Bail Slip

The Appellants herein/Accused viz.,

1. K.V.Meenatchinathan, S/o K. Vallinayagam, 2. J. Srinivasan, S/o Jayaraman, 3. M. Janakarajan, S/o Late Megavarnan and 4.M.L.N. Prasad were directed to be released on bail as per order of this court dated 20.10.2016, 25.04.2016, 23.08.2016 and 29.04.2016 respectively, made in,
1. Crl.M.P. No 9998/2016 in Crl.A. No 234/2016.
2. Crl.M.P. No 3738 & 3739/2016 in Crl.A. No 241/2016.
3. Crl.M.P. No 5643/2016 in Crl.A. No 371/2016.
4. Crl.M.P. No 5304/2016 in Crl.A. No 348/2016 respectively.

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on: 11.12.2017	Pronounced on: 29.01.2018

Coram

The Honourable Dr.Justice G.Jayachandran

Criminal Appeal Nos. 234, 241, 348 & 371 of 2016

1. M/s. Meenakshi Textiles
Rep.by K.V.Meenatchinathan

2. K.V.Meenatchinathan
... Appellants in Crl.A.No.234 of 2016/Accused 1 & 2

3. J.Srinivasan(A3)
... Appellant in Crl.A.No.241 of 2016/3rd Accused

4. M.Janakarajan(A4)
... Appellant in Crl.A.No.371 of 2016/4th Accused

5. M.L.N.Prasad (A14)
... Appellant in Crl.A.No.348 of 2016/4th Accused

/versus/

State, rep. by The
Inspector of Police
Central Bureau of Investigation,
CBI/EOW/Chennai. ... Respondents /Complainant in all the appeals

PRAYER: Criminal Appeals are filed under Section 374(2) of Criminal Procedure Code, against the conviction and sentence imposed by the judgment dated 23.03.2016 in C.C.No.32 of 2004 on the file of the Learned XI Additional Sessions Judge (Fraud relating to Banks and Financial Institutions CBI cases) Chennai.

For Appellant in Crl.A.No.241 of 2016 : Mr.A.R.L.Sundaresan,Senior Counsel for Mrs. A.L. Ganthimathi

For Appellant in Crl.A.No.234 of 2016 : Mr. R.Rajarathinam for Mr.A.M.VenkataKrishnan

For Appellant in Crl.A.No.348 of 2016 : Mr. S.Suresh

For Appellant in Crl.A.No. 371 of 2016 : No appearance

For Respondents in all appeals : Mr. K.Srinivasan, Special Public Prosecutor (for C.B.I cases)

JUDGMENT

These four Criminal Appeals 234, 241,438 and 371 of 2016 arise out of the judgment passed in C.C.No.32 of 2004 on the file of the Learned XI Additional Sessions Judge (Fraud relating to Banks and Financial Institutions CBI cases) Chennai. and 11 on 23.03.2016.

(i). Crl.A.No:234 of 2016 is preferred by M/s. Meenakshi Textiles represented by K.V.Meenatchinathan (A1) and Thiru K.V.Meenatchinathan (A2); (ii).Crl.A.No.241 of 2016 is preferred by J.Srinivasan(A3); (iii). Crl.A.No.371 of 2016 is preferred by M.Janakarajan (A4); (iv).Crl.A.No. 248 of 2016 is preferred by M.L.N.Prasad (A14).

2. For the sake of connivance the appellants are described as per their ranking before the Trial Court.

3. Based on the complaint, by the Deputy General Manger, UCO Bank the respondent police registered FIR on 30.05.2003, against M/s. Meenakshi Textiles and its partners alleging cheating of UCO Bank to a tune of Rs. 152 lakhs by fraud, forgery, impersonation and by use of forged documents as genuine. On completion of investigation, the prosecution laid final report against 17 persons, including public servants for conspiracy and other substantial offences under IPC and PC Act, 1988.

4. The Trial Court, after examining 38 witnesses, 468 Exhibits on behalf of the prosecution and 6 Exhibits on behalf of the defence, held that A1, A2, A3, A4, A7 and A14 are found guilty and convicted them for various period with fine for the respective proved charges and acquitted the other accused for want of proof. As far as, A6 and A11 are concerned, the charges against them got abated due to their death, pending trial. The conviction and sentence imposed by the trial Court against the accused are as under:-

Rank of the Accused	Conviction under Section	Sentence imposed by the Trial Court.
A1	1)Under Section 420 (3 counts) IPC. 2)Under Section 471 IPC (2 counts) 3)Under Section 511 r/w 420 IPC	1)To pay a fine of Rs.6 lakhs for each counts (Rs.6 lakhs x 3=Rs.18 lakhs) 2)To pay a fine of Rs.6 lakhs for each count (Rs. 6 lakhs x 2=12 lakhs) 3)To Pay a fine of Rs.5 lakhs (Total Rs.35 lakhs)
A2	(1) Under Section 120-B r/w 419, 420, 467, 468, 471 IPC, 511 IPC r/w 420 IPC; (2)Under Section 420(3 counts) IPC (3)Under Section 471 Ipc (3 counts) (4)Under Section 511 r/w 420 IPC	(1)To undergo RI for 4 years and to pay a fine of Rs.10 lakhs in default to undergo SI one year (2)To undergo RI for 5 years each count and to pay a fine of Rs.6 lakhs in each count (Rs.6lakhs x 3=18 lakhs) i/d to undergo Si for 6 months (3)To undergo RI for 5 years in each count and to pay a fine of Rs.6 lakhs in each count (Rs.6 lakhs x 3 =Rs.18 lakhs), i/d to undergo SI for 6 months. (4) To undergo 3 years RI and to pay a fine of Rs.5 lakhs i/d to undergo 6 months SI

Rank of the Accused	Conviction under Section	Sentence imposed by the Trial Court.
A3	1) under Sections 120B r/w 419, 420, 467, 468, 471 IPC, 511 IPC r/w 420 IPC	1) to undergo 3 years RI and to pay a fine of Rs.5 lakhs i/d to undergo 6 months SI
	2)Under Section 419 IPC	2)To undergo 2 years RI, and to pay a fine of Rs.3 lakhs in default to undergo 6 months SI
	3)Under Section 420(3 counts) IPC	3)To undergo 4 years RI each count and to pay a fine of Rs.3 lakhs in each count (total Rs.3 lakhs x 3=Rs.9 lakhs), i/d to undergo 6 months each SI
	4)Under Section 471(5 counts) IPC	4)To undergo 4 years RI each count and to pay a fine of Rs.3 lakhs each (Total Rs.3 lakhs x 5=Rs.15 lakhs) i/d to undergo 6 months SI each count.
	5)Under Section 511 r/w 420 IPC	5)To undergo 3 years RI and to pay a fine of Rs.2 lakhs i/d to undergo 6 months SI (Rs.34 lakhs in total)

Rank of the Accused	Conviction under Section	Sentence imposed by the Trial Court.
A4	1) Under Section 120 B r/w 419, 420, 467, 468, 471 of IPC, 511 IPC r/w 420 IPC 2) under section 467 (2 counts) IPC 3) under section 420 (4 counts) IPC 4) under section 471 (4 counts) IPC 5) under section 511 r/w 420 IPC	1) To undergo 5 years RI and to pay a fine of Rs.5 lakhs, in default 6 months SI. 2) To undergo 4 years RI and to pay a fine of Rs.3 lakhs each (in total 3 lakhs x 2 lakhs=6 lakhs), in default to undergo 6 months SI. 3) To undergo 4 years RI and to pay a fine of Rs.4 lakhs each in (Total Rs.4 lakhs x 4 lakhs= Rs.16 lakhs), in default to undergo 6 months SI. 4) To undergo 4 years RI and to pay a fine of Rs.3 lakhs each (in total Rs.3 lakhs x 4 lakhs = Rs. 12 lakhs), in default to undergo 6 months SI. 5). To undergo 3 years RI and to pay a fine of Rs.2 lakhs, in default to undergo 6 months SI
A7	1) Under Section 120 B r/w 419, 420, 467, 468, 471 of IPC, 511 IPC r/w 420 IPC. 2). under Section 467 (3 counts) IPC.	1) To undergo 2 years RI and to pay a fine of Rs.5000/- in default to undergo 3 months SI 2) To undergo 3 years RI and to pay a fine of Rs.5000/- each (in total Rs.5000 x 3 each = 15,000/-) in default to undergo 3 months SI

Rank of the Accused	Conviction under Section	Sentence imposed by the Trial Court.
A14	1) Under Section 120 B r/w 419, 420, 467, 468, 471 of IPC, 511 IPC r/w 420 IPC.	1) To undergo 3 years RI and to pay a fine of Rs.3 lakhs, in default to undergo 6 months SI.
	2) under section 467 (3 counts) IPC	2) To undergo 4 years RI and to pay a fine of Rs. 4 lakhs each (in total Rs. 4 lakhs x 3 each = 12 lakhs), in default to undergo 6 months SI
	3). under section 471(2 counts) IPC	3). To undergo 4 years RI and to pay a fine of Rs. 4 lakhs each (in total Rs. 4 lakhs x 2 each = 8 lakhs

Brief facts of the case

5. The case of the prosecution is that on 27.12.2002, the 2nd Accused K.V.Meenakshinthan as partner of the 1st Accused Partnership firm, M/s. Meenakshi Textiles, opened a Current Account in UCO Bank, T.Nagar Branch. On 30.12.2002, the Chief Manager of the said Bank had sanctioned a CC limit of Rs.50 lakhs, Inland Letter of Credit Limit of Rs.100 lakhs. Facilities were extended for carrying on business in Terri Towels. As collateral security for the said loan, three properties were offered as security. On 19.04.2003, a letter of Credit to the tune of Rs.30 lakhs issued by Bank of Baroda, Chhani Branch, Baroda dated 10.04.2003 was presented by the A1 company to be credited in its account. To confirm the said Letter of Credit (LC), UCO bank, T.Nagar Branch had addressed a letter to Bank of Baroda, Chhani Branch and handed it over to the 2nd Accused to be sent by courier. On 28.04.2003, the Letter of credit (LC) confirmation was received by UCO Bank, T.Nagar Branch from Bank of Baroda, Chhani Branch and on the same day, the sum of Rs.30 lakhs was given credit in the account of the 1st Accused, M/s. Meenakshi Textiles.

6. On 08.04.2003, the 1st Accused lodged another Letter of Credit for Rs.50 lakhs from Bank of Baroda, Chhani Branch. Letter dated 08.05.2003 was addressed by UCO Bank, T.Nagar Branch to Bank of Baroda, Chhani Branch, Baroda for confimation. On 09.05.2013, one Ms Madhavi, Officer of Bank of Baroda, Chhai branch had contacted the Chief Manager, UCO bank, T.Nagar branch and stated that the said letter of Credit was not issued by them

and it is a forged document. When the Chief Manager, UCO Bank enquired about the earlier Letter of Credit dated 10.04.2003 for Rs.30 lakhs and the confirmation letter dated 28.04.2003 received by them, Ms.Madhavi had stated that neither the said Letter of Credit nor the letter of confirmation was issued by their bank. Pursuant to the same, a Fax message was also sent by Ms.Madhavi. When the 2nd Accused was enquired about the same, he stated that the customer was a new customer and that he would re-pay the sum of Rs.30 lakhs within 3 days, but has failed.

7. Further, the 1st Accused has encashed the Inland letter of Credit limit of Rs.100 lakhs through 19 Letters of Credit. Most of the beneficiaries are fictitious persons without any commercial activity. All the LC's have been used as Accommodation Bills. Title Deeds as primary security was available only to the tune of Rs.20 lakhs as against credit limit for Rs.100 lakhs. The documents which were given as collateral security related to properties were already charged and subject to litigation. It was also found that certain documents were forged and fabricated.

8. On coming to know of all these facts, the Deputy General Manager, UCO Bank T.Nagar Branch has lodged the complaint with Central Bureau of Investigation. In the First Information Report, it was stated three partners of M/s Meenakshi Textiles were arrayed as Accused and the 2nd partner was Thiru N.Ramesh. Subsequently, it was found that Thiru N.Ramesh have nothing to do with the firm and that it is only the 3rd Accused, J.Srinivisan, who has impersonated as N.Ramesh and offered collateral security and signed the Partnership deed as if he was N.Ramesh. A5 to A7 have fabricated documents for furnishing the same as collateral security. A8, the Manager of the UCO Bank, T.Nagar branch was privy to the crime and had abused his official position to extend illegal benefits to A1 firm. 9th Accused has played a role in fabricating documents. A10 and A12, without any business relationship with A1, merely as relatives of the A2, have discounted certain LC's and encashed the monies and re-routed the same to the 2nd Accused. Thus 19 Inland LC's through fictitious transaction were encashed. By fraudulently encashing the fake LC of Rs.30 lakhs drawn in the name of M/s.Krishna Tex and attempt to encash another fake LC to the tune of Rs.50 lakhs, the A1 to A17 have played respective specific role in the crime. Thereby on completion of investigation they found them liable for prosecution u/s 420B, 419, 420, 467, 468, 471, 511 r/w 420, 466 IPC and 13(2) r/w 13 (1) (d) of Prevention of Corruption Act 1988.

9. Based on the final report, the Trial Court, had framed 29 charges against the accused persons. To prove those charges 34 witnesses were examined and 469 Exhibits were marked on behalf of the prosecution. As defence documents 6 Exhibits on behalf of

the accused marked. On appreciating the arguments made by the respective counsels and also in the light of the evidence adduced, the trial has held that, the challenge against the framing of charges is unsustainable. The first charge pertaining to offence of conspiracy and 17 accused being involved in the alleged conspiracy, the first charge runs to several pages which is inevitable and the typographical error mentioning the provision of law wrongly is ignorable since the ingredient of Section 471 IPC has been correctly mentioned. The accused persons having understood the charge and defended the charges effectively, the irregularity cannot vitiate the Trial.

10. Referring Supreme Court Judgment in Iridium Telecom India Limited vs Motorola INC reported in (2011) 1 SCC 74 has held that A1 being a firm represented through its partners, it cannot escape from the criminal offence merely because it cannot be imprisoned, when the offence attracts both imprisonment and fine. The partnership firm which is criminally liable for the offence committed in the name of the firm by its partner, is liable for prosecution on the Principle of 'alter ego' of its partners.

11. A2 being Managing partner of M/s Meenakashi Textiles had signed in the partnership firm with false information and in the account opening form, he has signed as authorized signatory. As far as A3 is concerned, his photo is found in the account opening form as 'Ramesh'. The signatures found as 'N.Ramesh' in the form is found tally with the specimen signature of A3. Since A3 was never taken into judicial custody, the specimen signature obtained by the investigating officer will not attract Section 311-A of Cr.P.C. As far as A4 is concerned, the property at Teynampet in his name has already been pledged with Muthaiyalpet Benefit fund in the year 1994. The same property had been given as security for the loan at Bank of India, Guindy Branch, State Bank of India, Anna Salai and IOB Muthaiyalpet Branch.

12. A3 impersonating himself as N.Ramesh had produced fake document of property in the name of N.Ramesh at Thiruvanmiyur. He has also submitted forged and fabricated documents like title deeds, encumbrance certificate, patta and created equitable mortgage of the said property based on the forged documents. A7 has fabricated the documents in the name of Ramesh and R.Mohanram, who were shown as guarantors by forging signatures of Revenue Officials. As far as A7 Yoganathan is concerned, he had impersonated himself as Dhansekaran has forged the signatures of Revenue official in the encumbrance certificate.

13. A-14 M.L.N.Prasad had fabricated the LC's in the name of Bank of Baroda, Chheni Branch for Rs.30 lakhs, fabricated the confirmation letter of Bank of Baroda, Chheni Branch (Gujarat) dated 23.04.2003. He had also attempted to cheat the UCO bank, T.Nagar a sum of Rs.50 lakhs by fabricating letter of Credit and

forging the seal and signatures of Bank of Baroda, Deoshadar Branch. Further by opening 19 Inland letters of credit favoring different parties for total sum of Rs.135 lakhs A2 to A4 had caused wrongful loss to the UCO Bank a sum of Rs.68.50 lakhs.

14. The Trial Court has held that the LC's for Rs.30 lakhs in the name of Bank of Baroda, Chheni Branch, is a forged and fabricated documents knowing fully well it is forged documents, A2 and others had negotiated it with the UCO Bank, T.Nagar Branch accompanied with fabricated documents such as bill of exchange, lorry receipt, invoice, delivery challan as if the goods worth for Rs.30 lakhs was delivered to Shri. Krishna Tex, a fictitious firm. To fabricate those documents, A14 had obtained a model LC's, forged Rubber Seal of Bank of Baroda, and had fabricated the LC's as well as the Letter of confirmation. He had typed the details in LC, used the rubber seal of Krishna Textiles and sent it through Blue Dart courier to UCO Bank, T.Nagar Branch on 24.04.2003 with forged and fabricated enclosures. A14 had also found guilty of fabrication LC of Rs.50 lakhs drawn at Bank of Baroda, Deoshadar, and attempted to negotiate it with UCO Bank through A1 firm. Thus, the trial court held A1 to A4, A7 and A14 guilty and the rest of them not guilty.

Gist of the appellants contention:

15. A1 & A2 are appellants in Crl.A.No.234 of 2016

The charges framed against the appellant are unintelligible and difficult to understand which has put forth the accused persons to great difficulty to face the trial. The prosecution has failed to prove the charge of conspiracy. There is no meeting of mind among the accused hence they ought to have been acquitted by the Trial Court for the charge of conspiracy. The Trial Court ought to have held that there is no intention of cheating the Bank since, he has shown fixed deposit of Rs.25 lakhs and stock of worth Rs.35 lakhs as security at the time of obtaining the cash credit facility. This fact is admitted by PW.2, PW.3 and PW.8 in their deposition. Thus, the allegation of dishonest intention to cheat the bank at the inception has no substance. 19 letter of Credits discounted by PW.8 were all true and genuine. After proper verification and satisfaction those LC's were discounted. It is admitted by PW.8 that he has verified the LC's and only after being satisfying, he has permitted to discount those LCs. In said circumstances charges in respect of Inland LC's are to be held as disproved. The LC's for Rs.30 lakhs received from Bank of Baroda, Chhina Branch, Gujarat is against goods delivered by the appellant firm to the party at Gujarat. The party who issued the LC was a new customer and without suspecting its genuineness, the appellant has submitted it to the bank and got it discounted. In the said transaction there is no dishonest intention and as admitted by the prosecution witnesses after coming to know about the nature of the said LC, the 2nd accused has offered to set-right the issue at the earliest. It is the duty of PW.32 who should have verified the genuineness of the LC. Because of his failure, the appellant firm was made to act upon the said LC.

16. The Trial Court without proper framing of charges, without any proper appreciation of evidence, had erroneously held the firm and its partners guilty of cheating and forgery the prosecution has not produced any substantial evidence to prove that there was meeting of mind between the accused persons to cheat the bank by producing fake LC and got it discounted the charge of raising 19 LCs in the name of fictitious firm are not proved in the manner known to law. The Trial Court failed to take note of the evidence that those 19 LC's are raised as against genuine transaction. The Trial court ought to have consider the evidence in the proper prospective and should have acquitted the appellants on the ground that the outstanding loan payable by A1 partnership firm is well secured through the Fixed Deposit and stocks hypothecated to the bank besides immovable properties given as collateral security by A3 and A4. The due to bank is only around Rs.1.3 crores. Property worth over and above that already been well secured by the bank and also been proceeded for the recovery. Therefore there is no criminality in the transaction which warrants conviction. Hence the Trial Court judgment is liable to be set-aside. While the Trial Court has acquitted the Bank Manger(A-8) who has failed to follow the Banking regulations and norms properly, the appellant ought to be treated par with them and acquitted.

17. (A3) Srinivasan appellant in Crl.A.No.241 of 2016

There is no material evidence to prove this appellant impersonated and executed the partnership deed and opened the current account in the name of the first accused firm. Without any evidence to prove the said charge the trial Court has held him guilty of impersonations. The allegation against this appellant that he has impersonated himself as N.Ramesh and signed as N.Ramesh in the partnership deed, account opening form are not established by the prosecution. The entire banking transaction of Sri.Meenakshi Textile was carried out by A2. This appellant had no role in presenting the loan application or handling the loan money. The proceeds of LC's were not encashed by him. The signature found in the Ex.P.5 account opening form and Ex.P31 partnership firm were not proved to be that of the appellant. In said circumstances he should not be held for conspiracy or for impersonation. Therefore judgment of the Trial Court bristles with infirmity and lack of reasoning. Above all, the exorbitant fine imposed upon the accused persons by the trial Court requires reconsideration. The imposition of astronomical fine amount indicates the biased view of the trial court. When no monitory benefit proved to have derived by A3 through the alleged offence, the judgment of the trial court convicting the appellant for the said crime is erroneous and liable to be set-aside.

18. (A4) M.Janakarajan appellant in Crl.A.No.371 of 2016

It is contended by Janakarajan (A4) that no fair opportunity was given to the appellant to cross examine the prosecution witnesses. The Trial court fail to see that this appellant is not concern with the alleged forging of LCs and crediting it into the account of M/s. Meenakshi Textiles. The trial court had heavily relied upon PW.25 oral evidence without substantiating the ocular evidence with documentary evidence. The alleged forged LCs for Rs.30 lakhs and Rs.50 lakhs were not created or manipulated by this appellant and he had no knowledge about the forged LCs. He had been taken as a partner into this M/s. Meenakshi Textiles by A2 for which he has given his property as security for the loan extended to A1 firm. The property given as security by him now been taken over by the bank under recovery proceedings. He had no criminal intention to cheat the bank. He had not furnished any fabricated documents to the Bank. However, the trial court had convicted him erroneously. Hence the trial Court judgment is to be set aside and he is entitled for acquittal.

19. (A14) M.L.N.Prasad Appellant in Crl.A.No.348 of 2016

M.L.N.Prasad (A14) contends that, the lower Court fail to note that the prosecution case is not cogent and trust worthy in nature. The entire case of the prosecution as against this appellant is based on evidence of PW.2 which is the Auditor of A2 and evidence of PW.34 (The hand writing expert). PW.32 auditor admits that he received commission for arranging LC of bank of Baroda, chhina (Gujarat) however, he has neither arrayed as accused nor granted pardon and treated as approver. He had been taken as witness, despite self incriminating statement given by him. This could go to show the biased investigation of the prosecution and untrustworthy of the witness. The opinion of hand writing expert examined as PW.34 is not a conclusive proof or sufficient to convict the appellant. The opinion submitted by PW.34 is incomplete and inconclusive. The prosecution case lack evidence to substantiate and corroborate the charges against this appellant. The trial Court judgment is liable to be set aside.

20. Response by the prosecution

The learned Additional Public Prosecution would submit that M/s.Meenakshi Tex(A-1) a partnership firm, represented by its three partners viz. Shri. K.V.Meenakashinathan (A-2), Shri.J.Srinivasan (A-3) and Shri.M.Janakarajan (A-4) perpetrated a fraud of Rs.154.03 lakhs on UCO Bank, T.Nagar Branch, Chennai by negotiating a forged letter of credit of Rs.30 lakhs purported to have been issued by Bank of Baroda, Chhina Branch, Gujarat and by opening 19 Inland letters of Credit of Rs.100 lakhs, which were allegedly negotiated through various beneficiaries accounts against accommodation bills without any genuine purchase transaction. In addition to this, an attempt was also made for negotiation of another fake Letter of Credit of Rs.50 lakhs purportedly issued by Bank of Baroda, Chnnai Branch, Gujarat.

21. After investigation, Charge sheet was filed before the Special Judge for CBI case, Chennai, on 30.04.2004, against the firm M/s. Sri.Meenakshi Tex(A-1) represented by its three partners viz. Shri. K.V.Meenakshinathan(A-2), Shri.J.Srinivasan (A-3) and Shri M.Janakarajan (A-4) Shri.R.Govindarajan (A-8), Shri M.J.Kandaswamy(A-9), Shri.K.Murugesan (A-10), Shri.K.Sankaranaryanam (A-11), Shri. Pungathudaiyan (A-12), Shri.Kishor Amirthalal Joshi (A-13), Shri M.L.N.Prasad (A-14), Shri. Janak Kumar S.Rawal (A-15), Shri Devraj Parmar (A-16) and Shri.Nitheesh Harshadbhai Khatri (A-17), on the allegation that they entered in to criminal conspiracy during the period 2002 & 2003 at Chennai and various other places with the object to cheat UCO Bank, T.Nagar Branch, Chennai in the matter of sanction of credit facilities to the tune of cash credit Rs.50 lakhs and LC limit Rs.100 lakhs in favour of C (A-1) by submitting forged fabricated and false documents, using the same as genuine and by abusing the official position of Shri. R.Govindarajan (A-8), Chief Manager, UCO Bank, T.Nagar Branch, Chennai. In pursuance of the aforesaid criminal conspiracy A-1 to A-4 had submitted the forged, fabricated and false documents such as Title deeds of property, LC documents etc., to the Bank with active connivance of A-5, A-6, A-7 and A-9 to A-17 thereby dishonestly and fraudulently used these documents as genuine and there by facilitated opening of LC's in favour of A-1 firm which facilitated fraudulent and bogus transactions. Further, they submitted forged and fabricated LC's documents to adjust with the account and thereby mis-appropriate the funds of UCO Bank, T.Nagar branch, Chennai to the tune of Rs.152 lakhs as on 30.05.2003, for getting wrongful gain to themselves and corresponding wrongful loss to UCO Bank, thereby A-1 to A-17 have committed the offences punishable u/s 120 B r/w 419, 420, 466, 467, 468 and 471 IPC and Section 13(2) r/w 13(1)(d) of Prevention of Corruption Act, 1988 and substantive offences thereof. The Trial Court has taken cognizance and tried the case in C.C.No. 32 of 2004. During the course of Trial of the case Shri. A.Victor (A-6) and Shri.K.Sankaranarayanan (A-11) have died and the charges against them abated.

22. On 27.12.2002 a current account No.1713 was opened in UCO Bank, T.Nagar Branch, Chennai in the name of the firm M/s. Sri. Meenakshi Tex (A-1) which was authorized to be operated by

K.V.Meenakshinathan (A-2). During December 2002 A-3 along with other partners A-2 K.V.Meenakshinathan and A-4 applied for cash credit for Rs.50 lakhs and Inland LC facility for Rs.100 lakhs. Apart from offering some primary security of stocks as well as Book Debts of the firm, three items of properties were also offered as collateral security to the Bank. The property documents of the collateral properties were later on found to be forged and fabricated. It is established that, there was a conspiracy to cheat the UCO Bank, T.Nagar Branch, Chennai. Hence the element of deception and fraud, practiced by the partners of the A1 firm with Mr.R.Govindarajan (A-8) then Branch Manager, while availing the loan facilities from the Bank has been proved. It is also established that apart from submitting forged and fabricated documents, there was impersonation by the A-3 through A-4 Janakarajan and A-5 R.Mohanram as owners of the property mortgaged. The above acts had caused huge wrongful loss to the bank, since the bank has no lien or charge over the properties pledged.

23. A-2 is the Managing partner of A-1 firm and has connived with A-3 J.Srinivasan and A-4 M.Janakarajan who were the other partners of A-1 firm. They had applied for cash credit for Rs.50 lakhs and Inland LC facility for Rs.100 lakhs. A-2 offered some primary security of stocks as well as Book Debts of the firm along with three items of properties belonging to A-3 and A-4 as collateral security while sanctioning the loan to A-1 firm. Later on the property documents of the collateral properties were found forged and fabricated. It is established that, there was a conspiracy among the Petitioner/Appellant (A-2) and other partners to cheat the UCO Bank, T.Nagar Branch, Chennai. Hence the element of deception and fraud, practiced by the petitioner/Appellant A-2 and his co-partners A-3, A-4 with A-8 Mr.R.Govindarajan (A-8) then Branch Manager of UCO Bank, while availing the loan facilities from the Bank has been proved beyond reasonable doubt. It is also established that apart from submitting forged and fabricated documents, the Petitioner/Appellant A-2 connived with his partners and even impersonation was practiced by A-3 J.Srinivasan through A-4 M.Janakarajan and A-5 R.Mohanram as owner of the property mortgaged. The above acts of the Petitioner/Appellant A-2 and his partners caused wrongful financial loss to the Bank and, since the bank has no lien on charge over the properties pledged.

24. A-3 J.Srinivasan was introduced by Mr.M.Janakarajan (A-4) in August,2002 to K.V.Meenakshi Nathan (A-2) as N. Ramesh. A-3 agreed to be a partner of A-1 firm of M/s. Sri Meenakshi Tex in the name of N.Ramesh replacing one Dayalan and to sign as N.Ramesh, for a commission, in the bank documents of ING Vysya Bank Ltd., Anna Salai Branch, Chennai where the A-1 firm were

enjoying certain credit facilities. This fact is proved through PW.20. On 09.09.2002 A-3 dishonesty signed the bank documents such as account opening form and other enclosures as N.Ramesh, in UCO Bank, T.Nagar Branch, Chennai, for consideration and also brought Shri.Lingarajan (A-5) who had agreed to sign as Ramesh's son, R.Mohan Ram for commission, to suit the forged title documents in respect of the properties in the name of N.Ramesh and R.Mohan Ram given by A-4 M.Janakarajan made with the help of A-6 and A-7. In furtherance of the criminal conspiracy to impersonate and falsely represent by submitting forged documents in order to cheat the UCO bank. Further, on 27.12.2002, A3 along with A-5 went to UCO Bank. T.Nagar Branch, Chennai and signed the bank documents as N.Ramesh and R.Mohan Ram respectively. By the act of impersonation and cheating done by the Petitioner/Appellant huge wrongful loss was caused to the UCO bank. The above fact was proved before the Trial Court as per PW.13 and Ex.P.5

25. PW.13 Shri.K.A.Parameswaran has deposed that, he know A3 and A4 had identified their photos in Ex.P.5. In the A-3 [J.Srinivasan], one of the Partner of A1 firm has signed the partnership deed Ex.P.31 as Ramesh and PW.13 is one of the witness to the deed. A-3 [J.Srinivasan] as one of the partners of the A-1 firm had impersonated as N.Ramesh and signed in the loan documents. The fact is further confirmed through the handwriting expert PW.34 report, proving that Hand Writing made in the name of Mr.N.Ramesh available at UCO Bank (Exhibit.D-9 & Exhibit D-12) compared with Specimen writings of A-3 were written by one and the same person ie.Mr.J.Srinivasan. It is also prove that, (A-3) impersonated as Mr.N.Ramesh and prepared the forged document for the property No. 4734/88 belonging to Mr.N.Ramesh which falls under the Sub-Registrar of Saidapet, Chennai and produced the same as collateral security.

26. Through PW.15, PW.16 & PW.17 it is established that the appellant/accused (A-4) has already offered his house property bearing door no old. 10 new door no.4 situated at the Raja Krishan Rao Street, Teynampet as collateral security to Indian Overseas Bank agains the loan availed in the name of M/s.P.K.Traders and loan availed from M/s.Muthiyalpet Benefit fund and Bank of Baroda, Guindy branch in the name of M/s. Om Sakthi Enterprises before availing the loan from UCO bank, T.Nagar Branch. Moreover, it is also evidently proved through PW.7, PW.10 & PW.12 that appellant/accused (A-4) fraudulently prepared forged sale deed, encumbrance certificate and other connected property documents and submitted to the bank as collateral security and availed the loan from UCO bank, T.Nagar Branch to the tune of Rs.1.52 crores and by opening of LC's from time to time lead to heavy loss to the Bank and stake of public money. Due to the above fraudulent act of Appellant/accused (A-4) connived with other accused, the bank could not lien on the

property to recover the loan amount. Moreover, it is also evidentially proved that the collateral security offered by the Appellant/accused (A-4) was pledged more than three banks and availed loan facilities more than that of Rs.1.52 crores and benefited by the appellant/accused (A-4) and other accused person which are also not repaid. Hence the Learned Special Judge for CBI cases took appropriate decision and convicted the appellant/accused (A-4) with fine of Rs.41.00 lakhs as per law.

27. As per PW.25 and Exhibit.D-103 & 104 it is established that, the A-1 firm showed NIL business, whereas the partners of the A-1 firm had opened 19 LCs. These 19 LCs were opened in the names of various fictitious firms which were not in the line business of A-1 firm. More over it also observed from the account of the A-1 firm, that all the LCs are discounted one by one within short period the funds released by the bank in the CC account of the A-1 firm was utilized by diverting the proceeds to the other account of sister concerns of the Partners of A1 firm. The LC documents submitted by the Petitioner/appellant to the bank were bogus in nature and it is further established that, the firm on which the false bills were drawn in fact belonged to the brothers and associates of the A2 to A4 and through which the respective amounts were mis-appropriated and diverted.

28. A-2 had opened 19 LC's in the name of the accused firm favoring to various beneficiaries. It is also proved through the witnesses that, the accused persons A-10 to A-12 were the close relatives of the Petitioner/appellant A-2 and few LC's were also opened in the names of the fictitious companies owned by A-10 to A-12. The LC amounts are discounted in the name of fictitious firm and further withdrawn and credited to the CC account of A-1 firm. PW.22 proved that, M/s Krishna & Company owned by A-10 is engaged in financial business, whereas the A-1 firm is engaged in Textiles business. Two LC's were opened for Rs.10.00 lacs in the name of M/s Krishna & Company and were further discounted to the tune of Rs.9,75,475/- and Rs.9,78,836/- and again the same amounts were credited in the account of A-1 firm. Likewise the LC for Rs.10.00 lacs was discounted to the tune of Rs.9,78,616/- in the name of M/S. United Amba Links owned by A-11 was again credited in to the account of A-1 firm. As per the evidence of PW.12 it is proved that, the discounted LC amounts in the name of M/s.Sree Venkateswara Textiles were again credited in the account of A-2. As per PW.25 it is proved that, M/s Gail International Ltd., is a fictitious company and no business was done. Hence it is proved beyond doubt that A-2 had opened LC's in the names of fictitious firm and the statement of account revealed that, no business was done by the A-1 and thereby cheated the UCO Bank.

29. Through, PW.32 the prosecution has proved that A-2 connived with A-14 M.L.N.Prasad and obtained the two LC's for Rs.30 lacs and Rs.50 lacs along with the enclosures and submitted to UCO bank. On comparing the handwriting in the LC's and connected enclosures, the handwriting expert had opined that, both the LC's as well as the enclosures were written by A-14. Hence it is conclusively proved that both the LC's were forged and fabricated. The LC for Rs.30.00 lacs were opened in the name of M/s.Krishna Tex and produced for discounting at UCO bank at T.Nagar Branch, Chennai in order to credit in the account of A-1 firm. The confirmation letter for the particular LC's was received by A-3 firm from Bank of Baroda chhnnai, Gujarat and further he submitted it to UCO bank Officials PW.3 & PW.8 and the LC's for Rs.30.00 lacs was discounted as per Exhibits.D-103 & D.104. Later on the LC's documents were found to be false and fabricated. Thus, partners of A1 firm knowingly submitted the false and fabricated LC documents to the UCO Bank with the connivance of other accused persons and made financial loss to the Bank. After availing all the credit facilities, and making huge loss, the A2 to A4 did not make any efforts to repay the loan amount to UCO bank. Further, the UCO bank was unable to recover the defrauded amount from the collateral securities offered, as the property documents were found bogus and fabricated. Therefore the trial court has rightly held the firm and its partners guilty of all charges and held A7 and A14 for aiding and assisting A1 to A4 in the crime by fabricating documents and use it as genuine to cheat the bank. Therefore the appeals are liable to be dismissed.

Point for consideration

Whether the judgment of the Trial Court holding A1,A2,A3,A4, A7 and A14 holding guilty is supported by substantial evidence?

30. Based on the complaint Ex.P2 the C.B.I has taken up investigation of bank fraud alleged to have been committed by partnership of M/s. Meenakshi Textiles and other known and unknown persons. Substantial investigation has been carried out by P.W.35 [Ramalingam] and PW.37 [E.M.Kodandaraman]. Through the prosecution witnesses and Exhibits the fact that M/s. Meenakshi Textiles a partnership firm consisting of K.V.Meenakshinadhan, N.Ramesh and Janakarajan as its partners had opened a current account at UCO Bank, T.Nagar Branch. The application form which is marked as Ex.P.5 carries the photograph of three partners; all the three persons have signed in the application, whereas in the column meant for specimen signatures, indemnity for collection of bills etc, K.V.Meenakshinadhan (A2) alone had signed affixing the seal of Sri.Meenakshi Textile partner. The account has been introduced by the proprietor of Naveen Systems. Ex.P.6 specimen signature card for the current account CC.1713 in the name of Sri.Meenakshi Textiles also carry the signature

of Meenakshinadhan alone with seal. This account had come into operation from 27.12.2002, the statement of account maintained by UCO bank in respect of current account CC.1713 in the name of Sri.Meenakshi Textiles a partnership firm is marked as Ex.P.7. The charge against the partnership of Sri.Meenkashi Textiles and also found to be proved by the trial Court is that from the very inception of opening the said bank account by A2 to A4 which is borne out of for conspiracy to cheat the UCO bank, the accused persons have forged, fabricated document and impersonated to cause wrongful loss to the Bank a sum of Rs.1.53 crores. To substantiate the said charge, it is put forth by the prosecution that N.Ramesh who is show as one of the partnership firm is non existing person and in fact Thiru J.Srinivasan had impersonated himself as N.Ramesh and had given his photograph as if it is N.Ramesh, resident at No.4, Thiruvallur Street, Chennai-113. The following fabricated documents were annexed to the loan application

(i). Ex.P.11 application perpetrated to have been written by N.Ramesh addressed to Chief Manager, UCO Bank, T.Nagar wherein seeking cash credit facility of for Sri. Meenakshi Textiles showing house site valued at Rs.60 lakhs as immovable property owned by him at Survey No.145/5. No.140, Thiruvanmiyur Village, R.K.Nagar, II cross street, Chennai

(ii). Ex.P.12 is the application in the name of Janakarajan, partner Sri.Meenakshi Textiles claiming himself as owner of property valued at Rs.1.30 crores the land and building at No.4, Radhakrishan Road, Tenyampet, Chennai-18.

(iii). Ex.P.13 is letter sent by R.Mohanram, father of N.Ramesh showing plot No.11 survey No.146/5 No.140,Thiruvanmiyur Village, R.K.Nagar, II cross street, Chennai worth Rs.37 lakhs. All the three Ex.P.11 to Ex.P.13 are filled up by the same persons and at the end of the application signed as Ramesh, Janakarajan, Mohanram respectively. The signatures in the application Ex.P.11 and Ex.P.13 were subjected to comparison by hand writing expert who has opined that the signature tallies with the specimen signature of J.Srinivisan (A3). The opinion of the hand writing expert is marked as Ex.P.360.

31. The admitted signature of J.Srinivisan (A3) is marked as Ex.P.464. A.K.Parameshwarn [PW.13] in his deposition had identified the 3rd photographs found in Ex.P.5 [Account opening form] is that of J.Srinivasan [A3], but as per Ex.P.5, it is N.Ramesh. Thus from the signature found in the letters perpetrated to have been emanated from Ramesh and the account opening form which contains the photograph and the signature found in the Ex.P.5 showing him as Ramesh is not Ramesh but J.Srinivasan who is arrayed as A3 in this case. Thus it cannot be pleaded by the accused/appellants that they had no criminal

intention at the inception of opening the bank account in the name of Sri.Meenakshi Textiles showing Meenakshinadhan, Ramesh and Janakarajan as its partners since one of the person shown as partner is not really Ramesh but J. Srinivasan and he has impersonated himself as Ramesh and signed the application as Ramesh and also furnished two applications for credit facilities namely Ex.P11 and Ex.P.13 in the name of Ramesh as well as Mohanaram, both fictitious persons.

32. After opening the Bank Account by furnishing false information, they have applied for credit facilities to the extent of Rs.50 lakhs on hypothecation basis against stock and receivable and Rs.100 lakhs against Inland letter of credits (ILC) issuance upto 90 days. This document is marked as Ex.P.9 which is accompanied by Ex.P.10, Ex.P.13, Ex.P.14. The application for the credit facility had been sanctioned on 27.07.2002. The assets and liability of Sri.Meenakshi Textile is furnished by its partners in Ex.P.14 signed by A2 on behalf of the partnership firm. The sale turnover of the firm is projected at Rs.295 lakhs which has prompted the bank to sanction credit limit of Rs.50 lakhs and LC's facility of Rs.100 lakhs as sought in the application Ex.P.9. This fact is spoken by P.W.6. T.R.Ramansubramaniam who is the Chief Officer of UCO Bank, Zonal Office, Chennai who had conducted investigation about the mis-application of bank fund in the matter of Meenakshi Textiles the said report which has been marked as Ex.P.124 throws adequate information about the manner in which the UCO Bank had been cheated by the partners of Sri.Meenakshi Textiles in connivance with other accused. In order to rise false LCs against non existing transaction and discount the same into the credit of Meenakshi Textile account and get the money diverting to other accounts.

33. While applying for cash credit facility A2 to A4 had furnished revenue documents and title deeds to show their creditworthiness and to creat collateral security. Based on these documents, the panel lawyer of the bank T.A.Srinivasan had given his opinion. However, prosecution has proved that Ex.P.11 sale deed executed by one Chandrasekran in favour of Ramesh a non-existing person is a fake document. Similarly, the title deed furnished by Janakarajan [A4] which is marked as Ex.P.119 is also proved to be a fake document.

34. PW.7, [M.Rajamanikam] Sub Registrar of Mylapore Registrar Office in his evidence, after comparing the documents with that of the original record maintained by Sub Registrar Office, has deposed that Ex.P.119 is a fake document. The copy of the original document of the said property maintained in the

Registrar Office is marked as Ex.P.27. He has explained and pointed out the difference in the two documents to substantiate his evidence that Ex.119 is a fake document. Similarly, the document 109/1961 alleged to be settlement deed furnished by the (A2 to A4) to the bank as collateral security which is marked as Ex.P.128, compared with the original record maintained by Registrar Office and copy of the same being marked as Ex.129 on comparison PW.7 has deposed that the property document which is marked as Ex.P.129 given by the partners of Sri.Meenakshi Textile for availing loan is a fake document. The document bearing No.787/1966 furnished by the partners of first accused firm Sri.Meenakshi Textile marked as Ex.P.130. After being compared with the original kept in the Registrar Office and the copy of the same marked as Ex.P.131, PW.7 has deposed that Ex.P.130 is a fake document and he has also given the reason for that. Thus from the evidence of PW.7 prosecution has proved that the document given by A4 [Janakarajan] as collateral security for the loan extended to his firm Sri.Meenakshi Textiles is a fake document. Apart from fake title deed the encumbrance certificate which is marked as Ex.P.115 for the said property is also a fabricated document as spoken by PW.7. After getting sanction for credit facilities to tune of Rs.50 lakhs and LC's for tune of Rs.100 lakhs the partners of the firm had opened 19 LC's which is proved to be false.

35. PW.8, Assistant Manager UCO Bank, T.Nagar Branch had deposed about the manner in which LC were negotiated and excess withdrawal made by A1 firm through those LCs. Ex.P.132 LC for Rs.10 lakhs is opened by Sri.Meenakshi Textiles in favour of Gales International. The purchase contract dated 06.02.2003 alleged to have been emanated from Gales international are annexure along with the LC which is marked as Ex.P.132. It is proved through record that one of the partner of Sri.Meenakshi Textile [Janakarajan] (A4) is also partner in M/s. Gale International.

36. While banking rule prohibits issuance of LC to sister concern of the partners, suppressing the above fact, LC's has been raised and also negotiated though the said LC is non-negotiable. The stamp on the LC which is marked as Ex.P.132 reveals it is non-negotiable. However, same has been negotiated. Similarly, the 19 LCs were discounted violating banking rule.

37. The more grave charge tried and proved before the Trial Court by the prosecution is opening of LC, alleged to have been issued by Bank of Baroda, Chheni (Gujarat) dated 10.04.2013 for Rs.30 lakhs. The said LC had been negotiated by the first accused firm with the UCO bank by producing invoice, delivery chellan, lorry receipt. When LC was presented for negotition

along with above said document PW.8 had made necessary entry in the register and before making payment send the original LC for verification to the Bank of Baroda along with a covering letter. The covering letter dated 19.04.2003 is marked as Ex.P.139. At the request of A2 Meenakshinadhan the covering letter seeking confirmation had been sent through Blue Dart courier deviating the normal habit of sending it through professional courier.

38. PW.8 in its deposition has vividly explained how A2 Meenakshinadhan manipulated the process of getting confirmation from Bank of Baroda Chheni Branch(Gujarat) in respect of this LC. Thus managing to send the confirmation letter Ex.P.139 through Blue Dart courier and intercepted it at the entrance of the Bank at Chheni. He created false confirmation letter fabricating the documents and handover to the UCO Bank as if the Ex.P.139 raised in the name Sri.Krishna Textiles, Baroda is a genuine document. PW.32 Vishveshvara Rao in his deposition has said that M.L.N.Prasad (A14) was introduced by him to A2 Meenakshi Nadhan. He received Ex.139 through Blue Dart courier from M.L.N. Prasad, which he in turn handover to A2. In the cross examination, PW.32 had reaffirmed that Ex.P.39 was sent by A14 to him and received by A2. This witness has also spoken about another LC's which is marked as Ex.141 for a sum of Rs.50 lakhs. The prosecution has proved the first LC's of Rs.30 lakhs has been discounted by the UCO Bank relying upon the fake confirmation letter presented by A2. However, the 2nd LC which is marked as Ex.P.141 could not be intercepted by the accused persons. Therefore, it properly landed in the hands of the bank official at Bank of Baroda Chhani Branch, Gujarat. The retired senior Manager of the Bank of Baroda chhani Branch, Gujarat has been examined as PW.29, who has deposed that Sri.Krishna Textile No.159 Aboorava Complex, Chhani Branch Bank of Baroda neither had an account nor any facility including letter of Credit. He has perused the Exhibits which is marked Ex.P.139 and he had deposed that it was not issued by his bank. The seal affixed on Ex.P.139 is that of his office, the document is not signed by any of his Officers. Similarly, as far as Ex.P.141 is concerned he has again reiterated that there is no account holder in his branch in the name of Sri.Krishna Tex and there is no LC's facility for Sri.Krishna Tex. Both the Ex.P.139 and Ex.P.141 are proved to be fake through this witness. When Ex.P.141 was received by Bank Official of Bank of Baroda, Chhani Branch they have immediately found it was a fake document and therefore the Bank Official had contacted T.Nagar Branch, Chennai which sent the LC's for confirmation. The letter seeking confirmation is marked as Ex.P.142. Regarding confirmation of LC No.14/2004 received by his Office PW.29 has called UCO bank, T.Nagar Branch, Chennai Branch and had informed that it was not issued by his Bank Official. Immediately the officials at UCO bank

entertain doubt about the earlier LC of Rs.30 lakhs issued in the name of Sri.Krishan Tex and got confirmed that it is also a fake LC. PW.31 [Smt. Madavi] has deposed about this fact. Based on the fake title deeds, credit facilities has been availed by Sri.Meenakashi Tex A1 and his partners A2 to A4 in connivance with other.

39. In course of cheating the bank, A3 has impersonated himself as Ramesh and signed as Ramesh. Thus has produced false and fabricated documents. Similarly, A4 [Janakarajan], had also furnished the documents which are proved to be fabricated. The evidence of PW.7, PW.13 sufficiently proves the fact of impersonation by A3 and the submission of fabricated documents by A2 to A4 for availing credit facility. The photograph and signatures in the application form and other loan document showing A3 [J.Srinivasan] as N. Ramesh and A3 signing as N. Ramesh singularly enough to hold A2 to A4 knowingly with pre-mediation had fraudulently opened the bank account in UCO Bank, T.Nagar Branch furnishing false information and false document. Thereafter, in connivance with the other accused particularly A.14 [M.L.N.Prasad] who had aided A2 to A4 to fabricate 2 LC's of Bank of Baroda, Chheni Branch, Gujarat in the name of Krishna Tex for Rs.30 lakhs and Rs.50 lakhs respectively. Out of which the LC's of Rs.30 lakhs being discounted fraudulently and the attempt to encash the LCs of Rs.50 lakhs got aborted due to alacrity of the Official at Bank of Baroda, Chhina Branch, Gujarat as spoken by PW.31 [Madavi].

40. The plea of the appellants claiming that they are innocent and have no role in the alleged conspiracy, forgery, impersonation, cheating, fabrication of false documents all falls to ground in the light of clinching evidence let in by prosecution.

41. On overall re-appreciation of evidence it is found that the A1 partnership firm M/s. Meenakashi Textiles consisting of Meenakshinathan, Ramesh and Janakarajan. J.Srinivasan has impersonated as Ramesh fabricated documents were produced by the partners for availing cash credit facility and Inland Letter of Credit facility from UCO Bank, T.Nagar Branch. The property which stood in the name of N.Janakarajan(A4) at No.78 Raja Krishna Rao Road, though already been encumbered with Bank of India Guindy Branch; State Bank of Travancore, Anna Salai Branch, Indian Overseas Branch, Muthiyapet Branch and Muthiyapet benefit fund, same property by producing forged encumbrance certificate been furnished as collateral security as if it is unencumbered. Thus encumbered property had been fraudulently deposited as unencumbered property in fraudulent intention.

Similarly, the property document of Mohanram in Survey No.146/5 at No.140, Thiruvanmiyur Village, Saidapet Taluk had been deposited by forging the signature of Mohanram and by impersonating. Thus the scheme of conspiracy which has been evolved from the meeting of minds within the partners of M/s.Meenakshi Textile had culminated in opening bank account showing a fictitious person as one of the partner producing fabricated documents as collateral security for the cash credit limit of Rs.50 lakhs and Inland letter of credit facility of Rs.100 lakhs.

42. Pursuant to the said conspiracy, the UCO Bank has induced to extend cash credit limit of tune of Rs.50 lakhs and Inland letter of credit to the tune of Rs.100 lakhs. Ex.P.132 letter of credit had been issued for ten lakhs in favour of Gales International in which A4 Janakarajan was partner Ex.P.133 to Ex.P.137 letters of credit for total value of Rs.38 lakhs issued in the name of different parties were discounted by A2 himself in the name of those different parties and this fact is spoken by PW.8 Assistant Manager, UCO Bank. Thus cheating of the Bank by raising letters of Credit without any real business transaction and appropriating the money by discounting those LC by A1 firm has been proved by the prosecution.

43. The charge against A1 firm and his partner A2 to A4 for cheating the UCO bank by dishonestly inducing it to deliver valuable security in the following instance.

(i). L.C's in favour Meenakshi Textiles and Gales International which is the sister concern of A1.

(ii). Discounting the fake LC in the name of Bank of Baroda, Chheni Branch (Gujarat) and withdrawal of Rs.30 lakhs

(iii). LC in the name of non-existing different parties and appropiating a sum of Rs.135 lakhs by opening 19 LC's not relating to business transaction.

(iv). The documents accompanying the 19 LC were not genuine and same has been proved though the evidence of PW.3 and PW.8. The documents accompanying letters of credit raised without any business transaction with A1 firm, is the out come of the conspiracy to cheat the bank by using those forged document as genuine.

44. Fraudulently and dishonestly, for the purpose cheating the UCO Bank bill of exchange, delivery challan, lorry receipt had been produced to show as if goods were delivered to Krishna Textile, Chheni Baroda against the fake LC's for Rs.30 lakhs alleged to have opened in the name of Bank of Baroda, Chheni

Branch by Krishna Tex. Thus charge against A2 to A4 and A14 for furnishing fabricated documents as genuine has been established and found guilty for offence under Section 471.

45. As far as A3 is concerned he had impersonated himself as N.Ramesh affixed the signature in the account opening form and signed as Ramesh in all the documents. He has furnished documents of a property in the name of Mohanram. Thus he is found guilty for impersonation and dishonestly using title deeds in the name of N.Ramesh as a genuine document, as if it belongs to him and used the same as collateral security for the cash credit limit and Inland Letter of credit.

46. A7 Yoganathan, in pursuant to the conspiracy, along with the other accused had forged the documents namely title deed Ex.P.29 relating to site property at Thiruvanmiyur Village, Saidapet in the name of N.Ramesh and in the name of Mohanram Ex.P.129 By using those forged document as genuine A1 firm through A2 to A4 had created equitable mortgage for their loan. A7 has also forged the encumbrance certificate relating to the property of Janakarajan at Teynampet, showing it as Nil encumbrance, while in fact it had been encumbered by availing loans with various other financial institution and charge been created over it. By fabricating encumbrance certificate for the property in the name of Janakarajan (A4) same has been used as genuine to induce UCO Bank to sanction cash credit limit and Inland letter of credit.

47. A14, M.L.N. Prasad had assisted A2 to A4 to get the forge LC in the name of Bank of Baroda chheni Branch, Gujarat for Rs.30 lakhs perpetrated to be drawn by Krishna Textile. He had also fabricated a confirmation letter to mislead UCO Bank, T.Nagar Branch as if the LC's of Rs.30 lakhs was issued by Bank of Baroda, Chheni Branch, is a genuine document. Though in the course of conspiracy other accused also had certain role, the trial court has fairly taken note of the lacuna in the prosecution to prove their guilt beyond reasonable doubt, Hence acquitted them. As far as A1 to A4, A7 and A14 are concern the evidence are overwhelming and the their respective role in the criminal conspiracy is established the prosecution has also proved the attempt to further cheat the UCO Bank a sum of Rs.50 lakhs through a fabricated learned counsel for Rs.50 lakhs perpetrated to have issued by Bank of Baroda. The presentation of fake LC's into the account of A1 firm and the withdrawal of money and discounting the same clearly proves the charge of conspiracy, cheating, impersonation, fabrication of document use of fabricated document as genuine.

48. The learned counsel appearing for the respective appellants beside submitting their arguments on merits, also submitted that what ever happened in the course of the transaction it was due to wrong guidance and misinformation. They were cheated by third parties and they had no intention of cheating the UCO bank, at any point of time. They honestly, undoubtedly believing the documents given by certain persons as genuine. This innocent belief has ended up in criminal prosecution. Therefore considering the age and other factors leniency may be show in sentence.

49. Taking note of the said submission, while confirming the judgment of conviction rendered by the trial court, the nature of imprisonment is modified from rigorous imprisonment to simple imprisonment and the fine amount which appears to be on higher side is modified as below;

Rank of the Accused	Conviction under Section	Sentence imposed by the Trial Court	Sentence modified by this Court
A1	1).Under Section 420(3 counts) IPC.	1)To pay a fine of Rs.6 lakhs for each counts(Rs.6 lakhs x 3=Rs.18 lakhs)	1)To pay a fine of Rs.1 lakhs for each counts(Rs.1 lakhs x 3=Rs.3 lakhs)
	2).Under Section 471 IPC (2 counts)	2)To pay a fine of Rs.6 lakhs for each count (Rs. 6 lakhs x 2=12 lakhs)	2)To pay a fine of Rs.1 lakhs for each count (Rs. 1 lakhs x 2=2 lakhs)
	3).Under Section 511 r/w 420 IPC	3)To Pay a fine of Rs.5 lakhs (Total Rs.35 lakhs)	3)To Pay a fine of Rs.1 lakhs

Rank of the Accused	Conviction under Section	Sentence imposed by the Trial Court	Sentence modified by this Court
A2	(1).Under Section 120-Br/w 419, 420, 467, 468, 471 IPC, 511 IPC r/w 420 IPC;	(1)To undergo RI for 4 years and to pay a fine of Rs.10 lakhs in default to undergo SI one year	(1)To undergo SI for 4 years and to pay a fine of Rs.1 lakhs in default to undergo SI one year
	(2).Under Section 420(3 counts) IPC	(2)To undergo RI for 5 years each count and to pay a fine of Rs.6 lakhs in each count (Rs.6lakhs x 3=18 lakhs) i/d to undergo SI for 6 months	(2)To undergo SI for 5 years each count and to pay a fine of Rs.1 lakhs in each count (Rs.1 lakhs x 3=3 lakhs) i/d to undergo SI for 6 months
	(3).Under Section 471 IPC (3 counts)	(3)To undergo RI for 5 years in each count and to pay a fine of Rs.6 lakhs in each count (Rs.6 lakhs x 3 =Rs.18 lakhs), i/d to undergo SI for 6 months.	(3)To undergo SI for 5 years in each count and to pay a fine of Rs.1 lakhs in each count (Rs.1 lakhs x 3 =Rs.3 lakhs), i/d to undergo SI for 6 months.
	(4).Under Section 511 r/w 420 IPC	(4) To undergo 3 years RI and to pay a fine of Rs.5 lakhs i/d to undergo 6 months SI	(4) To undergo 3 years SI and to pay a fine of Rs.1 lakhs i/d to undergo 6 months SI

Rank of the Accused	Conviction under Section	Sentence imposed by the Trial Court	Sentence modified by this Court
A3	1). under Sections 120B r/w 419, 420, 467, 468, 471 IPC, 511 IPC r/w 420 IPC 2).Under Section 419 IPC 3).Under Section 420(3 counts) IPC 4).Under Section 471(5 counts) IPC 5)Under Section 511 r/w 420 IPC	1) to undergo 3 years RI and to pay a fine of Rs.5 lakhs i/d to undergo 6 months SI 2)To undergo 2 years RI, and to pay a fine of Rs.3 lakhs in default to undergo 6 months SI 3)To undergo 4 years RI each count and to pay a fine of Rs.3 lakhs in each count (total Rs.3 lakhs x 3=Rs.9 lakhs), i/d to undergo 6 months each SI 4)To undergo 4 years RI each count and to pay a fine of Rs.3 lakhs each(Total Rs.3 lakhs x 5=Rs.15 lakhs) i/d to undergo 6 months SI each count. 5)To undergo 3 years RI and to pay a fine of Rs.2 lakhs i/d to undergo 6 months	1) To undergo 3 years SI and to pay a fine of Rs.1 lakhs i/d to undergo 6 months SI 2)To undergo 2 years SI, and to pay a fine of Rs.1 lakhs in default to undergo 6 months SI 3)To undergo 4 years SI each count and to pay a fine of Rs.1 lakhs in each count (total Rs.1 lakhs x 3=Rs.3 lakhs), i/d to undergo 6 months each SI 4)To undergo 4 years SI each count and to pay a fine of Rs.1 lakhs each(Total Rs.1 lakhs x 5=Rs.5 lakhs) i/d to undergo 6 months SI each count. 5)To undergo 3 years SI and to pay a fine of Rs.1 lakhs i/d to undergo 6 months SI

Rank of the Accused	Conviction under Section	Sentence imposed by the Trial Court	Sentence modified by this Court
A4	1) Under Section 120 B r/w 419, 420, 467, 468, 471 of IPC, 511 IPC r/w 420 IPC 2) under section 467 (2 counts) IPC 3) under section 420 (4 counts) IPC 4) under section 471 (4 counts) IPC 5).under section 511 r/w 420 IPC	1) To undergo 5 years RI and to pay a fine of Rs.5 lakhs, in default 6 months SI. 2) To undergo 4 years RI and to pay a fine of Rs.3 lakhs each (in total 3 lakhs x 2 lakhs=6 lakhs), in default to undergo 6 months SI. 3) To undergo 4 years RI and to pay a fine of Rs.4 lakhs each in (Total Rs.4 lakhs x 4 lakhs= Rs.16 lakhs), in default to undergo 6 months SI. 4) To undergo 4 years RI and to pay a fine of Rs.3 lakhs each (in total Rs.3 lakhs x 4 lakhs = Rs. 12 lakhs), in default to undergo 6 months SI. 5). To undergo 3 years RI and to pay a fine of Rs.2 lakhs, in default to undergo 6 months SI	1) To undergo 5 years SI and to pay a fine of Rs.1 lakhs, in default 6 months SI. 2) To undergo 4 years SI and to pay a fine of Rs.1 lakhs each (in total 1 lakhs x 2 lakhs=2 lakhs), in default to undergo 6 months SI. 3) To undergo 4 years SI and to pay a fine of Rs.1 lakhs each in (Total Rs.1 lakhs x 4 lakhs= Rs.4 lakhs), in default to undergo 6 months SI. 4) To undergo 4 years SI and to pay a fine of Rs.1 lakhs each (in total Rs.1 lakhs x 4 lakhs = Rs. 4 lakhs), in default to undergo 6 months SI. 5). To undergo 3 years SI and to pay a fine of Rs.1 lakhs, in default to undergo 6 months SI

Rank of the Accused	Conviction under Section	Sentence imposed by the Trial Court	Sentence modified by this Court
A7	1) Under Section 120 B r/w 419, 420, 467, 468, 471 of IPC, 511 IPC r/w 420 IPC. 2).under Section 467 (3counts) IPC.	1) To undergo 2 years RI and to pay a fine of Rs.5000/- in default to undergo 3 months SI 2) To undergo 3 years RI and to pay a fine of Rs.5000/- each (in total Rs.5000 x 3 each = 15,000/-) in default to undergo 3 months SI	1). To undergo 2 years SI and to pay a fine of Rs.5000/- indefault to undergo 3 months SI 2) To undergo 3 years SI and to pay a fine of Rs.5000/- each (in total Rs.5000 x 3 each = 15,000/-) in default to undergo 3 months SI
A14	1) Under Section 120 B r/w 419, 420, 467, 468, 471 of IPC, 511 IPC r/w 420 IPC. 2) under section 467 (3 counts) IPC 3). under section 471(2 counts) IPC	1) To undergo 3 years RI and to pay a fine of Rs.3 lakhs, in default to undergo 6 months SI. 2) To undergo 4 years RI and to pay a fine of Rs. 4 lakhs each (in total Rs. 4 lakhs x 3 each = 12 lakhs), in default to undergo 6 months SI 3). To undergo 4 years RI and to pay a fine of Rs. 4 lakhs each (in total Rs. 4 lakhs x 2 each = 8 lakhs	1) To undergo 3 years SI and to pay a fine of Rs.1 lakhs, in default to undergo 6 months SI. 2) To undergo 4 years SI and to pay a fine of Rs. 1 lakhs each (in total Rs. 1 lakhs x 3 each = 3 lakhs), in default to undergo 6 months SI 3). To undergo 4 years SI and to pay a fine of Rs. 1 lakhs each (in total Rs. 1 lakhs x 2 each = 2 lakhs

51. The sentence imposed by this Court shall run concurrently. The period of sentence already undergone shall be set off.

In the result, with above modification, these criminal appeals are dismissed. The trial Court is directed to secure the custody of the appellants and send them to the prison to undergo remaining period of sentence modified by this Court. Fine amount paid in excess shall be refunded.

-s/d-
Assistant Registrar(CS-IV)

True Copy

Sub-Assistant Registrar

bsm
To

1. The XI Additional Sessions Judge,
   (CBI cases), Chennai.

2. The Inspector of Police
   Central Bureau of Investigation,
   CBI/EOW/Chennai.

3. The Special Public Prosecutor (C.B.I)
   High Court, Madras.

4. The Superintendent, Central Prison
   Puzhal, Chennai.

+1 CC to Mr.S. Suresh, Advocate sr 6541
+1 CC to Mr.A.M. Venkatkrishnan, Advocate sr 7189(20/02/2018)

Criminal Appeal Nos. 234, 241, 348 & 371 of 2016

MR(CO)
SP(19/02/2018)