrawal in this account was allowed during the period 11.12.2006 to 29.03.2007 on 41 occasions by Sh. K. K. Sinha to Dr. Chandra Shekhar. From 26.02.2007 onwards this account remained overdrawn over and above the sanctioned limit and on number of occasions the debit balance in this account had been more than Rs. 01 Crore against the sanctioned limit and on 13.02.2007 the maximum debit balance in this account was Rs. 1,72,41,617/□which was more than seven times of the sanctioned overdraft limit and against the guidelines of the bank.

15. Investigation also revealed that in ODA 9673 the maximum sanctioned overdraft limit was Rs. 3,70,00,000/ from 03.01.2007 onwards. However, overdrawal in this account was allowed during the period 04.01.2007 to 29.03.2007 on 51 occasions. From 12.02.2007 onwards this account was remained overdrawn above the sanctioned limit and on 28.03.2007 the debit balance in this account was Rs. 9,21,07,666/ which was about 2.5 times above the sanctioned overdraft limit. It is alleged that this clearly reflects that these were virtually a loot of the bank money by gross misuse of official position by Sh. K. K. Sinha in criminal conspiracy with Dr. Chandra Shekhar.

16. Investigation also revealed that it was in the knowledge of Sh. K. K. Sinha that the aforesaid overdrafts accounts were already overdrawn and any further overdrawal would put the bank money at risk but even then he allowed frequent overdrawal by Dr. Chandra Shekhar. In these overdraft accounts Sh. K. K. Sinha frequently allowed the advance against the clearing cheques to Dr. Chandra Shekhar to withdraw/transfer the amount against the clearing cheques, on the same day without its realization.

17. Investigation also revealed that Dr. Chandra Shekhar was maintaining three current accounts in the name of his proprietary firms i.e. A/c No. CD 109 in the name of M/s Medical Equipment Consultants, A/c No. CD 110 in the name of M/s Advanced Medicare Systems and A/c No. CD111 in the name of M/s Hindustan Overseas with Bank of India, Safdarjung Enclave Branch, New Delhi. On 28.03.2007 four cheques Nos. 548355, 548353, 548351 and 548352 of a/c No. CD 111 amounting to Rs. 2,91,00,000/ were issued by Dr. Chandra Shekhar in favour of M/s Hindustan Biotech Corporation (ODA 9673) maintained with PNB, Bara Hindu Rao, New Delhi. These cheques were credited in the said ODA 9673 and sent for clearing, however, these cheques were returned unpaid due to insufficient funds and the account was debited. On 30.03.2007 these cheques were again credited in CA 2111937 and sent for clearing but they were again received back unpaid due to insufficient funds and the account was debited on 03.04.2007. Due to return of these cheques, a debit balance of Rs. 4,00,54,181/ was created in CA 2111937. On 29.03.2007 a cheque No. 053235 amounting to Rs. 91,00,700/ of A/c No. CA9088 of Bombay Mercantile Cooperative Bank, issued by Dr. Chandra Shekhar was credited in ODA 9673 and sent in clearing but it was returned due to insufficient funds and on 03.04.2007 it was again debited in CA 2111937. On 29.03.2007 a cheque No. 000052 amounting to Rs. 50,00,000/ of A/c CD 109 of Bank of India, issued by Dr. Chandra Shekhar was sent for clearing and credited in ODA 9628. This cheque was also returned unpaid due to insufficient funds and it was debited in CA 2111937 on 03.04.2007.

18. Investigation also revealed that on 28.03.2007 two cheques Nos. 548301 and 548302, total amounting to Rs. 1,06,65,000/ of a/c no. CD110 of Bank of India, issued by Dr. Chandra Shekhar was sent for clearing and credited in ODA 9637. These cheques were returned unpaid due to insufficient funds and the account was debited on 29.03.2007. Both these cheques were again sent in clearing and credited in CA 2111928 but they were again returned unpaid due to insufficient funds and the account was debited on 03.04.2007. On 29.03.2007 one cheque No. 040349 amounting to Rs. 46,12,500/ of account no. CA 19088 of Bombay Mercantile Cooperative Bank was issued by Dr. Chandra Shekhar and was sent for clearing and credited in ODA 9637. This cheque was also returned unpaid due to insufficient funds and it was debited in CA 2111928 on 03.04.2007.

19. Further, investigation also revealed that Dr. Chandra Shekhar presented these above nine cheques knowing that there was no sufficient balance in his accounts at Bank of India and Bombay Mercantile Cooperative Bank. Sh. K. K. Sinha allowed transfer of money to other accounts against these nine cheques. The overdraft accounts were adjusted by premature closure proceeds of FDR kept under the bank's lien and by transferring the amount from the current accounts. Due to return of these cheques, debit balance was created in CA 21□11928 and CA 21□11937 which was outstanding on Dr. Chandra Shekhar.

20. Investigation further revealed that by these acts Sh. K. K. Sinha and Dr. Chandra Shekhar, defrauded Punjab National Bank to the tune of Rs. 1,26,61,511/□ Rs. 3,76,52,003/□ and Rs. 68,06,513/□(Total Rs. 5,71,20,027/□in CA No. 21□11928, CA no. 21□11937 and CCA 87□344 respectively.

21. Thereafter, CBI has also filed a supplementary chargesheet on 28.05.2009. It is submitted in the supplementary chargesheet that investigation of the case has further revealed that a cash credit limit of Rs. 68 lacs was sanctioned to accused Dr. Chandra Shekhar by accused K. K. Sinha on 18.09.2006 in the name of his firm M/s Medical Equipment Consultants in CC A/c no. 87□344 and in this account Dr. Chandra Shekhar had offered a collateral security of his H. No. 1324 (20%), Sector 34C, Chandigarh. Dr. Chandra Shekhar submitted in the bank the valuation report dt. 05.09.2006 of valuer Sh. Kuljit Singh (a valuer of Chandigarh) and certificate dated 28.08.2006 of Sh. Surinder Chandna (an advocate of Chandigarh) regarding the valuation and legal opinion respectively of the above property of accused Dr. Chandra Shekhar. Sh. K.K. Sinha conducted the spot verification of the above property and sanctioned the loan. However, during investigation valuer Sh. Kuljit Singh and Sh. Surinder Chandna Advocate stated that they have not issued the above valuation report and legal opinion respectively and these documents were false and forged. Sh. K. K. Sinha submitted that both these documents were submitted to him by Dr. Chandra Shekhar but he did not verify the genuineness of these documents. Dr. Chander Shekhar stated that these documents were handed over to him by one Sh. L. P. Rai and subsequently these documents were handed over by him to Sh. K. K. Sinha. Specimen signatures and handwritings of Kuljit Singh, Sh. Surinder Chandna Advocate, K. K. Sinha, Dr. Chandra Shekhar and L. P. Rai were also taken.

22. Investigation also revealed that along with the valuation report dated 05.09.2006, three photographs of the aforesaid house No. 1324, Sector□34C, Chandigarh have been enclosed and in one of the photographs two persons were appearing. It was revealed that one of the person is Sh. Sudha Kant Sharma, the then Sr. Manager, PNB, Shastri Nagar, New Delhi. During examination Sh. Sudha Kant Sharma stated that Dr. Chandra Shekhar approached him for sanction of cash credit limit of Rs. 80 lacs and offered his above house of Chandigarh as collateral security. He visited the above property at Chandigarh for physical verification along with Sh. D. D. Gupta, Loan Incharge of the branch. At Chandigarh, he (Sudha Kant Sharma) contacted Sh. Kuljit Singh, the bank approved valuer for the purpose of valuation. The valuation was done and the photographs of the house was taken by valuer. Thereafter, he received the valuation report dated 11.11.2005 from Sh. Kuljit Singh alongwith the photographs of the house and in one of the photographs enclosed with the report, he along with Sh. D. D. Gupta was appearing. Since the realizable value of above house was much lower against the requested CC limit, Sh. Sudha Kant Sharma did not entertain the case of Dr. Chandra

Shekhar. After sometime Dr. Chandra Shekhar came to Sudha Kant Sharma and requested him to give the above valuation report dt. 11.11.2005 stating that CC limit had been sanctioned to him from PNB Bara Hindu Rao, New Delhi and valuation report was required for the same. As the report was of no use for the bank, he gave it to Dr. Chandra Shekhar along with the photographs. It is alleged that three photographs of genuine valuation report were used by Dr. Chandra Shekhar in the forged valuation report.

23. During the course of investigation, the specimen handwriting/signatures of K. K. Sinha, Dr. Chandra Shekhar, L. P. Rai, Sudha Kant Sharma, Kuljit Singh and Surinder Chandna were sent to GEQD, Shimla along with the valuation report dated 05.09.2006 of Sh. Kuljit Singh and certificate/legal opinion dated 28.08.2006 of Sh. Surinder Chandna, for examination. The nine cheques which were returned unpaid from the clearing due to insufficient funds were also sent to GEQD for examination and opinion.

24. It was further alleged that Sh. Anil Manocha, Manager, PNB, Bara Hindu Rao, New Delhi had stated that the forged valuation report dt. 05.09.2006, forged certificate /legal opinion dt. 28.08.2006 and original sale deed dated 23.08.2004 in respect of house No. 1324, Section 34C, Chandigarh were handed over to K. K. Sinha by Dr. Chandra Shekhar in his presence and these documents were made part of the bank documents by Sh. K. K. Sinha. Dr. Chandra Shekhar had lodged a complaint vide DDR No. 45 dt. 27.05.2006 at PS Sector 31, Chandigarh regarding missing of the original sale deed in respect of H. No. 1324, Sector 34C, Chandigarh, which goes to establish that Dr. Chandra Shekhar had some ill intention right from the beginning to misuse the papers of the property and in pursuance to his ill intention he lodged a complaint at PS Sector 31, Chandigarh regarding missing of the property papers. This property at Chandigarh was not in the name of accused Dr. Chandra Shekhar from 07.02.2006 onwards. His registering the complaint about missing of original sale deed on 27.05.2006 and subsequently submitting the forged valuation report and legal opinion and original sale deed of the property in the bank on 18.09.2006 clearly indicates that accused Dr. Chandra Shekhar had knowledge and mens rea to deceive the bank to avail CC limit by submitting the forged documents pertaining to the property which did not belongs to him and accused K. K. Sinha facilitated him by accepting those forged documents.

25. Investigation further revealed that Dr. Chandra Shekhar with conscious knowledge, criminal intention and in active connivance with K. K. Sinha submitted the above forged valuation report dated 05.09.2006 and legal opinion dated 28.08.2006 and original sale deed dated 23.08.2004 which were placed in the bank records by K. K. Sinha and on the basis of the same, a Cash Credit limit of Rs. 68 lacs was sanctioned to Dr. Chandra Shekhar by K. K. Sinha. It is also alleged against the accused that there are sufficient material on record to show that K. K. Sinha entered into a criminal conspiracy with Dr. Chandra Shekhar and cheated the bank to the tune of Rs. 5,71,20,027/□

26. After filing of the charge sheet, the cognizance of offence was taken against the accused by the Id. Predecessor court.

27. Thereafter, on 25.09.2010, learned predecessor court framed the charge against both the accused u/s 120B read with section 420 & 471 IPC and U/s 13 (2) read with section 13 (1) (d) of Prevention of Corruption Act as well as offence U/s 420/120B IPC. On the same day, separate charge U/s 13 (2) r/w 13 (1) (d) of PC Act had been framed against accused K. K. Sinha and separate charge U/s 471 IPC had been framed against accused Dr. Chandra Shekhar.

28. Thereafter, prosecution has examined 40 witnesses, in order to prove its case.

PW1 is Sh. Krishan Lal Jagga and as per PW1, he was posted as Assistant General Manager in fraud Prevention Cell of Punjab National Bank in the Zonal Office, New Delhi from December 2006 to February 2008. PW1 deposed that complaint dated 11.02.2008 vide Ex. PW1/A was filed by him regarding unauthorized debits being allowed from various accounts by the then incumbent incharge K. K. Sinha in Branch Office, Bara Hindu Rao, Delhi. PW1 further deposed that the facts given in the complaint are as per the record of the bank and are correct. As per PW1 the present case related to nine cheques presented in the accounts of Medical Equipment Consultants and Hindustan Biotech Corporation and in the instant case cheques were deposited by the party for collection and deposit in the account which were sent in clearing but the amount was allowed to be withdrawn on the same day without awaiting realization of cheques and those cheques were returned unpaid.

29. PW2 is Sh. Narender Verma and as per him in the year 2007-2008 he was working as Marketing Officer, in Bank of India, Zonal Office, Jeevan Bharti Building, Connaught Place, New Delhi and was dealing with four branches namely Safdarjung Enclave Branch, Hauz Khas Branch, Malai Mandir Branch and Panchsheel Branch of Bank of India. He stated that Dr. R. K. Arora was Branch Manager of Safdarjung Enclave Branch of Bank of India in the designation of Chief Manager. PW2 has identified the signatures of the then Chief Manager Dr. R. K. Arora at point A on account opening form Ex. PW2/A of current account No.603620110000109 in the name of M/s Medical Equipment Consultants under the proprietorship of Dr. Chandra Shekhar and he also identified the initial of Dr. R. K. Arora at point A on specimen signature card Ex. PW2/B. The supporting documents Ex. PW2/A1 to A6 filed with the applications also have the initials of Dr. R. K. Arora at point A. PW2 also identified the signatures and initials of Dr. R. K. Arora the then Chief Manager on account opening form Ex. PW2/C and specimen signature card Ex. PW2/D of current account no. 603620110000110 in the name of M/s Advance Medicare System. PW2 also identified the signatures and initials of Dr. R. K. Arora the then Chief Manager on account opening form Ex. PW2/E and specimen signature card Ex. PW2/F of current account no. 603620110000111 in the name of M/s Hindustan Overseas under the proprietorship of Dr. Chandra Shekhar.

PW2 also identified the signatures of Dr. R. K. Arora at point A on certificate attached with each of the statement of account and corresponding certificates Ex. PW2/G1 and PW2/G2 in respect of a/c No. 603620110000109, Ex. PW2/H1 and PW2/H2 in respect of account No.603620110000110 and Ex. PW2/J1 and Ex. PW2/J2 in respect of 603620110000111. PW2 also identified the signature of Dr. R. K. Arora at point A on FD No. 603655210000164 Ex. PW2/K of M/s Medical Equipment Consultants for Rs. Five Crores, for a period of 36 months. As per record this FD was prepared through current account No. 603620110000109 in the name of M/s Medical Equipment consultant dated 29.03.2007, for five crores against cheque no. 000055/. Thereafter, on the request of

proprietor of M/s Medical Equipment & Consultants an OD account was opened on the same day i.e. on 29.03.2007. The application form for advance against bank's FD Ex. PW2/I also have the signatures of Dr. R. K. Arora at portion X1 to X2. On this application a limit of Rs. 4,75,00,000 was sanctioned against pledge of bank's FD Ex. PW2/K of Rs. Five Crore. On 30.3.2007, on the request of Dr. Chandra Shekhar, proprietor of M/s Medical Equipments Consultants, FD Ex. PW2/K was closed and amount was credited to OD account No. 603627110000018 of M/s Medical Equipments Consultants for Rs. 4,50,00,000. PW2 also deposed that the credit slip dated 30.03.2007 Ex. PW2/M also bears the signatures of Dr. R. K. Arora. The statement of account of OD A/c No. 6036552100000164 favouring M/s Medical Equipment Consultants Ex. PW2/N1 and certificate under Banker's Book of Evidence Act Ex. PW2/N2 also bears the signatures of Dr. R. K. Arora at point A. The statement of account in respect of OD A/c No. 603627110000018 Ex. PW2/O1 and certificate under Banker's Book of Evidence Act Ex. PW2/O2 also bears the signatures of Dr. R. K. Arora at point A. As per entry at point X in the statement Ex. PW2/O1 a pay slip (Banker's Cheque) of Rs. 50 lacs was issued in favour of M/s Medical Equipment Consultant, for the balance of Rs. 50 lac in FD account no. 6036552100000164 and the OD account was adjusted.

30. PW3 Ms. Poonam Arora was posted in Daryaganj Branch of Bombay Mercantile Co-operative Bank since 1981. As per PW3 in the year 2007, it was her duty to issue cheque books to the account holders on their requisition. As per cheque book issue register Ex. PW3/A, entries from 22.05.2006 were made by her in token of having issued cheques books to different account holders of the branch. She also stated that the entry encircled portion X1 on page no. 158 of Ex. PW3/A is in her hand writing. As per PW3, on 26.02.2007, she had issued one cheque book of hundred leaves bearing No. 53201 to 53300 in respect of bank account no. 19088 of M/s Micronic Devices and in this regard Rs. 125/- was deducted for issuing the cheque book. Further, as per PW3, this cheque book was handed to Sh. Jha who produced an authorization letter of account holder and Mr. Jha had signed at point X2 in her presence. Similarly as per entry encircled at point X3, she (PW3) had issued a cheque book containing 100 leaves from serial no. 53301 to 53400 in respect of M/s Medelec Systems having A/c No. 19087 and this cheque book was also received by Mr. Jha who signed at point X4. The proprietor of above two concern was Dr. Chandra Shekhar who had authorized Sh. Jha for receiving the cheque books. PW3 had also identified the signatures of Sh. Javed Siddiqui, the then Assistant Accountant in the bank at point A of Cheque No. 053235 for amount of Rs. 91,00,700/- dated 28.03.2007 of Bombay Mercantile Co-operative Bank Ltd., Ex. PW3/B. This cheque is part of cheque book issued by her to the party. PW3 also identified the signatures of Sh. Sushil Vanjani, Officer in her branch at point A on cheque return memo Ex. PW3/B in respect of cheque no. 53235. As per this memo cheque Ex. PW3/B was returned unpaid on account of exceeds arrangements.

31. PW4 Sh. Nisar Ahmed, deposed that on 06.01.2007, he was posted as Cashier Cum Clerk in Bombay Mercantile Cooperative Bank Ltd, Daryaganj, Delhi and was deputed on the cheque issue counter on that day. He further stated that vide entry encircled at point Y1 Ex. PW4/A1 on page no. 152 of cheque issue register Ex. PW3/A he had issued one cheque book containing 100 leaves with No. 40201 to 40300 for account no. 19087 of Medelec Systems of Dr. Chandra Shekhar. This cheque book was handed over to one Mr. Jha on the authorization of Dr. Chandra Shekhar. Sh. Jha signed at point Y2 Ex. PW4/A2 in token of having received the cheque book.

Similarly as per entry encircled at portion Y3 Ex. PW4/A3 he had issued cheque book containing 100 leaves from page no.40301 to 40400 in respect of account no. 19088 of M/s Micronic Devices of Dr. Chandra Shekhar. This cheque book was also handed over to Mr. Jha under the authorization of Dr. Chandra Shekhar who signed at point Y4 Ex. PW4/A4. Cheque No. 40349 dated 15.2.2007 Ex. PW4/B for amount of Rs. 46,12,500/- is from the cheque book containing cheques from 40301 to 40400 issued by him for account no. 19088. This cheque is having signatures of Javed Siddiqui at point A. Cheque returning memo dated 30.03.2007 in respect of cheque no. 40349 Ex. PW4/C bears the signatures of Sh. Sushil Vanjani at point A. He identified the signatures of Sh. Sushil Kumar Vij, the then Branch Manager at point A of computer print out of MICR returned clearing Ex. PW4/D for 30.3.2007. As per this print out cheque no. 40349 and 53235 in respect of A/c No. 19088 were returned unpaid. He also identified the signatures of Sh. Sushil Kumar Vij on the certificate of Banker's Book of Evidence Act Ex. PW4/E attached with Ex. PW4/D. He also identified the signatures of Sh. Sushil Kumar Vij on another computer print out Ex. PW4/F1 and certificate under Banker's Book of Evidence Act Ex. PW4/F2 at points A. PW4 further stated that the computer print out of input statement details Ex. PW4/G1 and certificate under Banker's Book of Evidence Act Ex. PW4/G2 also bears the signatures of Sh. Sushil Kumar Vij at point A.

32. PW5 is Sh. Sushil Kumar Vij, retired branch manager, Bombay Mercantile Cooperative Bank, Daryaganj, Delhi. PW5 has proved that account CD No. 19088 in the name of Micronic Devices operated by Dr. Chander Shekhar was opened on 29.01.2003 and he proved the account opening form Ex. PW5/A and specimen signature card of Dr. Chander Shekhar Ex. PW5/A1. He also proved the form A attached with account opening form Ex. PW5/A3. He also deposed that he can identify the signatures of Dr. Chander Shekhar as he used to come in the bank and he had seen him signing and writing documents in the bank. PW5 also proved the letter given by Dr. Chander Shekhar for issuance of cheque book as Ex. PW5/A4. He also proved the statement of account pertaining to current account No. CD 19088 of M/s Micronic Devices for the period 26.12.2005 to 29.3.2006 as Ex. PW5/A5 and certificate Ex. PW5/A6.

PW5 also stated that the account No. CD 19087 of M/s Medelec Systems was opened on 29.01.2003 and account opening form Ex. PW5/B was signed by Dr. Chander Shekhar and he also proved specimen signature card Ex. PW5/B1 and the corresponding form A submitted along with account opening form vide Ex. PW5/B2. Vide letter dated 31.01.2003 Ex. PW5/B3 Dr. Chandra Shekhar made a request for issuance of cheque book of 25 leaves. PW5 also proved statement of account pertaining to account no. CD 19087 of M/s Medelec Systems for the period 01.01.2006 to 30.04.2007 vide Ex. PW5/B4. PW5 also proved certificate under Banker's Book of Evidence Act vide Ex. PW5/B5 bearing his signature at point A, issued in respect of statement of account Ex. PW5/B4. PW5 has also proved the seizure memo dated 07.04.2008 as Ex. PW5/C1 and he also deposed that vide this memo, documents mentioned therein were produced by him from the bank records and the same were seized by Dy. SP R. N. Mishra. He also proved the seizure memo dated 26.06.2008 vide Ex. PW5/C2. PW5 also proved the cheque book issue register as Ex. PW3/A and identified his signatures at point A. PW5 also proved cheque No. 40349 dated 15.02.2007 as Ex. PW4/B and identified the signatures of Dr. Chander Shekhar at point B and he stated that this cheque was returned unpaid on account of insufficient fund. As per PW5 cheque No. 53235 dated 28.03.2007 bearing signature of Dr. Chandra Shekhar at point A, also returned unpaid on account of insufficient

fund. He also proved MICR returned clearing statement for 30.03.2007 Ex. PW4/D and certificate of Banker's Book of Evidence Act Ex. PW4/E. PW5 also proved the computerized list of cheque returned for dated 30.03.2007 vide Ex. PW4/F1 and corresponding certificate of Banker's Book of Evidence Act vide Ex. PW4/F2. He also proved the summary of MICR returned clearing statement dated 30.03.2007 and corresponding certificate under Banker's Book of Evidence Act vide Ex. PW4/G1 and Ex. PW4/G2. He also deposed that as per summary of MICR returned Ex. PW4/G1 total 08 cheques presented by PNB on 30.03.2007 were returned unpaid by his bank. He also proved the return memo dated 30.03.2007 vide Ex. PW5/D1 and he identified the signatures of Sh. Sushil Vanjani at point A. He also identified the signatures of Sh. Sushil Vanjani at point A on cheque return memo Ex. PW4/C. PW5 also proved the statement of account vide Ex. PW5/B4 and also deposed about the presentation of cheques as per statement of account Ex. PW5/A5.

33. PW6 Sh. Mukesh Taneja, deposed that in the year 2007, he was posted as Vigilance Officer (Chief) of Punjab National Bank in Delhi Circle. He further stated that the then Chief Vigilance Officer of PNB Sh. Y. N. Mathur had directed him to conduct a preliminary enquiry in the matter of serious irregularities/suspected fraud committed by K. K. Sinha, the then incumbent of branch office at Bara Hindu Rao relating to the bank accounts/transactions of accounts of M/s Hindustan Biotech Corporation and M/s Medical Equipments Consultants, Sole Proprietorship concerns of Dr. Chandra Shekhar. Thereafter, he along with Sh. S. L. Aggarwal had jointly conducted the preliminary investigation /enquiry in the matter and submitted the report Ex. PW6/A. The irregularities found during enquiry/investigation were mentioned in detail in the report dt. 23.04.2007 Ex. PW6/A.

34. PW7 Ms. Veena Chadha, deposed that in February, 2008 she was posted as Sr. Manager, PNB, Shastri Nagar Branch, New Delhi. As per PW7, on the instructions of Zonal Office, vide her letter dated 29.02.2008 Ex. PW7/A, she had sent the documents mentioned therein to Sr. Manager Bara Hindu Rao Branch. PW7 stated that she remained in Shastri Nagar Branch from 19.06.2007 to 07.09.2010. Prior to her Sh. Sudha Kant Sharma was the Branch Manager at Shastri Nagar Branch. PW7 identified the signatures of Sh. Sudha Kant at point A and B on account opening form of current account No. 2146095 in the name of M/s Medical Equipment Consultants, Ex. PW7/B and at point A1 on agreement for overdraft of account dated 28.3.2006 and corresponding DP Note collectively Ex. PW7/C. The overdraft limit sanction form Ex. PW7/D also bears the signatures of Sh. Sudha Kant at point A and of Sh. D.D. Gupta at point B. Scanned copy of specimen signature card Ex. PW7/E which was common to both the accounts also bears the signatures of Sh. Sudha Kant at point A. As per PW7, the computer print out of statement of account of A/c No. 1398002100046095 in the name of M/s. Medical Equipment Consultants Ex. PW7/F is correct as per the bank records. The computer print out of statement of OD account No. 1398009300046056 in the name of M/s. Medical Equipment consultants Ex. PW7/G is also correct as per the bank records. PW7 identified the signatures of Sh. Sudha Kant at point A on cheque No. 942818 dated 28.3.2006 Ex. PW7/H. This cheque was issued by the proprietor of M/s. Medical Equipment Consultants for issuing an FDR for a period of 36 months. The amount under cheque had been debited to the concerned account and entry is available at point X1 in statement of account Ex. PW7/F. As per PW7, against the above mentioned FDR, an overdraft of Rs. 6,30,000 had been allowed by Sudha Kant against entry at point X2 in the statement of account Ex. PW7/F. On 22.08.2007 she received a written request Ex. PW7/K from the account holder of above mentioned accounts for

closing the FD and transfer the amount to the account in which outstanding was there and she allowed the request.

35. PW-8 Sh. Suresh Kumar Gupta, deposed that from December 2002 to 29.11.2006 he remained posted at Bara Hindu Rao Branch of PNB as clerk. Since, he was senior most clerk in Bara Hindu Rao branch, he also used to work as Special Assistant on many occasions. As per PW-8, Sh. K.K. Sinha was the Sr. Manager of the branch. The account opening form and corresponding specimen signature card pertaining to A/c No. 0155009600000028 of M/s. Hindustan Biotech Corporation are Ex. PW-8/A and Ex. PW-8/B. The spectrum FDR dated 29.09.2006 for Rs. 51,80,000/- in the name of M/s. Hindustan Biotech Corporation is Ex. PW-8/C and bears his signatures and that of accused K.K. Sinha at point A and B respectively. The spectrum FDR dated 03.10.2006 for Rs. 23,75,000/- in the name of M/s. Hindustan Biotech Corporation Ex. PW-8/D is signed by him and Anil Minocha Manager. The spectrum FDR Ex. PW-8/E dated 19.10.2006 for Rs. 50 lacs in the name of M/s. Hindustan Biotech Corporation was issued under his joint signatures with accused K.K. Sinha. These FDRs were marked under bank lien by accused K.K. Sinha vide entries at portion X on three FDRs Ex. PW-8/C, Ex. PW-8/D and Ex. PW-8/E for giving overdraft loan against FDR in OD A/c No. 9600000028. The corresponding columns on each of above three FDRs show that the lien have been vacated by accused K.K. Sinha on 30.03.2007. The OD sanction order dated 29.09.2006 Ex. PW-8/F1 and Ex. PW-8/F2 bear the signatures of accused K.K. Sinha at point A. The specimen signature card Ex. PW-8/G of OD A/C No. 0155009600000037 of M/s. Medical Equipments Consultants was signed by accused K.K. Sinha in red ink at points A1 and A2. The OD sanction order dated 07.10.2006 Ex. PW-8/G1 is also signed by accused K.K. Sinha at point A. The spectrum FDR dated 05.10.2006 for Rs. 27,30,000/- Ex. PW-8/H bears his signatures at point A. Vide entry at point X on this FDR there is an entry and signed by accused K.K. Sinha, the then Sr. Manager at point B, for giving the overdraft loan against the security of FDR in OD A/c No. 0155009600000037. Vide entry at point B1 on Ex. PW-8/H accused K.K. Sinha had vacated the lien, on 30.03.2007.

36. PW-9 Sh. Jai Prakash, deposed that in December, 2005, he joined PNB, Bara Hindu Rao Branch as Computer Operator. During the year 2006-07 accused K.K. Sinha was Sr. Manager in that branch. The spectrum FDR dated 30.12.2006 for Rs. 2,12,00,000/- Ex. PW-9/A bears his signatures at point A and that of accused K.K. Sinha at point B. Accused K.K. Sinha had also signed at point C of Ex. PW-9/A in token of marking lien and at point D at the time of vacating the lien. The spectrum FDR dated 30.12.2006 for Rs. 88,00,000/- Ex. PW-9/B in the name of M/s. Hindustan Biotech Corporation bears his signatures at point A and that of accused K.K. Sinha at points B1, B2 and B3. He identified the signatures of accused K.K. Sinha at point A, on joint OD sanction order dated 01.01.2007 Ex. PW-9/C in respect of above mentioned FDRs. PW-9 also identified the signatures of Sh. R.K. Jain at point A on the certificate issued under the Banker's Book of Evidence Act Ex. PW-9/D.

37. PW-10 Sh. Sudhakant Sharma, deposed that in the year 2005, he was posted as Sr. Manager in Shastri Nagar Branch of PNB. Vide account opening form Ex. PW-7/B he allowed opening of current A/c No. 1398002100046095 of Medical Equipments Consultants, a proprietorship firm of Dr. Chandra Shekhar. The said applicant was introduced by him as he was personally known to him.

As per PW10, prior to his posting in Shastri Nagar Branch, he was posted in Daryaganj Branch of PNB as Sr. Manager. He also stated that Dr. Chander Shekhar had an account in Bombay Mercantile Co-Operative Bank, Daryaganj Branch where he had some meetings with him and he was considered as a high value customer. When he (PW10) was transferred to Shastri Nagar Branch of PNB, he invited Dr. Chander Shekhar to open his bank account in his branch. The account operated by Dr. Chander Shekhar in Shastri Nagar Branch was a regular current account. During March 2006, there was pressure to meet the targets to increase deposits in the bank. Therefore, he asked Dr. Chander Shekhar to give some deposits to his branch of Shastri Nagar in the form of FDRs. The deposit slip dated 28.03.2006 Ex. PW10/1 is for deposit of Rs. 07 lacs in the above mentioned current account of Dr. Chander Shekhar. On the same day i.e. 28.03.2006 Dr. Chander Shekhar issued a cheque Ex. PW7/H of Rs. 07 lacs in favour of PNB. PW10 also identified the signature of Dr. Chander Shekhar at point B on cheque Ex. PW7/H which also bears his signature at point A. Cheque Ex. PW7/H was issued by Dr. Chander Shekhar for issuance of FDR for a period of 36 months in the name of M/s. Medical Equipments consultants and his request is on the backside of the cheque alongwith his signature at point C. The FDR issued by PNB Shastri Nagar in favour of M/s. Medical Equipments Consultants is Ex. PW10/2. An OD Account (Overdraft Account) was opened in favour of M/s. Medical Equipments Consultants against the FDR Ex. PW10/2 with the outer limit of Rs. 6.40 lacs. The OD Account was opened on the proposal Ex. PW7/D which bears his signatures at point A and the signature of Loan In-charge Sh. D.D. Gupta as Recommending Officer. An agreement Ex. PW7/C was executed for opening of OD Account by Dr. Chander Shekhar which bears his signatures at point B1 to B8. Promissory Note Ex. PW10/3 executed by Dr. Chander Shekhar is issued by him which bears signature of Dr. Chandra Shekhar at point B9 to B12 and his (PW10) signature at point A. The OD Account was opened on 28.03.2006 and the FDR of Rs. 7 lacs Ex. PW10/2 was pledged against the said OD Account. Customer Master Form Ex. PW10/4 was filled up by Dr. Chander Shekhar, which bears signature of Dr. Chandra Shekhar at point B1 and B3. As per PW10 an amount of Rs. 6.30 lacs was debited from OD account and was credited in the current account.

38. PW11 Sh. R.N. Goel, deposed that in the year 2006-07 he was posted as Dy. Manager in Bara Hindu Rao branch of PNB. Sh. K.K. Sinha was the Sr. Manager of the Branch. Sh. R.K. Jain succeeded Sh. K.K. Sinha as Sr. Manager in Bara Hindu Rao Branch. As per PW11, seizure memo dated 13.05.2008 Ex. PW11/1 bears endorsement and signatures of Sh. R.K. Jain Sr. Manager at point A and B. Credit vouchers Ex. PW11/2 to Ex. PW11/9 were passed by him (PW11) and bears his signatures at points A. The FDR dt. 14.3.2007 for Rs. 03 crores Ex. PW11/10 was issued under his signatures and under the signatures of K.K. Sinha. The FDR was discharged by Chander Shekhar, Proprietor of M/s. Medical Equipments. It is mentioned on the FDR that a lien had been created on the same on 15.03.2007 in OD A/c No. 9362027 and the lien was vacated on 18.04.2007. The power to allow OD account was with the branch head Sh. K.K. Sinha. As per PW11 advance against clearing can only be allowed by branch head Sh. K.K. Sinha.

39. PW12 Dr. Raj Kumar Arora, deposed that since 22.5.2006 he was working as Branch Manager, Bank of India, Safdurjung Enclave Branch, New Delhi. He received a telephone call from Sh. Ravi Kumar, the then AGM Zonal Office, who informed him that Dr. Chander Shekhar may give good business to his branch and he was instructed to contact him. Accordingly, he contacted Dr. Chander

Shekhar telephonically and Dr. Chander Shekhar agreed to open a current account in his branch. PW12 identified/ introduced Dr. Chander Shekhar on account opening form Ex. PW□2/1 bearing the signature of Dr. Chandra Shekhar at point A and his (PW12) signature is at B. Dr. Chander Shekhar signed the account opening form at point C1, C2 and C3. Current A/c No. 603620110000109 was allotted to Dr. Chander Shekhar. This account was opened by him as proprietor of M/s. Medical Equipments Consultants. Dr. Chander Shekhar gave letter of sole proprietorship firm Ex. PW□2/2, declaration form Ex. PW□2/3, copy of pan card Ex. PW□2/4 and copy of his telephone bill Ex. PW□2/5, two declarations Ex. PW□2/6 and Ex. PW□2/7. Accused Chander Shekhar admitted specimen signature card Ex. PW□2/8 and his specimen signatures thereon at point B1 and B2. Accused Dr. Chandra Shekhar also admitted statement of account pertaining to abovementioned current account Ex. PW2/G1 and account opening form for opening of current account No. 603620110000110 Ex. PW2/C. Accused Dr. Chander Shekhar had further given letter of sole proprietorship firm Ex. PW□2/9, admitted bill no. 1005 Ex. PW□2/10 and also given photocopy of his pan card Ex. PW□2/11, photocopy of his telephone bill Ex. PW□12/12. For opening of current account Dr. Chander Shekhar had also given two declaration forms Ex. PW□2/13 and Ex. PW□2/14 which had signatures of Dr. Chandra Shekhar at point B along with the seal of firm. The letter of sole proprietorship given by Dr. Chander Shekhar is Ex. PW□12/15. Dr. Chander Shekhar also admitted bill no. 1005 Ex. PW□2/16, photocopy of his pan card Ex. PW□2/17, photocopy of telephone bill Ex. PW□2/18. For opening current account Dr. Chander Shekhar had also given two declaration forms Ex. PW□2/19 and Ex. PW□2/20. Accused Dr. Chander Shekhar had also admitted cheque book requisition form along with 03 cheque book requisition slips/ counter foils Ex. PW□12/21, slip/counterfoils Ex. PW□2/22, Ex. PW□2/23 and Ex. PW□12/24, acknowledgment of receipt of cheque book pertaining to current account No. CD□110 Ex. PW□2/25, requisition of cheque book Ex. PW□2/26, acknowledgment of receipt of cheque book of C/A No. CD 111 Ex. PW□2/27 and requisition of cheque book Ex. PW□2/28. Dr. Chandra Shekhar admitted Declaration for repayment of OD account form Ex. P1, bearer letter Ex. P2, demand promissory note Ex. P3, stamp agreement of loan Ex. P4 and bill form no. 1005 Ex. P5. Documents Ex. P1 to P5 were executed by Dr. Chandra Shekhar on behalf of his firm at the time of taking overdraft facility.

40. PW□3 Sh. Prakash Kumar Israni, deposed that from 2003 to 2008 he was working as Special Assistant in Safdarjung Enclave Branch of Bank of India. His duty was to pass the cheques for clearance, to issue cheque books on request of customers etc. The original cheque book delivery register of Bank of India, Safdarjung Enclave Branch for the period 10.10.06 to 18.06.2008 maintained by the branch is Ex. PW□13/1. The original register maintained by Safdarjung Enclave Branch for issuance of cheque books on urgent basis for the period 11.08.2005 to 25.04.2008 is Ex. PW□3/2. Entry Ex. PW□3/3 in register Ex. PW□3/1 is regarding issuance of cheque from No. 1 to 200 against current A/c No. 603620110000109 of M/s. Medical Equipments. Entry dated 24.3.2007 Ex. PW□3/4 in register Ex. PW□3/1 is regarding issuance of one cheque book of 50 leaves in favour of Hindustan Overseas having current account no. 603620110000111. Entry dated 24.3.2007 showing issuance of one cheque book of 50 leaves in favour of Advance Medical Systems having current A/c No. 603620110000110 is Ex. PW□3/5. Page no. 129 of register Ex. PW□3/2 contains four entries pertaining to issuance of cheque books. The first entry dt 21.03.2007 Ex. PW□13/6 is in respect of M/s. Medical Equipments Consultants against current A/c No.

603620110000109. The second entry dated 26.3.2007 Ex. PW□3/7 is in respect of M/s. Advance Medical Systems against current A/c No. 603620110000110. The third entry dated 26.3.2007 Ex. PW□3/8 is in respect of M/s. Hindustan Overseas against current A/c No. 603620110000111 and the fourth entry dated 29.3.2007 is in respect of M/s. Medical Equipments Consultants against OD A/c No. 603627110000018 is Ex. PW13/9.

41. PW□4 Sh. R.K. Aggarwal, deposed that from August 2006 to January 2008 he remained posted as Sr. Manager, Disciplinary Action Cell, South Delhi Zone of PNB Bank, Atma Ram Marg, N. Delhi. He dealt with the departmental action against accused K.K. Sinha in the capacity of Sr. Manager, Disciplinary Cell, Circle Office, Delhi. He was not the inquiry officer. PW14 only assisted the disciplinary authority and the inquiry officer as and when directed. As per PW14, he was not aware about the final result of departmental inquiry.

42. PW□5 Sh. R.K. Chawla, deposed that from 19.7.2007 to 01.10.2008 he was posted as Sr. Manager Inspection and Audit in Circle Office, PNB, New Delhi. As per PW15, the incumbent incharge of the branch office or any other official authorized /deputed by him is required to sent the information to the circle office in respect of the transactions of more than Rs. 10 lacs if the same are cash transactions. A circular dated 08.04.2006 had been issued in this regard. The certified copy of circular dated 08.04.2006 Ex. PW□5/A was handed over by him to CBI and it contained the true contents of the circular.

43. PW□6 Sh. Ved Prakash, deposed that from 01.01.2006 to 28.05.2007 he was posted as Dy. Zonal Manager of Punjab National Bank, Delhi Zonal Office. He stated that Bara Hindu Rao Branch of PNB was under the Zonal Office, Delhi. His main duty as Dy. Zonal Manager was to generally supervise the working of all the branches of PNB under Zonal Office, Delhi in respect of credit, development and control and to assist the Zonal Manager. As per PW16, he received a telephone call from unknown person informing him that something wrong was going on in Bara Hindu Rao branch of PNB in respect of purchase of cheques and allowing advances against clearing cheques etc. He (PW16) telephonically talked to Sh. R.K. Dubey, the then Zonal Manager as Mr. Dubey was out of town and informed him about the telephonic information received by him. Sh. Dubey instructed him to depute Sr. Manager Zonal Office, Sh. Nagpal to look into the affairs of Bara Hindu Rao Branch of PNB and to report. He accordingly deputed Sh. Nagpal to look into the matter and Sh. Nagpal after visiting Bara Hindu Rao branch of PNB reported him about the huge violations in Bara Hindu Rao Branch. He again telephonically informed Sh. R.K. Dubey Zonal Manager about the report of Sh. Nagpal. Sh. Dubey instructed him to go to Bara Hindu Rao Branch, look into the matter and to place accused Kamlesh Kumar Sinha under suspension and to ask the next senior officer to take the work of Sr. Manager. PW16 also proved the letter dated 04.08.2007 Ex. PW□6/A written by Chief Manager, Zonal Office, Delhi to Sr. Manager, Bara Hindu Rao Branch, Delhi declining his request for confirmation of action in respect of purchase of cheques beyond loaning powers to M/s. Hindustan Biotech Corporation and M/s. Medical Equipment Consultants and M/s. Goreson Brothers and the earlier decisions of incumbent incharge were reversed. As per PW16 it was mandatory for incumbent incharge of the branch to report any cash transaction of Rs. 10 lacs and more to the Zonal Office. Further, it was mandatory for the incumbent incharge of the bank to report to the Zonal office in respect of every purchase of cheques or purchase of cheques against

clearing beyond his power by way of statement on fortnightly basis. No report was received from accused K. K. Sinha in Zonal office pertaining to this case in respect of violations or for seeking confirmation in respect of purchase of cheques etc. He (PW□

16) visited the Bara Hindu Rao Branch along with Mr. Nagpal on 12.04.2007, checked the relevant records and it was found that large number of cheques of the account of Mr. Chander Shekhar was purchased by Mr. K.K. Sinha, Branch Manager beyond his power and he acted in violation of the rules. Sh. K.K. Sinha was placed under suspension and charge was handed over to the next senior officer. Mr. R.K. Jain was posted as the Branch Manager of Bara Hindu Rao branch with the instructions to stop further credit facility to Dr. Chander Shekhar and his firms. Once or twice Sh. K.K. Sinha telephonically contacted the Zonal office for verbal permission to purchase the cheques of Dr. Chander Shekhar stating that Dr. Chander Shekhar was a genuine customer and the permission was granted by Zonal Office with the instructions to send a report for formal confirmation to the Zonal Office.

44. PW□7 Sh. Surinder Pal Dhir, deposed that he joined Lord Krishna Bank on 09.05.2003 which was lateron merged in Centurion Bank in August 2007 and the Centurion Bank was merged with HDFC Bank in May, 2008. Current A/c No. 1131 which was lateron changed as A/c No. 0315051000000563 was opened in the name of Hindustan Diagnostic Ltd. through its managing director Sh. Chander Shekhar on 12.01.1998 in Lord Krishna Bank. At the time of opening of account Dr. Chander Shekhar submitted board of resolution Ex. PW□7/A, copy of PAN card Ex. PW□7/B, Memorandum of Articles Ex. PW□7/C. The specimen signature card is Ex. PW□7/D and the account opening form is Ex. PW□7/E. He (PW17) provided the statement of account of the aforesaid account along with certificate as per Banker's Book of Evidence Act, collectively Ex. PW□17/F to CBI. During the testimony of this witness certain vouchers were admitted by the accused persons which are collectively Ex. PW□7/G1 to Ex. PW17/G5.

45. PW□8 Sh. Fayaz Ahmad Zargar, deposed that in the year 2008 he was posted as branch head at Rajindra Place Branch, New Delhi, of Jammu & Kashmir Bank and remained there till 2010. As per the records, M/s. Hindustan Diagnostic Ltd. had opened a current account No. 0206010100002251 in Rajindra Place Branch of Jammu & Kashmir Bank through its managing director Dr. Chander Shekhar on 01.02.2003. He proved the account opening form Ex. PW□8/A, specimen card Ex. PW□8/A2, resolution of board of directors Ex. PW□8/A3, memorandum of articles Ex. PW□8/A4. PW18 supplied the statement of account of aforesaid current account along with certificate under Banker's Book of Evidence Act collectively exhibited as Ex. PW□8/B to the investigating officer.

46. PW□9 Sh. Inder Kumar, deposed that in or around 2001 to 2007 he was posted as Computer Terminal Operator in Bara Hindu Rao Branch of PNB. Sh. K.K. Sinha was posted as Sr. Manager in Bara Hindu Rao Branch and he worked under him. Attendance register of the officials is being maintained in every branch of PNB. Attendance Registers Ex. PW□9/A and Ex. PW□9/B bears his signatures and attendance entries as well as of Sh. K.K. Sinha. Dr. Chander Shekhar had also maintained an account in Bara Hindu Rao branch of PNB. The account opening form and customer master form of Dr. Chander Shekhar maintained in the bank in the ordinary course of business are Ex. PW□19/C and Ex. PW□19/D. As per PW19, vouchers Ex. PW□17/G1 to PW17/G4 bear the

signatures of Sh. Kamlesh Kumar Sinha at point A, which he identified.

47. PW20 Sh. Yashpal Kumar deposed that from the year 2004 to 2009 he was posted as computer terminal operator in Bara Hindu Rao Branch of PNB. In the year 2006-2007 Sh. K.K. Sinha was the incumbent in charge of Bara Hindu Rao branch of PNB. He further deposed that he was also officiating as Special Assistant in Bara Hindu Rao branch and used to verify the outward clearing (credit vouchers). He signed the vouchers Ex. PW20/A1 to Ex. PW20/A6 as officiating Special Assistant as verifying authority for sending the cheques through clearing and all these 06 cheques were drawn on Bank of India, Safdarjung Enclave, New Delhi.

48. PW21 Sh. Inderjeet Nigam, deposed that he was posted as Dy. Manager in Bara Hindu Rao branch of PNB from 18.12.2006 to 05.08.2010. PW21 has proved the statement of account of A/c No. 0155002100111937 in respect of Hindustan Biotech Corporation running into four pages vide Ex. PW21/A1 to A4 and the certificate under Banker's Book of Evidence Act in respect of this statement as Ex. PW21/B. He (PW21) also proved the copy of Bill Purchase Register and the certificate annexed thereto as Ex. PW21/C1 to Ex. PW21/C26 and Ex. PW21/D respectively. PW21 has also proved the account opening form of Hindustan Biotech Corporation in respect of account No. 0155002100111937 vide Ex. PW21/E, Customer Master Form bearing photograph of Dr. Chander Shekhar vide Ex. PW21/E1. Photo copy of the PAN Card in the name of Dr. Chander Shekhar was also proved by him vide Ex. PW21/E2. He further deposed that Dr. Chander Shekhar had submitted profile of M/s Medical Equipment Consultants along with the application form and proved the application form as Ex. PW21/F and profile as Ex. PW21/F1. The proposal mooted on the basis of PW21/F and Ex. PW21/F1 and it was sanctioned and accepted vide Ex. PW21/G. During the consideration of cash credit limit, the confidential reports Ex. PW21/H and PW21/J were called from M/s Jammu & Kashmir Bank Ltd and Bank of Maharashtra respectively. He also deposed that Rs. 18,000/- towards processing fee and documentation charges and an amount of Rs. 200/- towards stamp paper were debited from the CC A/c No. 0155008700001344 of Dr. Chander Shaker vide debit memos Ex. PW21/K and Ex. PW21/L. He also proved the verification report Ex. PW21/M submitted by him. The computer generated statement of account in respect of CA No. 0155002100111928 of M/s Medical Equipments Consultants is Ex. PW21/N1 to Ex. PW21/N26 and the certificate is Ex. PW21/N27. The computer generated statement of account in respect of CA No. 0155002100111937 of M/s Hindustan Biotech Corporation from the period 18.09.2006 to 27.06.2008 is Ex. PW21/O1 to Ex. PW21/O26 and the certificate is Ex. PW21/O27. The computer generated statement of account in respect of Cash Credit Account No. 0155008700001344 of M/s Medical Equipments Consultants from 18.09.2006 to 27.02.2008 is Ex. PW21/P1 to Ex. PW21/P12 and the certificate is Ex. PW21/P13. Similarly he also proved the computer generated statement of account in respect of Overdraft A/c No. 0155009600000028 of M/s Hindustan Biotech Corporation from 29.09.2006 to 27.02.2008 as Ex. PW21/Q1 to Ex. PW21/Q10 and the certificate is Ex. PW21/Q11. He also proved the computer generated statement of account in respect of Overdraft A/c No. 0155009600000037 of M/s Medical Equipment Consultants from 07.10.2006 to 27.02.2008 as Ex. PW21/R1 to Ex. PW21/R10 and the certificate vide Ex. PW21/R11.

PW21 also proved the computer generated statement of account in respect of Overdraft A/c No. 0155009600000073 of M/s Hindustan Biotech Corporation from 01.01.2007 to 28.02.2008 vide

Ex. PW21/S1 to Ex. PW21/S10 and the certificate vide Ex. PW9/D. He also proved the four cheques which were returned unpaid as Ex. PW21/T1 to PW21/T4 and the return memos as Ex. PW21/T5 to Ex. PW21/T8. The cheque drawn on Bank of India, Safdarjung Enclave Branch for an amount of Rs. 50 Lacs is Ex. PW21/U and its return memo is Ex. PW21/U1. Another cheque for Rs. 57,10,000 drawn on Bank of India, Safdarjung Enclave is Ex. PW21/V and its return memo is Ex. PW21/V1 and cheque for Rs. 49,55,000/— drawn on Bank of India, Safdarjung Enclave is Ex. PW21/W and its return memo is Ex. PW21/W1. As per PW21, when the matter was reported to CBI, the total outstanding balance in the two current accounts No.21111928, 21111397 and CC A/c No. 871344 was to the tune of about Rs. 5,71,00,000/— PW21 also stated that incumbent incharge K. K. Sinha was under an obligation to run the branch as per banking instructions and guidelines issued from time to time, who has committed various irregularities/deviations.

49. PW22 Ms. Garima Anand, deposed that she joined Lord Krishna Bank in the year 2001. Lord Krishna Bank was later on merged in Centurion Bank in or around 2007/2008 and then Centurion Bank was merged with HDFC Bank. She worked with Centurion Bank and then with HDFC Bank till 27.01.2012. PW22 stated that as per statement of account already Ex. PW27/F cheques presented before their bank were encashed.

50. PW23 Sh. Satish Mahajan, deposed that he was working as Chief Manager (Credit) PNB, North Delhi Zonal Office from 29.7.2006 to 14.07.2007 and Bara Hindu Rao Branch of PNB was under the control of Zonal office (North), Delhi. Sh. K. K. Sinha was working as incumbent in charge in Bara Hindu Rao Branch of PNB during the year 2006-07. He further deposed that as Chief Manager (Credit) in Zonal Office, it was his duty to look after the work pertaining to the credit in respect of permissions/approvals /reports etc, and it was the duty of incumbent in charge to seek approval of zonal office in respect of credits, advances and purchase of cheques under OD accounts/ bill purchased etc., allowed beyond his vested powers. He proved the letter dated 23.10.2006 written by K. K. Sinha to Dy. Zonal manager North Delhi as Ex. PW23/A regarding sanction of DD ad-hoc purchase limit of Rs. 125 Lacs to M/s Medical Equipments Consultant and the reply written by him in response to this letter is proved as Ex. PW23/B. The office note put up before him is Ex. PW23/C and the approval granted is Ex. PW23/D. He also proved the letter dated 13.11.2006 vide which K. K. Sinha requested for confirmation of action in respect of purchase of cheques beyond loaning power to M/s Hindustan Biotech Corporation vide Ex. PW23/E. It was specifically mentioned by K. K. Sinha in the letter that it was a genuine transaction and was not an exercise of cheque of allied /associate concern. PW23 also proved the various letters as Ex. PW23/F to PW23/Q. PW23 further proved the letters written by Sr. Manager Sh. Vij posted in Zonal office, confirming the action of Sr. Manager, Bara Hindu Rao Branch as Ex. PW23/R to Ex. PW23/R14. He further deposed that vide letter Ex. PW23/R15 it was intimated to Sr. Manager PNB Bara Hindu Rao that Zonal manager has not confirmed the action for purchasing of cheques beyond loaning power to M/s Hindustan Biotech Corporation, M/s Medical Equipments Consultants and M/s Godson Brothers. He also proved the note dated 29.05.2007 put up before Zonal Manager by the team of officers of Zonal office as Ex. PW23/R16. The approval by Zonal Manager Sh. R. K. Dubey on this note is Ex. PW23/R17. The Zonal Officer instructed "please convey previous advice to the present incumbent incharge, not to purchase the cheques/ other instruments beyond the vested powers and without setting up regular limits as per rules". Vide letter Ex. PW23/R18 new incumbent of Bara

Hindu Rao branch was reminded to submit a report in respect of the cheques mentioned in the said letter whether the transactions in respect of purchase of cheques were the genuine transaction and a report was received from the new incumbent Bara Hindu Rao Branch and on the basis of this report another report dated 28.7.2007 was prepared by Zonal office which is Ex. PW23/R19. Copies of the circulars applicable at the relevant time in respect of loans and advances, advance against bills and advance against uncleared effects are Ex. PW23/S1 to Ex. PW23/S3.

51. PW24 Sh. Suresh Kumar Bansal, deposed that in December, 2008, he was posted as Dy. General Manager, Punjab National Bank, Circle Office, New Delhi. A requisition was received in his office from CBI for grant of sanction for prosecution in respect of accused Kamlesh Kumar Sinha, Sr. Manager PNB. Along with the requisition CBI had sent set of documents collected during investigation in respect of a/c of M/s. Hindustan Biotech and M/s. Medical Equipment Consultants. After going through the entire material sent by CBI, he (PW24) was satisfied that it was a fit case for grant of sanction for prosecution against accused K.K. Sinha. Accordingly, PW24 accorded sanction for prosecution vide Ex. PW24/A in respect of accused K.K. Sinha.

52. PW25 Sh. Shiv Narayan Saini, deposed that in the year 2007-08 he was posted as clerk cum cashier in Punjab National Bank, Bara Hindu Rao, New Delhi. He further deposed that vouchers Ex. PW25/A and Ex. PW25/B were filled in his hand writing. The cheques mentioned in the said vouchers were received unpaid and he prepared the vouchers and filled up the details of the amounts at its front and back side. At that time Sh. K.K. Sinha was branch incharge of Bara Hindu Rao Branch.

53. PW26 Sh. Kuljit Singh deposed that he is the proprietor of M/s. Kuljit & Associates having its office at SCO-33-35, Sector 17C, Chandigarh. The said firm is rendering services of consultancy in architecture, structure designing, interior designing and valuation of properties. As per PW26, in the year, 2005, this firm was on the panel of Punjab National Bank as valuer. PW26 deposed that the report Ex. PW26/A is neither on the letterhead of his firm nor it bears his signatures and it appears that somebody has forged the said valuation report purportedly in the name of his firm by forging his signatures and seal of the firm.

He further deposed that on the request of Sh. Sudha Kant Sharma, Sr. Manager, PNB, Shastri Nagar Branch, New Delhi, he inspected H. No. 1324, Sector 34C, Chandigarh on 10.11.2005 and submitted his valuation report on 11.11.2005. The true copy of the inspection report was handed over by him to the investigating officer which is Ex. PW26/B. During investigation, CBI Officials took his specimen signatures. He identified his specimen signatures on 08 pages along with his official seal and the same are collectively Ex. PW26/C.

54. PW27 Sh. Narinder Kumar, deposed that he was residing at H. No. 3315, Sector 21D, Chandigarh, and running his business in the name and style of M/s. Mohit Polypack from the aforesaid address. He knew Sh. Vijay Kumar Sharma, Proprietor of M/s. Vinayak Real Estate, booth No 62, Sector 34C Market, Chandigarh, as the shop of Vijay Kumar Sharma is just opposite to his shop. PW27 purchased property i.e. H. No. 1324, Sector 34C, Chandigarh, located at the top floor from Sh. Chandra Shekhar vide sale dated 02.02.2006 Ex. PW27/A, for a consideration of Rs. 15

lacs (plus). This property was purchased by him jointly with one Sh. Bhupendra Singh who was working in M/s. Vinayak Real Estate. Copy of sale deed Ex. PW□27/A is having his photograph at points A and B, that of Bhupender Singh at point C and that of Sh. Chandra Shekhar at point D. As per PW27, this property was sold by him and Sh. Bhupender Singh vide sale deed Ex. PW□27/B for a consideration of Rs. 15.25 lac itself as there was no rise in the market price. PW27 does not remember the name of the purchaser as he was called by Sh. Vijay Sharma and Sh. Bhupender Singh and he just signed the sale deed. Sale deed Ex. PW□27/B is having his photograph at point B and that of Sh. Bhupinder Singh at point C. PW27 was unable to identify the photographs at point D on Ex. PW□27/B, as he stated that it might be of the purchaser of the property.

55. PW□28 Sh. Bhupinder Singh, deposed that he was residing at Kothi No. 109, Phase□, Mohali, District Ropar Punjab and H. No. 2596, Sector 40C Chandigarh. He was working with M/s. Vinayak Real Estate at Sector 34C, Booth No. 62, Chandigarh which was owned by Sh. Vijay Kumar Sharma. PW28 further stated that vide sale deed Ex. PW□27/A he purchased the above mentioned property and the amount of sale consideration was given by Sh. Vijay Kumar Sharma, however he does not know the sale consideration. This property was not purchased by him but only his name was used in the sale deed. Sale deed Ex. PW□27/A was executed jointly in his name and in the name of Sh. Narinder Kumar. This property was purchased from one Dr. Chandra Shekhar whose photo is at point D on sale deed Ex. PW□27/A. Lateron, vide sale deed Ex. PW□27/B this property was sold to Sh. Virender Singh. As per PW28, the property in question was mutated in his name after its purchase vide sale deed Ex. PW□27/A. 56. PW□29 Sh. Sameer Khan, deposed that he joined the Estate Office of UT Chandigarh in the year 1998. The file relating to property No. 1324, Sector 34C, Chandigarh contains the photocopies of the documents which have been duly certified by Asstt. Controller, Estate Office, Chandigarh. He also dealt with this file while posted as dealing assistant. The file containing the documents is Ex. PW□29/A. As per PW29 this property was initially allotted to Sh. Nirmal Singh Kabarwal by Estate office on 30.11.1967. The possession was handed over to the allottee on 13.03.1968 and the deed of conveyance was executed in 1970. The property remained the subject matter of sale in different shares. On 11.02.2004, 50% share was transferred in favour of Sh. Charandeep Singh Jolly vide transfer letter dated 11.02.2004. 30% share was transferred in favour of Lt. Col. Sardul Singh Gill and Smt. Paramjeet Kaur Gill on 14.05.2004 and 20% share was transferred in favour of Dr. Chander Shekhar S/o Sh. Fakira Singh R/o Block No. D□6, House No. 6089/2, Vasant Kunj, New Delhi on 15.09.2004 by the allottee. Transer of the shares in the Estate Office record was done on the basis of sale deed. As per the sale deed, the sale consideration for the 20% was Rs. 15 lac. The 20% share of Dr. Chander Shekhar was further transferred in favour of Sh. Narender Kumar and Sh. Bhupinder Singh on 07.02.2006 on the basis of sale deed which was further transferred in favour of Sh. Varinder Singh on 19.02.2008.

57. PW□30 Sh. Mohinder Paul Chuttani, deposed that from January, 2006 to December, 2007 he was posted as Clerk in PNB, Bara Hindu Rao Branch. He was looking after the work of outward clearing apart from the work assigned to him from time to time. Sh. K.K. Sinha was posted as Sr. Manager in Bara Hindu Rao Branch of PNB. As per PW30, Dr. Chandra Shekhar was the customer of the bank and used to visit the bank. Ex. PW□1/2, Ex. PW□1/3, Ex. PW□20/A□, Ex. PW□20/A□2, Ex. PW□1/4, Ex. PW□20/A□3, Ex. PW□1/5, Ex. PW□1/6, Ex. PW□20/A□4, Ex. PW□1/7, Ex. PW□20/A□5, Ex. PW□1/8, Ex. PW□20/A□6 and Ex. PW□1/9 are the cheques deposit slips

through which various cheques have been deposited for collection by the respective account holders. The cheques which were deposited through these slips were sent for collection through outward clearing. He had entered these cheques in the outward clearing Menu under the option 'OCTM' in the system on the respective dates and had mentioned the specific generated number on the respective cheques deposit slip at point B. The names of the accounts holders are mentioned on the cheque deposit slips. PW30 further deposed that he cannot tell whether the cheque deposited through Ex. PW□1/2, Ex. PW□20/A□ to Ex. PW□20/A□6 and Ex. PW□1/8, were honoured or dishonoured. He is unable to tell whether the cheques deposited through deposit slips Ex. PW□1/3, PW□1/4 and Ex. PW□1/6 to Ex. PW□1/9, were deposited for the first time or second or third time. After entering the cheques in the OCTM option, he handed over the cheques and the deposit slips to the Incharge who verifies the entries and thereafter he send all the cheques to the clearing house for collection. This witness was declared hostile by Id. PP for CBI. In the cross examination conducted by Id. PP for CBI he stated that he cannot say that the cheques deposited vide the cheque deposit slips in questions were deposited in the accounts of Dr. Chander Shekhar. He also stated that he cannot say that the cheques deposited vide deposit slips Ex. PW□1/2, Ex. PW□20/A□ to Ex. PW□20/A□6 and Ex. PW□1/8 were returned unpaid. Similarly he cannot say that the cheques deposited vide deposit slips Ex. PW□1/3, Ex. PW□1/4 and Ex. PW□1/6 to Ex. PW□1/9 were again presented for collection or not.

PW30, further deposed that he had not told the CBI Officer that the cheques deposited vide deposit slips Ex. PW□1/2, Ex. PW□20/A□ to Ex. PW□20/A□6 and Ex. PW□1/8 were returned unpaid and cheques deposited vide cheque deposit slips Ex. PW□1/3, Ex. PW□1/4 and Ex. PW□1/6 to Ex. PW□1/9 were again presented for collection. As per PW30 he had not stated before the CBI officer that the cheques deposited vide these deposit slips were deposited by Dr. Chander Shekhar.

58. PW□31 Sh. Anil Manocha, deposed that from April, 2006 to January, 2007 he was posted in Bara Hindu Rao Branch of PNB as Manager Scale□II. After about one month of his joining, Sh. K.K. Sinha joined as Sr. Manager and was head of the Branch. The work of loan was looked after by head of branch with the help of loan officer Mr. Gupta. On 02.01.2007 an FDR Ex. PW□31/A for Rs. 01 Crore was issued in favour of M/s. Hindustan Biotech Corporation. On the basis of this FDR, on the request of Dr. Chander Shekhar, the OD limit of OD account no. 96□73 was enhanced to Rs. 3,70,00,000/□on 03.01.2007 by Sh. K.K. Sinha vide letter Ex. PW□31/B. The lien was also marked on this FDR on 03.01.2007 and it was duly discharged by Dr. Chander Shekhar on its reverse. The confidential report Ex. PW□31/C was prepared by him in respect of M/s. Medical Equipment Consultant, on the basis of documents supplied by the party seeking loan. The documents Ex. PW□31/D (colly) were submitted before Sh. K.K. Sinha branch head and he received the file through him only. In preparing the confidential report, the site is required to be visited and the stock position is also checked. He did not visit the site as Sh. K.K. Sinha had already visited the site and it was so mentioned on board note. The confidential report of guarantor Sh. Gurcharan Singh Batra Ex. PW□31/D was also prepared by him.

59. PW□32 Sh. Ravinder Kumar Jain, deposed that he joined PNB, Bara Hindu Rao Branch on 13.4.2007. Sh. K. K. Sinha was his predecessor in PNB, Bara Hindu Rao Branch and was working as Sr. Manager till 12.4.2007 when he was placed under suspension. He handed over the computer

generated statement of the bills purchased for the period 18.09.2006 to 10.04.2007 running into 45 pages to the CBI along with requisite certificate under Banker's Book of Evidence Act. The statement and the certificate are proved as Ex. PW□32/A1 to PW□32/A45 by PW32. He further stated that departmental proceedings were initiated against Sh. K. K. Sinha and he (PW32) was nominated as the Presenting Officer to represent the bank in the disciplinary proceedings. He was not knowing K.K. Sinha prior to 13.04.2007. The amount received in the bank on account of certain instruments and not finalized was kept in sundry deposit account. The statement of account related to sundry deposit accounts of Bara Hindu Rao Branch for the period 01.08.2006 to 30.04.2007 running into three pages duly certified by him is Ex. PW□32/B1 to Ex. PW□32/B3. The certificate in respect of the statement is Ex. PW□32/C. In CC account no. 1344, high value cheques exceeding Rs. 04 lacs were purchased from 02.11.2006 to 22.02.2007 which are reflected in statement of account Ex. PW□32/P1 to Ex. PW□32/P12. The property at Chandigarh was mortgaged in this account. However, there is no document reflecting the physical visit of the bank officer as spot verification while sanctioning the loan. PW32 had handed over the deviation register Ex. PW□32/D to CBI which was seized by CBI vide seizure memo Ex. PW11/1. As per PW32, the branch head is to make the deviation entries in this register as it is only the branch head who can make deviations and put his signatures against that entry. Very few entries starting from 04.01.2007 to 22.03.2007 have been recorded in this register in respect of the account maintained by Dr. Chander Shekhar in PNB, Bara Hindu Rao Branch. The entries pertain to the period 21.11.2006 to 22.03.2007 bear the signatures of Sh. K.K. Sinha. The cash credit limit of Rs. 68 lacs was secured by primary security consisting of stocks and book debts of the firm and collateral security consisting of H.No.1324 (20% share), 2nd floor, Sector 34□, Chandigarh having value of Rs. 1.02 crores as reflected in Annexure II of confidential report Ex. PW□31/C. Sh. K. K. Sinha had also issued a certificate dated 15.09.2006 in respect of realizable value of the property. Annexure II is Ex. PW□32/E and the certificate is Ex. PW□32/F. The bank also obtained legal opinion cum search report dated 28.08.2006 Ex. PW□32/G from Sh. Surender Chandana Advocate regarding the property. The valuation report dated 05.05.2007 Ex. PW□32/H is in respect of property i.e. Flat No. 9691, Sector C, Pocket□, Vasant Kunj, New Delhi and the valuation report Ex. PW□32/J is in respect of flat No. 9430, Sector C, Pocket□, Vasant Kunj, New Delhi. He (PW□32) also visited all these properties along with other bank officers. All these properties were in possession of Dr. Chander Shekhar but he was not available there at the time of their visit to these properties. Fresh legal opinion Ex. PW□32/K1 to Ex. PW□32/K3 was also obtained from the approved advocate Sh. Kapil Sharma in respect of all these three properties. At the time of opening of cash credit account in the name of M/s. Medical Equipments Consultant, Dr. Chandra Shekhar had signed the agreement in form PNB 222 which is Ex. PW□32/L.

60. PW□33 Sh. Naresh Duggal, deposed that in the year 2007 he was Sr. Concurrent Auditor, Zonal Audit Office, PNB, Faridabad. He was appointed to carry out inspection and audit of PNB, Bara Hindu Rao Branch by the then AGM Sh. Bali in respect of over draft and purchase of cheques and clearing belonging to the companies of Dr. Chander Shekhar. He carried out the inspection and submitted his reports dated 07.05.2007 Ex. PW□33/C and dated 14.06.2007 Ex. PW□33/D to the head office with copies to AGM and Chief Manager, vide his letters Ex. PW□33/A and Ex. PW□33/B.

61. PW34 Sh. Virender Singh Dahiya, deposed that he joined PNB, Bara Hindu Rao Branch on transfer on 15.01.2007 as Manager Scale II. Sh. K.K. Sinha was the Sr. Manager and was head of the branch at that time. Vide account opening form Ex. PW34/A a cash credit account was opened in the name of M/s. Medical Equipment Consultant by Dr. chander Shekhar as its proprietor, on 18.09.2006. The specimen signature slip bearing the specimen signatures of Dr. Chander Shekhar and his photograph is Ex. PW34/B. The profile of the firm submitted at the time of opening of the account is Ex. PW34/C and the stock statement submitted by Dr. Chander Shekhar for the period ending 31.03.2007 is Ex. PW34/D. The statement of account Ex. PW34/E1 to E10 of OD account no. 9673 of M/s. Hindustan Biotech Corporation for the period 01.01.2007 to 27.02.2008 running into 10 pages have been duly certified vide certificate Ex. PW34/E under Banker's Book of Evidence Act. The statement reflects cash withdrawal of Rs. 10 lacs or more on a single day on several occasions. As per the statement of account, debit balance had exceeded the sanction limit of Rs. 3,70,00,000/ on 04.01.2007, 05.01.2007, 08.01.2007, 09.01.2007 and on other occasions as well. Sh. K. K. Sinha was the branch manager at that time and the limit has been exceeded as per his sanction.

62. PW35 Sh. Sundar Lal Aggarwal, deposed that in the year 2007 he was posted in Fraud Prevention and Investigation Cell of PNB at Bhikaji Cama Place, New Delhi as Chief Manager (Investigation). On the instructions of the Chief Vigilance Officer of PNB, he alongwith Sh. Mukesh Taneja, Chief Manager (Vigilance), Zonal Office, Delhi, carried out the preliminary investigation in the matter involving M/s. Hindustan Biotech Corporation and M/s. Medical Equipments Consultants with PNB Bara Hindu Rao Branch. Sh. K.K. Sinha was the Sr. Manager Incharge of the Branch at that time. Dr. Chander Shekhar was the Proprietor of M/s. Hindustan Biotech Corporation and M/s. Medical Equipments Consultants. The call for carrying out the investigation was some information regarding irregularities committed in the operation of accounts of the two firms. The deviation from the laid down banking guidelines and procedures are covered in the irregularities. The banking guidelines and procedures applicable in the year 2007 and contained in Ex. PW23/S, Ex. PW23/S2 and Ex. PW23/S3. The detailed inspection report Ex. PW6/A carried out by him and Mr. Mukesh Taneja was prepared. The findings mentioned in this report are correct and as per the record available with PNB, Bara Hindu Rao.

63. PW36 Sh. R.K. Dubey, deposed that during the year 2006-2007 he was the Deputy General Manager, Zonal Manager, Incharge, North Delhi Zone PNB, at New Delhi. He further stated that PNB Bara Hindu Rao Branch was under his control. Sh. K. K. Sinha was the incumbent Incharge, PNB Bara Hindu Rao, New Delhi at that time. PW36 came to know about Chander Shekhar when the account maintained by him in PNB Bara Hindu Rao become bad. Sh. K.K. Sinha was purchasing large number of cheques drawn by Sh. Chander Shekhar on his two companies and Sh. Sinha used to inform to the controlling office that the transactions have been done at the genuine trade transaction and do not belong to any associated or allied concerns of Chander Shekhar. The branch manager is supposed to work within his delegated powers. He has to approach the superior office for confirmation of his action, if he exceeds his powers.

As per PW36, Letters Ex. PW23/F, Ex. PW23/E, Ex. PW23/G, Ex. PW23/H, Ex. PW23/J, Ex. PW23/K, Ex. PW23/L, Ex. PW23/M, Ex. PW23/N, Ex. PW23/O, Ex. PW23/P, Ex. PW

23/Q bear the signatures of Sh. K.K. Sinha and have been sent to the controlling office for confirmation. These letters were dealt with by his subordinate officers who were competent and empowered to take decisions in respect of the same. All these letters are processed in the controlling office and depending on as to how much is the power exceeded, the same is dealt with by the competent authority in the controlling office. Vide letter dated 06.01.2007 Ex. PW23/R6 Sh. K. K. Sinha was advised not to purchase the cheques as a regular feature without setting up the limits. Letter Ex. PW23/R7 was issued after getting confirmation from him and is accompanied by a note Ex. PW36/A put up before him through which he had confirmed the purchase of cheque subject to observation made therein. Vide letters dated 09.02.2007 Ex. PW23/R8, PW23/R9 and Ex. PW23/R10 some of the actions of the branch manager have been confirmed. Through letter Ex. PW23/R11, the action of branch was not confirmed, rather he was warned and vide letter Ex. PW23/R12 again the action was not confirmed and his explanation was called for.

PW36 further deposed that DZM received an anonymous call regarding irregularities committed by the branch and he directed the DZM to investigate the matter and a Sr. Manager (Investigation) was deputed for the purpose of investigation, who submitted his interim report. On the basis of this report Sh. K. K. Sinha was placed under suspension and a new branch manager R. K. Jain was posted there immediately. Sh. R. K. Jain was also asked to submit the detailed report as to the working of branch with specific reference to loan account of Chander Shekhar and he confirmed about the irregularities in the loan account of Sh. Chander Shekhar. Accordingly, the confirmation granted earlier was withdrawn vide letter Ex. PW23/R14 and Ex. PW23/R15. Vide letter Ex. PW23/R18 full facts in respect of 42 cheques mentioned therein was called from PNB Bara Hindu Rao and confirmation sought vide note dated 28.7.2007 by Branch Manager was refused vide order Ex. PW36/B and letter Ex. PW36/C. The irregularities committed by K. K. Sinha included purchase of cheques of cooperative banks and of associated or allied concerns which were not permitted to be purchased and the modus operandi used to be of the kind of accommodation. As per PW36, Dr. Chandra Shekhar used to bring cheques drawn on his own concern which does not have any money in its account, those cheques purchased by KK Sinha and FD's used to be issued against that account on the same day. Sh. K. K. Sinha was supposed to report every transaction of Rs. 10 lacs and above in a day either singly or commutatively which he had failed to inform. The maximum cheques purchased by Sh. K. K. Sinha were drawn on M/s Bombay Mercantile Bank, a co-operative bank.

64. PW37 Sh. Vishal, deposed that in the year 2008 he was posted as Inspector in BF&FC Branch, CBI, New Delhi. IO Dy. SP R. N. Mishra authorised him to seize certain documents produced by Sh. R. K. Jain Sr. Branch Manager, PNB Bara Hindu Rao Branch. Accordingly, he (PW37) seized 17 documents as mentioned in seizure memo dated 11.12.2008 vide Ex. PW37/A. PW37 handed over the copy of the seizure memo to Sh. R. K. Jain and original seizure memo along with the documents seized to the IO.

65. PW38 Sh. R. K. Singh, deposed that he was posted as Inspector in Bank Securities & Fraud Cell (BS&FC), CBI, New Delhi since 2005. He had assisted the then Dy. SP Sh. R. N. Mishra in the investigation of this case. Vide receipt memo dated 26.05.2008 Ex. PW38/A, he (PW38) had seized the documents from Sh. Surender Pal Singh Dheer, Manager, HDFC Bank, K2 Building, Connaught Place in respect of Lord Krishna Bank which was merged with Centurion Bank of Punjab and later

on with HDFC Bank.

On 03.06.2008 and 19.6.2008 he (PW38) also seized certain documents from Sh. O. P. Srivastava, Branch Manager, Bank of Maharashtra, M-16, Greater Kailash Part II, New Delhi vide seizure /receipt memo Ex. PW38/B and Ex. PW38/C respectively. On 20.06.2008 he seized certain documents from Sh. Surender Pal Singh Dheer, Manager HDFC Bank, Connaught Place vide seizure memo Ex. PW38/D. On 10.07.2007 he (PW38) seized documents from Sh. Faiz Ahmed Zargar, Branch Manager, J&K Bank, Rajendra Place, New Delhi vide seizure memo Ex. PW38/E. On 25.07.2008 he seized certain documents from Sh. Kamaljeet Singh, Sr. Manager, PNB, New Rajendra Nagar, New Delhi vide seizure memo Ex. PW38/F. PW38 also seized certain documents on 18.07.2008 from Sh. A. Peter, Attender, Karnataka Bank Ltd, R. K. Puram, New Delhi vide seizure memo Ex. PW38/G.

66. PW 39 Sh. R. N. Mishra, is the IO of the present case, who had carried out investigation in this case. During the course of investigation, PW39 (IO) had seized the various relevant documents of this case.

67. PW40 Dr. S. Ahmed, AGEQD, CFSL, Bhopal, deposed that this case was received from CBI BS&FC vide letter dated 12.11.2008 and 05.02.2009 in his office GEQD, Shimla, along with documents Q1 to Q44 and specimen S1 to S118. As per PW40 he carefully examined the questioned documents and specimen and reached the conclusion that writing and signature in Q1 to Q34 and S1 to S46 have been written by one and the same person. He further stated that the person who wrote the blue enclosed signatures stamped and mark S101 to S108 did not write the red enclosed signatures stamped and mark Q35 to Q39. He also stated that person who wrote the blue enclosed signatures stamped and mark S109 to S118 did not write the red enclosed signatures stamped and mark Q40 to Q44. He submitted his report Ex. PW40/1 and reasons for his opinion Ex. PW40/2. He also proved the questioned signatures Ex. PW40/3, Ex. PW40/4 and Ex. PW40/5 and the specimen signatures as Ex. PW40/6 and Ex. PW40/7.

68. After that statement U/s 313 Cr. P. C., of co-accused K. K. Sinha was recorded and part statement U/s 313 Cr.P.C of accused Dr. Chander Shekhar was recorded and after that Dr. Chandra Shekhar did not appear and hence, he was declared as PO. However, subsequently, accused Dr. Chander Shekhar was arrested and further proceedings were taken place qua accused Dr. Chander Shekhar.

69. Thereafter further statement U/s 313 Cr. P.C of accused Dr. Chander Shekhar was recorded, in which he claimed to be innocent and also claimed that he had been falsely implicated in this case. He also stated that he had not cheated the bank in connivance with co accused K. K. Sinha, the then Senior Manager, PNB, Bara Hindu Branch. In his statement U/s 313 Cr. P. C., accused Dr. Chander Shekhar also claimed that no loss was caused to the bank, rather bank has earned huge profit in the shape of interest and commissions. He further submitted that at the time of availing credit facility from the bank, he had given collateral securities in the shape of a residential property at Chandigarh and two properties of Vasant Kunj, New Delhi, in addition to hypothecated stock goods and book debts. He also stated that during the course of business, he had offered several bank deposits. He

also submitted in his statement U/s 313 Cr. P. C., that he had given cheques against the outstanding to the bank which were dishonoured on account of insufficiency of funds in his accounts as amounts he (accused) was expecting to come to his account, could not be credited. He also submitted that the bank filed the complaints U/s 138 N. I. Act, against him and the bank also filed cases in DRT/DART and bank also sold his properties at Chandigarh and kept two properties of Vasant Kunj for their own use. Further, the sale consideration of Vasant Kunj property was adjusted 50% less than market value despite of his protest. In his statement U/s 313 Cr. P. C., accused Dr. Chander Shekhar also submitted that after adjusting the sale consideration of properties, he paid total amount approximately more than 09 crores to the bank. Accused Dr. Chander Shekhar also submitted that he want to lead defence evidence and accordingly he led the defence evidence.

70. In the instant matter co accused K. K. Sinha as well as accused Dr. Chander Shekhar have led the defence evidence and they both examined different set of witnesses in their respective defence. Co accused K. K. Sinha had examined total 07 witnesses in defence evidence namely DW1 Sh. Raj Kumar Paul, DW2 Sh. M.S. Rathee, DW3 Sh. Krishan Kumar, DW4 Sh. Kirpal Singh Budhraj, DW6 Sh. Desh Deepak and DW7 Sh. B. S. Kalson. Co accused K. K. Sinha also examined him as DW5 in the defence evidence.

71. Accused Dr. Chander Shekhar has examined 05 witnesses in defence evidence namely DW1 Sh. R. K. Paul, DW2 Sh. M. S. Rathee, DW3 Sh. Kapil Sharma, DW4 Sh. R. J. Singh and DW5 Sh. J. P. Verma.

DW1 Sh. R. K. Paul who retired as Dy. Manager from PNB, ARMB, deposed that M/s Medical Equipments Consultants and M/s Hindustan Biotech Corporation were having accounts in PNB ARMB and he had dealt with both these accounts. As per DW1, prior to his joining in the PNB, ARMB, a civil suit was already filed by the bank against the aforesaid two companies before DRT but he was not aware about the fate of the suit filed by the bank in DRT. As per DW1 it was in his knowledge that bank had initiated process of selling the property of accused Dr. Chander Shekhar at Chandigarh as per the orders of DRT, Delhi. DW1 also stated that he is not aware if accused has settled the matter with PNB or not, as till his retirement no settlement was arrived between accused and bank.

72. DW2 Sh. M. S. Rathi stated that he also earlier appeared as defence witness on behalf of accused K. K. Sinha. He admitted that PNB had filed 13 cases U/s 138 N.I. Act, against M/s Medical Equipment Consultants and M/s Hindustan Bio Medical Corporation. As per DW2 as AR of bank he had appeared as a witness in the cases. He also admitted that his statement was recorded on 16.08.2014 by court of Ld. MM Dwarka vide certified copy of statement Ex. DW2/1 and he had given statement for withdrawing the complaint cases. Further, DW2 stated that two properties of accused Dr. Chander Shekhar at Vasant Kunj were sold by the bank under SARFASI and the property at Chandigarh was sold in auction by DRT but this account could not be settled as some claimant approached the court that he was the owner of the property of Chandigarh. As per DW2 the court at Chandigarh had decided the case in favour of claimant Mr. Varinder Singh and the property was returned to claimant by DRT and the proceed of the sale from the auction of the property was returned to the purchaser of the property by the DRT.

73. DW□3 Sh. Kapil Sharma, who is an Advocate by profession stated that in the year 2007 he was on the panel of Punjab National Bank. He admitted that he had given legal opinion Ex.PW32/K1 (D□573) and this opinion was given by him in respect of property no.9691, ground and first floor duplex, pocket□9 Sector□C, Vasantkunj, New Delhi, owned by Dr.Chandra Shekhar and special report of title and certificate dated 08.05.2007 are also part of his report. As per DW□3 he had also given legal opinion/search report of free hold property flat no.9430, ground and first floor duplex, pocket□9, Sector□C, New Delhi, owned by Dr. Chandra Shekhar and the special report on title and certificate both dated 08.05.2007 are also part of his legal opinion Ex.PW32/K2.

DW□3 deposed that his report Ex.PW32/K3 is not original and it is duplicate copy but last page of this report bears his signature and certificate dated 10.05.2007 also bears his signature on last page which is part of his report.

74. DW□4 Sh. R.J. Singh deposed that in the year 2013 he was posted as Manager in PNB, ARMB, Rajendra Place, New Delhi. DW□4 admitted that on 05.10.2013, he appeared in the court of Sh. Jagmohan Singh, Ld. MM, Dwarka, and on his submissions all the complaint cases filed by PNB u/s 138 NI Act, against accused Chandra Shekhar were withdrawn vide order dated 05.10.2013 Ex.DW4/1.

75. DW□5 Sh. J.P. Verma, stated that he was on the panel of PNB for conducting valuation of the properties. He deposed that on 07.05.2007, he had inspected the property no.1324, Sector□34C, Chandigarh alongwith Sh. R.K. Jain, Sr. Manager PNB. As per DW□5, he had conducted the valuation of the property on the second floor of the aforesaid property owned by Dr. Chander Shekhar. He deposed that Dr. Chander Shekhar owned 20% share in the built up two & half storey building of the above property and the market value of the property was 67.27 lacs. DW□5 deposed that report dated 08.05.2007 was prepared by him vide report Ex.PW1/X□6.

76. Argument heard.

77. Ld. PP for CBI submitted that during the period 2006□2007 accused Dr. Chandra Shekhar, proprietor of M/s Medical Equipment Consultant and M/s Hindustan Biotech Corporation, entered into a criminal conspiracy with co□accused K.K. Sinha, who was posted and functioning as Sr. Manager and incumbent incharge, PNB, Bara Hindu Rao, New Delhi, with the object to cheat the PNB bank in order to obtain pecuniary advantage for himself and thereby caused wrongful loss to the bank. It is contended that in pursuance to the conspiracy with accused Dr. Chandra Shekhar, co□accused Kamlesh Kumar Sinha, opened two current accounts in PNB, Bara Hindu Rao Branch, New Delhi, on 23.08.2006 in the name of proprietary firm of accused Dr. Chandra Shekhar namely M/s Medical Equipments Consultants and M/s Hindustan Biotech Corporation on the self introduction of accused Dr. Chandra Shekhar. She further submitted that accused Dr. Chandra Shekhar requested PNB, Bara Hindu Rao, for sanction of CC limit for Rs.68 lacs for which he offered stocks and book debts of the said firm M/s Medical Equipment Consultant as primary security and H. No. 1324(20%) Sector□34C, Chandigarh as collateral security. He was supposed to maintain this primary security at any point of time. However, on checking, by the bank officers, who did appraisal after the fraud was detected, the extent of primary security held by accused in his firm M/s Medical

Equipment Consultant was of the stocks, the value of which was 1.5 lac only.

Ld. PP for CBI further argued that accused Dr. Chandra Shekhar had knowingly submitted the property i.e. H. No.1324, Sector 34C Chandigarh as collateral security to the bank, of which he was no longer owner. She also argued that co-accused K.K. Sinha in furtherance of criminal conspiracy with Dr. Chandra Shekhar accepted false valuation certificate purportedly signed by Sh. Kuljeet Singh, Architect, an approved valuer and the search report purportedly submitted by Sh. Surinder Chandana, Advocate and on the basis of these false and forged documents, co-accused K.K. Sinha allowed the opening of CC account No.87134 on 18.09.2006 to the limit of Rs.68 lacs in the name of M/s Medical Equipments Consultants of accused Dr. Chandra Shekhar. It is further argued that in pursuance to the criminal conspiracy, accused Dr. Chandra Shekhar presented various cheques (around 500) of his other accounts and requested the bank to purchase these cheques, which were accommodating in nature and were not part of genuine business transactions and accused K.K. Sinha purchased the aforesaid cheques and allowed the withdrawal/transfer of the aforesaid amount of purchased cheques knowing that they were not part of any genuine business transactions and were accommodation cheques of firms of accused Dr. Chandra Shekhar. It is also submitted that these cheques were purchased by co-accused K.K. Sinha, which was beyond his purchasing power of Rs.4 lacs in a day from a single party without prior approval from controlling authority of the bank. Further, these cheques were credited in the accounts of firms of Dr. Chandra Shekhar and when these cheques were sent for clearance, they were received back unpaid due to insufficient funds. Thus, Dr. Chandra Shekhar knowingly presented these accommodation cheques, which in pursuance of criminal conspiracy were purchased by co-accused K.K. Sinha. It is also submitted that 09 cheques were presented by accused Dr. Chandra Shekhar and the same were cleared without actual realization of the said cheques and the said cheques were returned unpaid due to insufficient funds in the originating accounts of the proprietary firms of Dr. Chandra Shekhar, resulting into a loss of Rs.5,71,20,027/- to the bank. Ld. PP for CBI submitted that prosecution has been able to establish its case against the accused Dr. Chandra Shekhar.

78. Ld. Counsel for accused Dr. Chandra Shekhar submitted that accused has not committed the alleged offence and accused has been falsely implicated in the present case. He also submitted that the allegation regarding sale of property bearing No. 1324, Sector 34C, Chandigarh located at top floor are false and fabricated, as these allegations are contradicted by the evidence led by CBI itself. He further argued that if this property of Chandigarh, was sold out by Dr. Chandra Shekhar to PW27 Sh. Narender Kumar and PW28 Sh. Bhupendra Singh, then how could PNB sell it in auction. Further, PNB had advertised, regarding the sale of the above property in all the leading news papers of Punjab & Haryana and nobody, including PW27 Narender Kumar and PW28 Bhupendra Singh had raised any objection regarding the auction to be made by PNB and if these two persons were actually purchasers of the said property, then they would have definitely raised objection and approached the concerned court for necessary action for restraining PNB to sell it. Further, the bank itself sought the opinion of Designed consultant (India Pvt Ltd), regarding the status of the property in question and the said agency visited the site on 07.05.2007 and gave report on 08.05.2007 vide the report Ex. PW1/X5. Further, another report has been sought by the bank from Sh. Kapil Sharma and he has submitted his report vide Ex. PW1/X7. He submitted that in both the reports name of the owner of the property in question i.e. Plot No. 1324, Section 34C, Chandigarh has been shown as

Dr. Chandra Shekhar and aforesaid reports of two experts, contradicts the statement of PW27 Narender Kumar and PW28 Bhupendra Singh regarding its ownership. It is also argued that the CBI has not examined Sh. Vijay Kumar Sharma and Sh. Virendra Singh, who have allegedly purchased the property from Dr. Chandra Shekhar and then Sh. Vijay Kumar Sharma sold out to Sh. Virendra Singh. He further submitted that DRT had sold the property at Chandigarh on behalf of PNB and issued the sale certificate regarding the same and the said sale amount was credited in the loan account of accused.

Ld. Counsel for accused further argued that according to the banking rules, Punjab National Bank Officers/ Employees Conduct Regulation 1977, the purchase of cheques valued for more than Rs. 04 lakh is beyond power of incumbent senior manager but he can purchase the same under the direction of his superior officer. It is further submitted that Bombay Mercantile Bank, Lord Krishna Bank and J & K Bank are schedule banks and purchasing of cheques of these banks are completely in banking rules laid down by RBI and there is nothing illegal in purchasing the cheques of aforesaid banks. Further, it is submitted that prosecution case is that Mr. K. K. Sinha, Senior Manager incumbent, has purchased nine cheques is incorrect and these cheques were never purchased by manager incumbent. Further, it is submitted that as per rules whenever cheque is purchased, voucher is prepared for the same and the prosecution has not been able to produce any voucher whereby it could be said that nine cheques were purchased by the manager incumbent incharge. It is working of the bank that whenever cheque is purchased, commission is to be deducted and balance amount shall be credited in his account. It is also contended that in the instant case the prosecution has not proved any document to prove that any deficient entry was made in the concerned account of Dr. Chandra Shekhar after deducting commission therefrom. Ld. Counsel also contended that it is absolutely incorrect to say that articles found lying at C-9/9453, 2nd floor, Vasant Kunj, New Delhi, valuing Rs. 1,05 lac only. It is submitted that the inspection team had no expert with them, when the inspection of abovesaid premises was made so as to proper evaluation of the articles found lying in the said house. Ld. Counsel for the accused also vehemently argued that the firm of Dr. Chandra Shekhar had another godown at village Kakrola, however, inspection team never visited that premises where medical equipments were lying valued as more than 1,13,00,000/□

He further argued that there is no evidence to prove criminal conspiracy between accused Dr. Chandra Shekhar and Sh. K. K. Sinha and there is no direct or circumstantial evidence in this case to prove offence U/s 120□B IPC. Further, there is no evidence to prove that Dr. Chandra Shekhar had committed offence of cheating. Moreover, there is also no evidence on file to prove that the accused Dr. Chandra Shekhar had ever dealt with any document purported to have been issued by Mr. Kuljeet Singh. Further, it is contended that there is no evidence to prove that accused Dr. Chandra Shekhar had used any certificate issued by PW26 Mr. Kuljit Singh as genuine. He also argued that accused had made the entire payment to the satisfaction of PNB and the bank had earned profit of an additional amount of more than 03 crores on the transactions /operations of the accused with the bank. It is also argued that it is settled law that the prosecution has to prove its case beyond reasonable doubt and has to stand on its own legs and not to stand on the crutches provided by the defence. Ld. Counsel for accused Dr. Chandra Shekhar further submitted that in this case prosecution has miserably failed to prove its case beyond reasonable doubt and it cannot seek the help from the weaknesses of defence, even if any. He submitted that accused is liable to be acquitted.

Ld. Counsel for accused has relied upon judgments titled as State (Delhi Administration) V/s V.C. Shukla, AIR 1980 SC 1382, Mobarik Ali Ahmed V/s The State of Bombay, AIR 1957 SC 857, K. Periasami V/s Rajendran, 1985 Law Suit (Mad) 124, Sharad Birdhichand Sarda V/s State of Maharashtra, 1984 SSC (CrI) 487, Suraj Mal V/s The State (Delhi Administration), AIR 1979 SC 1408 and V.S. Murthy V/s State (Central Bureau of Investigation (CBI)) (2013) 2 AD, Delhi 26.

79. I have considered the submissions of Ld. PP for CBI as well as Ld. Counsel for accused Dr. Chandra Shekhar and also perused the evidence on record. I have also considered the judgments as relied by the parties.

80. The contention of the CBI is that accused Dr. Chandra Shekhar opened two current accounts No. 0155002100111928 (referred as CA No. 21□11928) and 0155002100111937 (referred as CA No. 21□111937), in PNB, Bara Hindu Rao branch, New Delhi on 23.08.2006, in the name of his proprietary firms namely M/s Medical Equipments Consultants and M/s Hindustan Biotech Corporation, on his (Dr. Chandra Shekhar's) self introductions. The said accounts were alleged to have opened by accused Dr. Chandra Shekhar, in pursuance to the criminal conspiracy with co□accused K.K. Sinha, who was functioning as Senior Manager and incumbent incharge PNB, Bara Hindu Rao Branch, New Delhi.

On this point, ld. Counsel for accused Dr. Chandra Shekhar, contended that there is no bar in any law vide which there is any prohibition to open second account on self introduction. He submitted that after KYC (Know Your Customer) came into existence in the year 2005, person concerning opening two bank accounts had to submit required documents and after making proof, therein unique ID number is allotted to the account opening person, quote the said unique ID number and then can open bank account on self introduction in any branch of the same bank.

In this regard, I have perused the testimonies of the relevant witnesses. PW10 Sh. Sudha Kant Sharma deposed that in the year 2005, he was posted as Senior Manager (incumbent incharge) in the Shastri Nagar branch of PNB. PW10 specifically deposed that he opened the current account number 1398002100046095 of M/s Medical Equipments Consultants, a proprietorship firm of Dr. Chandra Shekhar and the said application was introduced by him being known to Dr. Chandra Shekhar. Moreover, PW12 Dr. Raj Kumar Arora also testified that he received a telephonic call from Sh. Ravi Kumar, the then AGM, who informed him that Dr. Chandra Shekhar may give good business to his branch. Thereafter, he (PW12) contacted Dr. Chandra Shekhar, who agreed to open a current account in the branch of PW12. Further, PW12 categorically deposed that he identified/introduced Dr. Chandra Shekhar on the account opening form Ex. PW12/1 at point A. Further, PW21 Sh. Inderjeet Nigam deposed that FDR account in respect of M/s Hindustan Biotech Corporation, a proprietary concern of Dr. Chandra Shekhar was opened and same was attested by Sh. Anil Manocha, Manager. PW31 Sh. Anil Manocha, in his cross examination admitted that the accounts were opened after completing all the formalities required for opening of an account.

Thus, in the testimonies of above witnesses it has nowhere come that account cannot be opened on self introduction of account opener. Rather, in the testimonies of above witnesses it has come that accounts were opened on self introduction. Moreover, prosecution has also not placed on record any

document to show that co-accused K. K. Sinha was not competent to introduce accused Dr. Chandra Shekhar at the time of opening of the accounts in question. Therefore, prosecution has failed to establish that accounts in question could not have been opened on the self introduction.

81. It is the allegation against accused Dr. Chandra Shekhar that he requested PNB, Bara Hindu Rao Branch, New Delhi, for sanction of CC limit for Rs. 68 lacs for which he offered stocks and books of debts of the said firm M/s Medical Equipments Consultants as primary security and house No. 1324 (20%), Sector 34C, Chandigarh as collateral security. Accused was supposed to maintained this primary security at any point of time.

So far as property i.e. H. No. 1324, Sector 34C, Chandigarh is concerned, it is alleged by the CBI that accused Dr. Chandra Shekhar had knowingly submitted the proposal of H. No. 1324, Sector 34C, Chandigarh as collateral security to the bank, of which he was no longer owner of the said property and accused Dr. Chandra Shekhar claimed that value of the said property was Rs. 125 lacs. As per the prosecution, the property i.e. H. No. 1324, Sector 34C, Chandigarh, which was offered as collateral security by accused Dr. Chandra Shekhar, was inspected by co-accused Kamlesh Kumar Sinha on 15.09.2006 and he reported that said house was occupied by accused Dr. Chandra Shekhar and its realizable value was Rs. 120 lacs and co-accused K. K. Sinha had accepted the security, whereas the said property at Chandigarh was already sold out by accused Dr. Chandra Shekhar to Sh. Narender Kumar and Bhupinder Singh in February, 2006 itself for a sum of Rs. 15.25 lacs. When the abovesaid such security was accepted by co-accused K. K. Sinha, then at that time accused Chandra Shekhar had no right in the said property at Chandigarh on the date of sanctioning of CC limit.

So as to prove this allegation, prosecution/CBI has examined the witnesses pertaining to the said allegations. PW27 (Narender Kumar) in his testimony categorically stated that he and Bhupinder Singh jointly purchased the property bearing H. No. 1324(top floor), Sector 34C, Chandigarh from Sh. Chandra Shekhar on 02.02.2006. As per PW27, the said property was purchased by him jointly with Sh. Bhupinder Singh vide sale deed Ex. PW27/A for consideration amount of Rs. 15.25 lacs and the price money of 15.25 lacs was equally shared by him and Sh. Bhupinder Singh. PW28 Sh. Bhupinder Singh also deposed that sale deed Ex. PW27/A was executed jointly in his name along with the name of Sh. Narender Kumar. PW28 also stated that property was purchased from Dr. Chandra Shekhar. As per PW28 he purchased the said property vide sale deed Ex. PW27/A on the instruction of Sh. Vijay Kumar Sharma, as he (PW28) being employee of Sh. Vijay Kumar Sharma. Moreover PW27 and PW28 also testified that thereafter the abovesaid property at Chandigarh was sold by them vide sale deed Ex. PW27/B to Sh. Virender Singh.

However, Ld. Counsel for the accused Dr. Chandra Shekhar vehemently disputed the above allegation of sale of property in question at Chandigarh. He contended that if this property bearing H.No.1324, Sector 34C, Chandigarh was allegedly sold out by Dr. Chandra Sekhar to PW27 Narender Kumar and PW28 Sh. Bhupinder Singh, then how could PNB sell it in auction. Ld. Counsel for the accused Dr. Chandra Shekar also contended that PNB had advertised, regarding the sale of the property mentioned above in all the leading news papers of Punjab and Haryana and nobody, including PW27 Sh. Narender Kumar and PW28 Sh. Bhupinder Singh had raised any

objection regarding the auction to be made by the PNB. As per Ld. Counsel for accused, if these persons had actually purchased the property in question, then they would have definitely raised the objection and approached the concerned court for necessary action for restraining PNB to auction the said property. He further vociferously contended that PNB had displayed, notice board on the abovesaid property at Chandigarh, showing that the property had been mortgaged with the bank and PNB is the owner of the property. Thus, despite of such notice affixed on the aforesaid property in question, why PW27 and PW28 had not come forward to raise objection regarding the aforesaid notice, if the said property was purchased by PW27 and PW28.

However, there is no force in this contention of Ld. Counsel for accused Dr. Chandra Shekhar, because DW1 as examined by accused Dr. Chandra Shekhar, had demolished this contention of the accused. DW1 Sh. M.S. Rathee, Sr. Branch Manager, PNB, Mundka Branch, Delhi, categorically deposed that two properties of accused at Vasant Kunj, were sold by the bank under SARFESI and the property at Chandigarh was sold in auction by DRT but this account could not be settled as some claimant approached the court claiming that he was the owner of the property at Chandigarh. DW1 also testified that the court at Chandigarh had decided the case in favour of the claimant Sh. Varinder Singh and the property was returned to the said claimant by the DRT and the proceeds of the sale from the auction of the property was returned to the purchaser of the property by the DRT.

Thus, PW27 and PW28 had proved that property bearing H.N.1324, Sector34C, Chandigarh, was purchased by them vide sale deed Ex.PW27/A from Dr. Chandra Shekhar and they further sold the said property to one Sh. Varinder Singh vide sale deed Ex.PW27/B. PW27 and PW28 had also proved that they had purchased the property i.e. H.N.1324, Sector34C, Chandigarh, from Dr. Chandra Shekhar vide sale deed Ex.PW27/A for a sale consideration of Rs.15.25 lacs. As per the sale deed Ex.PW27/A also the value of the top floor of the property no. 1324, Sector34C, Chandigarh, was Rs.15.25 lacs, whereas at the time of offering collateral security vide Ex.PW26/A, the value of the said property was shown as Rs.120 lacs, which was highly exaggerated and much more than its actual value. The said valuation of property in question as Rs.120 lacs was accepted by co-accused K.K. Sinha. Thus, accused Dr. Chandra Shekhar had exaggerated the value of property at Chandigarh, than its actual value and moreover, he had done so, also knowingly that he was not the owner of the said property at the time of offering of collateral security, as he had already sold the said property in question.

82. It is also the allegation of CBI that before selling the property at H.N.1324, Sector34C, Chandigarh, to Sh. Narender Kumar (PW27) and Sh. Bhupinder Singh (PW28), accused Dr. Chandra Shekhar was having only 20% share of the said property. So as to prove this contention, the prosecution has examined PW29 Sameer Khan, who stated that property remained the subject matter of sale in different shares. As per PW29, on 11.02.2004, 50% share was transferred in favour of Sh. Charandeep Singh Jolly vide transfer letter dated 11.02.2004, 30% share was transferred in favour of Lt. Col. Sardul Singh Gill and Smt. Paramjeet Kaur Gill on 14.05.2004 and 20% share was transferred in favour of Dr. Chandra Shekhar S/o Sh. Fakira Singh, on 15.09.2004 by the allottee. PW29 also deposed that as per sale deed, sale consideration for the 20% share was Rs.15,00,000/-. PW29 Sh. Sameer Khan, further testified that 20% share of Dr. Chandra Shekhar in the abovesaid property, was further transferred in favour of Sh. Narender Kumar and Sh. Bhupinder Singh on

07.02.2006 on the basis of sale deed, which was further transferred in favour of Sh. Varinder Singh on 19.02.2008. Thus, PW29 Sh. Sameer Khan, Sub-Inspector, Estate Office, UT Chandigarh, had also proved that before selling the property in question at Chandigarh to Narender Kumar and Bhupinder Singh, the accused Dr. Chandra Shekhar was having only 20% share in the said property.

83. Further, it is the allegation of CBI/prosecution that co-accused K.K. Sinha, in furtherance of criminal conspiracy with accused Dr. Chandra Shekhar, accepted the false valuation certificate purportedly signed by Sh. Kuljit Singh, Architect, an approved valuer and search report submitted by Sh. Surinder Chandna, Advocate and on the basis of these false and forged documents, co-accused K.K. Sinha, allowed the opening of CC account No.87134 on 18.09.2006 to the limit of Rs.68 lacs, in the name of M/s Medical Equipments Consultants of accused Dr. Chandra Shekhar. So as to substantiate this allegation, prosecution has examined PW26 Sh. Kuljit Singh, proprietor of M/s Kuljit & Associates, having office at Chandigarh, who worked as panel valuer of PNB. PW26 Kuljit Singh stated that report Ex.PW26/A in respect of property No.1324, Sector-34C, Chandigarh, was neither on the letterhead of his firm nor it bears his signatures or seal of his firm. PW26 categorically stated that somebody had forged the valuation report purportedly in the name of his firm by forging his signature and seal of the firm and as per the report Ex.PW26/A, the reliable value of property of H.N.1324, Sector-34C, Chandigarh, was shown as Rs.1,02,93,075/-

Prosecution has also examined handwriting expert, PW40 Dr. S. Ahmad, AGEQD, CFSL, who testified that reports Ex.PW26/A and Ex.PW32/G were forged and not signed by PW26 Kuljit Singh as well as Surender Chandna respectively. PW40 Dr. S. Ahmad in his cross examination also denied the suggestion that specimen signatures of Kuljit Singh Ex.PW26/C are disguised to hide his original signatures. He further stated that same is his reply with regard to the signatures of Surender. PW40 also categorically denied the suggestion of accused that his opinion (opinion of PW40) with regard to specimen and purported signatures of Kuljit and Surender are wrong. Thus, PW40 handwriting expert has also proved that report Ex.PW26/A and Ex.PW32/G were forged.

Otherwise also, PW26 Kuljit Singh has testified that on the request of Sh. Sudha Kant Sharma, Sr. Manager, Branch Office, PNB, Shastri Nagar, New Delhi, the premises bearing H.No.1324, Sector-34C, Chandigarh, was inspected by him on 10.11.2005 and he submitted his valuation report dated 11.11.2005 vide Ex.PW26/B. Perusal of report Ex.PW26/B shows that in this report PW26 had given the value of property in question at Chandigarh of accused Dr. Chandra Shekhar as Rs. 34,73,000/- In his cross examination also, PW26 denied the suggestion that in report Ex.PW26/B, he had intentionally undervalued the property by ignoring the well established principles of valuation of property at the instructions of the officials of PNB.

Thus, in the forged valuation report Ex.PW26/A the value of the property in question at Chandigarh, had been highly exaggerated as its realizable value has been shown as Rs.1,02,93,075/- whereas in the report Ex.PW26/B Sh. Kuljit Singh has given the value of the property in question at Chandigarh as Rs.34,73,000/-

Moreover, PW32 Sh. Ravinder Kumar Jain testified that the bank also obtained legal opinion cum search report dated 28.08.2006 from Sh. Surender Chandna, Advocate. Though, prosecution has

not examined Sh. Surender Chandna, however, as stated above, PW40 handwriting expert had testified that report Ex.PW32/G was not signed by Surender Chandna. Thus, prosecution has conclusively proved that accused Dr. Chandra Shekhar had submitted forged report Ex.PW26/A and Ex.PW32/G with the PNB Bank and co-accused K.K. Sinha had accepted the same. It is essential to clarify that co-accused K. K. Sinha might not have any knowledge regarding the forged reports Ex. PW26/A and Ex. PW32/G, as these reports/documents were submitted by accused Dr. Chandra Shekhar and prosecution has also not produced any material /document which would clearly suggest that co-accused K. K. Sinha was also having knowledge of forgery of said reports, when it was accepted by him. Thus, the prosecution has proved that the accused Dr. Chandra Shekhar had submitted these forged reports and he also used these as genuine, despite of having knowledge that these were forged reports.

84. It is also the allegation against accused Dr. Chandra Shekhar that he requested PNB, Bara Hindu Rao, New Delhi, for sanction of CC limit for Rs. 68 lacs for which he offered stocks and book debts of the firm M/s Medical Equipments Consultants as primary security. Further, it is also the allegation that at the time of inspection by the bank officers who did appraisal after fraud was detected, the extent of primary security held by the accused in his firm M/s Medical Equipments Consultants was of the stock, the value of which was Rs. 1.5 lac only. In this regard PW21 Inderjit Nigam was examined by the prosecution to prove this contention.

PW21 Sh. Inderjit Nigam deposed that on 16.04.2007, a vigilance team comprising of Sh. Mukesh Taneja, Chief Manager and one Sh. Aggarwal, Chief Manager visited their branch and instructed him and concurrent auditor Sh. Rajender Shanker posted in PNB, Bara Hindu Rao Branch, to visit the premises of M/s Medical Equipments Consultants having cash credit account No. 87□344 with the bank and to verify the stocks. As per PW21, the members of the vigilance team also accompanied them and they visited Vasant Kunj address of M/s Medical Equipments Consultants and there no stocks was available at that address. As per PW21, thereafter, they visited the residence of Dr. Chandra Shekhar at Vasant Kunj itself and at the said premises some medical equipments, foldable beds and wheel chairs were there in the premises and they prepared the inventory of articles found in residential premises of Dr. Chandra Shekhar vide verification report Ex. PW21/M. As per this report Ex. PW21/M, the articles found at the residential premises of Dr. Chandra Shekhar were having worth Rs. 1,50,000/□only. As per PW21, the valuation of the inventory has also been mentioned in the verification report Ex. PW21/M. He also testified that against the cash credit limit of Rs. 68 lacs, the inventory was found very less.

Further, it has come in the testimony of PW6 Sh. Mukesh Taneja that in the report dated 23.04.2007 vide Ex. PW6/A, the stock valuing approximately 1.5 lac was found there in the Vasant Kunj flat New Delhi, of accused Dr. Chandra Shekhar.

Ld. Counsel for the accused vehemently contended that it is absolutely incorrect to say that articles found lying at the Vasant Kunj, premises, New Delhi, of accused Dr. Chandra Shekhar were valuing Rs. 1.5 lac only. He also contended that inspection team has no expert with them when inspection of the abovesaid premises was made and as such the price of the articles found lying in the said premises were not properly evaluated. It is also the contention of the accused that firm of Dr.

Chandra Shekhar had another godown at Village Kakrola and the inspection/ raiding team never visited that premises where the medical equipments were lying valued at more than 1,13,00,000/□

Accused Dr. Chandra Shekhar has confronted PW32 Sh. Ravinder Jain in cross examination with photocopy of stocks statement as on 31.12.2006 containing two pages vide Mark□DX5. PW32 Sh. Ravinder Jain stated that his initial is at point□A on first page of copy of stocks statement Mark□DX5. He stated that the stock statement as on 31.12.2006 mark□DX5 was delivered to the bank on 21.04.2007. PW32 also stated that he personally did not inspect the stock statement as on 31.12.2006. He further stated in his cross examination by accused that two officers of the bank i.e. loan officer and concurrent auditor were deputed to inspect the stock in respect of stock statement as on 31.12.2006 and they might have given report to the bank and he cannot say about the same without seeing the report. Therefore, the document Mark□DX5 has not been proved by the accused in accordance with law. Moreover, in the month of April 2007 the inspection was carried out by the bank official at the Vasant Kunj, premises of accused, as discussed above, and at that time the value of articles worth Rs.1.5 lacs was found lying in the premises of accused. Otherwise also, accused cannot take any benefit from the document Mark□DX5 as same is photocopy and also not proved in accordance with law.

Moreover, the contention of ld. Counsel for accused is also not tenable because if the accused Dr. Chandra Shekhar had a godown at Village Kakrola having medical equipments worth Rs.1,13,00,000/□ then he should have informed about the same to the inspection team as well as the bank authorities. Moreover, the accused Dr. Chandra Shekhar has not placed any document on record to show that he had informed in writing to the bank that he had articles worth Rs.1,13,00,000/□lying in his godown at Village Kakrola. The accused Dr. Chandra Shekhar had even not placed on record any document showing that he was having the medical equipments/ other articles worth Rs. 1,13,00,000/□in his godown at village Kakrola, as claimed by him, except placing photocopy of document mark DX5, after defence evidence, when PW32 was recalled for further cross examination. Otherwise also, in his statement U/s 313 Cr. P. C., also accused Dr. Chandra Shekhar had not taken the stand that he had any godown at Kakrola and in the said godown he was having articles worth Rs. 1,13,00,000/□ Thus, the contention of accused Dr. Chandra Shekhar regarding articles lying at his another godown at Kakrola having worth Rs. 1,13,00,000/□is not tenable and accused has also failed to prove the same. Therefore, there is no force in the contention of Ld. Counsel for the accused that the inspection team has not properly evaluated the articles lying in the Vasant Kunj address of the accused. The detailed reports have been filed by the inspection team mentioning that the articles lying in the premises of accused at Vasant Kunj was having the value of only 1.5 lac, which was much less than the primary security of Rs.68 lac. Thus, it has been established by the prosecution that at the relevant point of time articles worth 1.5 lac only were lying in the Vasant Kunj premises of accused.

85. It is also the allegation against the accused that in pursuance to conspiracy with co□accused K. K. Sinha, the present accused Dr. Chandra Shekhar, presented the various cheques of his current accounts in the name of his proprietorship firms/sister concerns M/s Medelec System having A/c No. 19087, M/s Micronic Devices having A/c No. 19088, both in Bombay Mercantile Bank Daryaganj Branch, A/c No. 1131 in the name of his proprietary firm M/s Hindustan Diagnostic Ltd.,

in Lord Krishna Bank, now merged with HDFC Bank and A/c No. 2251 in the name of M/s Hindustan Diagnostic Ltd., in J & K Bank, Rajindra Place, New Delhi numbering 217, 134 and 07 cheques in his accounts numbers CA□21□11928, CA□21□11937, CC□37□344, ODA 96□28 and ODA 96□37, all maintained in PNB, Bara Hindu Rao, New Delhi and requested the bank to purchase the cheques, which were accommodative in nature and not part of genuine business transaction and co□accused K. K. Sinha purchased the abovesaid cheques and allowed the withdrawal/transfer of the amounts of the abovesaid purchased cheques, fully knowing that they were not part of the genuine business transactions and were accommodation cheques of the firms of accused Dr. Chandra Shekhar.

Perusal of complaint dated 11.02.2008 Ex. PW1/A, addressed by Sh. K. L. Jagga, Assistant General Manager to Superintendent of CBI, it is mentioned that the accused Dr. Chandra Shekhar requested to the bank to purchase these cheques knowing well that drawer and drawee of these cheques is one and the same person.

PW3 Ms. Poonam Arora, Assistant Accountant, Bombay Mercantile Co□operative Bank, Daryaganj, New Delhi, deposed that in the year 2007, it was her duty to issue cheque books to the account holders on their requisition. PW3 further deposed that she had issued one cheque book of 100 leaves bearing number 53201 to 53300 in respect of bank account of M/s Micronic Devices, having A/c No. 19088 and she had also issued cheque book containing 100 leaves bearing No.53301 to 53400 for account of M/s Medelec Systems, having A/c No. 19087. As per PW3 cheque No. 53235 for an amount of Rs. 91,00,700/□dated 28.03.2007 of Bombay Mercantile Co□operative Bank Ltd., vide cheque Ex. PW3/B was returned unpaid on account of exceeds arrangements".

Further, PW4 Sh. Nisar Ahmed, Cashier□cum□clerk, Bombay Mercantile Co□operative Bank Ltd., Daryaganj, Delhi, testified that he had issued one cheque book containing 100 leaves bearing No. 40201 to 40300 for A/c No. 19087 of Medelec Systems of Dr. Chandra Shekhar and he had also issued cheque book containing 100 leaves bearing No. 40301 to 40400 for A/c No. 19088 of M/s Micronic Devices of Dr. Chandra Shekhar. As per PW4, cheque bearing No. 40349 dated 15.02.2007 for an amount of Rs. 46,12,500/□was issued from cheque book containing cheques from 40301 to 40400, issued by him, for account No. 19088. PW4 has proved the said cheque vide Ex. PW4/B and also proved the cheque returning memo Ex. PW4/C. PW4 had also proved that as per computer print out Ex. PW4/D, the cheque No. 40349 and cheque No. 53235 pertaining to A/c No. 19088 were returned unpaid. PW4 has also proved the certificate of Banker's Book of Evidence Act Ex. PW4/E attached with Ex. PW4/D. PW5 Sh. Sushil Kumar Vij, who retired as branch manager of Bombay Mercantile Co□operative Bank, Daryaganj, testified that A/c No. CD□19088 in the name of Micronic Devices was opened on 29.01.2003 by Dr. Chandra Shekhar and he proved the account opening form vide Ex. PW5/A. PW5 has also proved the account opening form pertaining to current A/c No. CD□19087 of M/s Medelec System vide Ex. PW5/B as being operated by Dr. Chandra Shekhar.

PW23 Sh. Satish Mahajan has deposed that office circular dated 11.08.2006 and 12.07.2003 were applicable at the relevant time in respect of loans and advances, advance against bills and advance against uncleared effects.

PW23 has proved the circular dated 11.08.2006 vide Ex. PW23/S. In the circular dated 11.08.2006 Ex. PW23/S, in the General Notes at Sr. No. 4, it is mentioned as under: "Advance against clearing instruments and advance/ purchase/discounts against domestic and foreign clean bills/ cheque are to be permitted only in respect of cheques representing genuine trade transactions and should not be exercised for cheques of allied/ associate concerns. Further, the powers are to be exercised after obtaining market report about the creditworthiness of the party and ensuring that the past conduct of the account is satisfactory. These powers may be exercised for allowing casual advance against uncleared effects and for casual purchase of cheques."

Further, PW23 has also proved circular dated 12.07.2003 vide Ex. PW23/S2 and at No.3 regarding guidelines for accommodation bills, it is mentioned as under:

"Accommodation bills should not be purchase/ discounted /negotiated by branch underlying trade transactions should be clearly identified and a proper record maintained at the branches conducting the bills business." Further, at no.8 regarding guidelines for Excess Drawing it is mentioned that No accommodation should normally be allowed in excess of the sanctioned limits or the loaning powers of the Incumbents Incharge.

PW6 Sh. Mukesh Taneja, deposed that he alongwith Sh. S.L. Aggarwal had conducted the inquiry in the matter of serious irregularities/suspected fraud committed by the then Incumbent Incharge, Bara Hindu Rao, Sh. K.K. Sinha, in the bank accounts/transactions relating to accounts of M/s Hindustan Biotech Corporation and M/s Medical Equipments Consultants, sole proprietorship concern of Dr. Chandra Shekhar. PW6 has proved their report Ex.PW6/A. As per PW6, ever since the inception of the account (s) cheques were being purchased by the branch in different accounts of the party maintained at Branch office at Bara Hindu Rao, including the cash credit account. He also deposed that most of the cheques purchased were drawn on allied/associate firms of the party being maintained at different branches as mentioned at page 6 and 7 of report Ex.PW6/A. As per PW6 cheques were issued by the party and drawer and drawee of the cheques were same and co-accused K.K. Sinha purchased the cheques beyond his vested powers and this was not genuine trade business/transactions.

PW16 Sh.Ved Prakash, categorically deposed that in general the accommodative cheques of 3-4 companies/firms of the same person or group of persons was not allowed to be purchased by Manager of a branch.

PW32 Sh. Ravinder Kumar Jain, deposed that there is a prohibition regarding purchase of cheques of cooperative banks and also of sister concerns in the loaning power chart/circular. As per PW32 allowing of withdrawal of cheques were beyond the loaning power of the branch head. He also testified that drawer and the beneficiary of these cheques in question was also one and the same person, reflecting the transactions to be accommodative in nature and not genuine trade transactions.

The cheques in the OD accounts were all drawn on cooperative bank namely Bombay Mercantile Bank. Further, as per PW32, it is not within the competence of the branch head to purchase cheques of the cooperative banks, as per the guidelines of the PNB. PW32 also deposed that co-accused K.K. Sinha had purchased the cheques of sister concerns of accused Dr. Chandra Shekhar and OD limit was sanctioned on the basis of FD and FDR's were issued on the basis of cheques purchased. Further, OD limit was sanctioned on the basis of FDRs so issued, without waiting for the cheques so purchased to be cleared and funds were also released from the OD accounts on the same day. PW32 also specifically deposed that the cheques purchased by Sh. K. K. Sinha from Dr. Chandra Shekhar were of a sister concerns of two firms maintaining the accounts with PNB, Bara Hindu Rao, under the proprietorship of Dr. Chandra Shekhar. As per PW32, in the banking parlance, the sister concern is one where either proprietor is same and there is one common partner/director/ guarantor in any concern.

Accused Dr. Chandra Shekhar had not placed on record any circular or document showing that co-accused K.K. Sinha was permitted and competent to purchase cheques of sister concern of Dr. Chandra Shekhar.

As per PW23 vide letter dated 13.11.2006, co-accused K.K. Sinha had requested for confirmation of actions in respect of purchase of cheques beyond loaning power to M/s Hindustan Biotech Corporation and in the said letter he specifically mentioned that it was a genuine trade transactions and not an exercise of cheque of allied/associate concerned. On the basis of the letter the sanction was granted by the senior/superior officers.

Similarly, vide letters dated 13.11.2006 Ex.PW23/G, letter dated 20.11.2006 Ex.PW23/H, letter dated 20.12.2006 Ex.PW23/J, letter dated 03.01.2007 Ex.PW23/K, letter dated 03.01.2007 Ex.PW23/L, letter dated 19.03.2007 Ex.PW23/M, letter dated 09.02.2007 Ex.PW23/N, letter dated 09.02.2007 Ex.PW23/Q, letter dated 26.02.2007 Ex. PW23/O and letter dated 26.02.2007 Ex.PW23/P, co-accused K.K. Sinha, also sought confirmation of action beyond loaning power, in respect of various cheques and in all these letters mentioned that it is genuine trade transactions and not exercised cheques of allied/sister concerns.

Therefore, it is amply clear that co-accused K.K. Sinha in all the aforesaid letters, specifically mentioned that cheques purchased by him were not cheques of allied/sister concerns of accused Dr. Chandra Shekhar. As already discussed above, accused Dr. Chandra Shekhar has not placed on record any circular/document/guidelines of the bank, to show that co-accused K.K. Sinha was competent to purchase the cheques of his (Dr. Chandra Shekhar's) sister concerns. Hence, prosecution has established that accused Dr. Chandra Shekhar had connived with co-accused K.K.Sinha, for purchasing of cheques of his (Dr. Chandra Shekhar's) sister concerns.

86. It is the contention of Ld. Counsel for accused that no wrongful loss was caused to the Punjab Nation Bank. However, Ld. PP for the CBI has vehemently contended that due to the acts of accused, bank suffered a huge loss. As per the prosecution, 09 cheques were presented by accused Dr. Chandra Shekhar and same were cleared without actual realization of the said cheques and the said cheques were returned unpaid due to insufficient funds in the originating accounts of proprietary firms of Dr. Chandra Shekhar, thus, resulting loss of Rs.5,71,20,027/□to the bank.

In this regard, PW21 Sh. Inderjeet Nigam has proved the cheque dated 26.03.2007 as issued by M/s Advance Medicare Systems in favour of M/s Medical Equipments Consultants for Rs.57,10,000/□vide Ex.PW21/V. He also proved the cheque return memo Ex.PW21/V1, which also shows that cheque was returned unpaid/dishonored due to funds insufficient.

Further, PW21 has proved the cheque dated 26.03.2007 as issued by M/s Advance Medicare Systems in favour of M/s Medical Equipments Consultants for the sum of Rs.49,55,000/□vide Ex.PW21/W. He also proved the cheque returned memo Ex.PW21/W1, which clearly shows that this cheque was dishonored due to reasons of funds insufficient.

Further, similarly PW4 Sh.Nisar Ahmad, has proved the cheque dated 15.02.2007 issued by M/s Micronic Devices in favour of M/s Medical Equipments Consultants for a sum of Rs.46,12,500/□vide Ex.PW4/B. As per cheque return memo Ex.PW4/C dated 30.03.2007 of Bombay Mercantile Cooperative Bank, this cheque was dishonored for the reasons "exceeds arrangements".

Similarly, PW21 also proved that cheque dated 26.03.2007 issued by M/s Hindustan Overseas in favour of M/s Hindustan Biotech Corporation for a sum of Rs.91,00,000/□vide Ex.PW21/T1 and as per cheque return memo Ex.PW21/T5 this cheque was return unpaid for the reasons of funds insufficient.

Further, cheque dated 26.03.2007 as issued by M/s Hindustan Overseas in favour of M/s Hindustan Biotech Corporation for Rs. 67,00,000/□is proved vide Ex. PW21/T2 and as per cheque return memo Ex. PW21/T6, this cheque was also dishonored for reasons of funds insufficient.

Further, cheque dated 26.03.2007 issued by M/s Hindustan Overseas in favour of M/s Hindustan Biotech Corporation for Rs. 66,10,000/□is proved as Ex. PW21/T3 and vide cheque return memo Ex. PW21/T7, this cheque was returned unpaid for the reasons of "funds insufficient".

Similarly, cheque dated 26.03.2007 as issued by M/s Hindustan Overseas in favour of M/s Hindustan Biotech Corporation for a sum of Rs. 66,90,000/□is proved vide Ex. PW21/T4 and vide cheque return memo Ex. PW21/T8, this cheque was also returned unpaid for the reasons of funds insufficient.

Further, the cheque dated 28.03.2007 as issued by M/s Medical Equipment Consultants in favour of M/s Hindustan Biotech Corporation for Rs. 50,00,000/□ has also been proved vide Ex. PW21/U and vide cheque return memo Ex. PW21/U1, this cheque was also returned unpaid for funds insufficient.

Further, PW3 Ms. Poonam Arora has also proved the cheque dated 28.03.2007 as issued by M/s Micronic Devices in favour of M/s Hindustan Biotech Corporation for Rs. 91,00,700/□ vide Ex. PW3/B and vide cheque return memo Ex. PW5/D1 this cheque was also returned unpaid for reasons for exceeds arrangements.

Therefore, it is amply clear that all the abovesaid 09 cheques presented by accused Dr. Chandra Shekhar were dishonoured and they were returned unpaid due to insufficient funds. The prosecution has also proved the abovesaid nine cheques as well as cheque return memos.

Aforesaid all the cheques were sent to GEQD handwriting expert for examination and opinion. PW40 Dr. S. Ahmed had opined that questioned signatures on cheques have been written by one and the same person, who has written S1 to S46. Otherwise also accused Dr. Chandra Shekhar has not denied to have issued the above mentioned cheques in question. It is admitted fact that all these above mentioned cheques were presented for encashment and these cheques were returned dishonoured as same were returned for reasons of insufficient funds. This fact is also not disputed by Id. Counsel for the accused Dr. Chandra Shekhar, as one of his argument was that at the most it is a case of cheque bouncing. Thus, it is established that on the basis of purchased cheques FDRs were prepared and OD limit in respect of the firms of Dr. Chandra Shekhar were enhanced and accused Dr. Chandra Shekhar has availed the OD limit before the realization of the cheques and resultantly the bank suffered a loss of Rs. 5, 71,20,027/□

It is also the argument of Id. Counsel for accused Dr. Chandra Shekhar that since accused Dr. Chandra Shekhar had made entire payment, to the satisfaction of the bank and bank had earned profit from the transaction/ operations of the accused with the bank and hence, no offence is made out against the accused.

However, this contention of Id. Counsel for the accused cannot be accepted as merely repayment of the entire amount does not absolves the accused from the offence he has committed. In the judgment titled as Central Bureau of Investigation Vs Maninder in criminal appeal No. 1496/2009 passed by Hon'ble Supreme Court on 28.08.2015, it was observed as under:□

11. The inherent power of the High Court under Section 482 Cr. P. C should be sparingly used. Only when the Court comes to the conclusion that there would be manifest injustice or there would be abuse of process of the Court if such power is not exercised, Court would quash the proceedings. In economic offences Court must not only keep in view that money has been paid to the bank which has been defrauded but also the society at large. It is not a case of simple assault or a theft of a trivial amount; but the offence with which we are concerned is a well planned and was committed with a deliberate design with an eye of personal profit regardless of consequences to the society at large. To quash the proceeding merely on the ground that the accused has settled the amount with the bank

would be a misplaced sympathy. If the prosecution against the economic offenders are not allowed to continue, the entire community is aggrieved.

Thus, in view of the above legal position also, the contention of Id. Counsel for accused is not tenable.

87. Further, regarding the allegation in this case against accused Dr. Chandra Shekhar, there are sufficient oral as well as documentary evidence against the accused and the prosecution has proved the same. Moreover, accused has failed to extract anything favourable in his favour from the cross examinations of prosecution witnesses. Rather, the prosecution witnesses have convincingly proved the allegations against the accused. Accused Dr. Chandra Shekhar has also failed to produced anything material on record so as to prove his contentions. Moreover, it is also proved that due to the acts of the accused Dr. Chandra Shekhar, the bank has suffered a huge loss as already discussed above. Thus, prosecution has proved the offence alleged against the accused.

88. Therefore, as discussed above, the accused Dr. Chandra Shekhar is held guilty and accordingly, he is convicted for the offence punishable U/s 120B read with Section 420 IPC and U/s 13 (2) read with 13 (1) (d) of PC Act. Accused Dr. Chandra Shekhar is also convicted for the offence punishable U/s 471 IPC.

Announced in the open court
on 30.10.2019.

(LAL SINGH)
Spl. Judge (PC Act),CBI-12
RACC/New Delhi/30.10.2019

LAL
SINGH

Digitally
signed by
LAL SINGH
Date:
2019.10.30
03:47:30
+0530