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Gandhi Vs State rep. by

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Court : Chennai

Decided On : Apr-07-2026

Judge : Honourable Mr Justice M. Nirmal Kumar

Appeal No. : CRL OP/27543/2025

Appellant : Gandhi

Respondent : State rep. by

Judgement :

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 20.02.2026

PRONOUNCED ON : 07.04.2026

CORAM

THE HONOURABLE MR.JUSTICE M.NIRMAL KUMAR Gandhi ... Petitioner in Crl.O.P.No.27543/2025 K.Lalitha ... Petitioner in Crl.O.P.No.28469/2025 Gnanaoli ... Petitioner in Crl.O.P.No.28466/2025 Vs. State rep. by The Inspector of Police, SPE: CBI: ACB: Chennai. ... Respondent in all Crl.O.Ps Common Prayer: Criminal Original Petitions filed under Section 528 of BNSS to call for the records and quash the

proceedings pending in C.C.No.11 of 2006 on the file of XI Additional Special Court for CBI Cases, Singaravelar Maaligai, George Town, Chennai - 600 001. Page No.1 of 31 For Petitioner in all Crl.O.Ps : Dr.A.E.Chelliah Senior Counsel for Mr.R.Prathaban For Respondent in all Crl.O.Ps : Mr.K.Srinivasan Special Public Prosecutor

COMMON ORDER

Crl.O.P.No.27543 of 2025 is filed by B.Gandhi/A41, Crl.O.P.No.28469 of 2025 is filed by K.Lalitha/A37 and Crl.O.P.No.28466 of 2025 is filed by Gnanaoli/A46. 2.Petitioners herein are accused in C.C.No.11 of 2006 and the grounds raised by the petitioners are identical and the respondent is common in all petitions, thus disposed of by a common order. 3.The petitioners are accused who are facing trial in C.C.No.11 of 2006 for the offence under Sections 120(b) r/w. 420, 467, 468, 471 IPC and Section 13(2) r/w. Section 13(1)(d) of Prevention of Corruption Act, 1988. Page No.2 of 31

4.The case of the prosecution is that on 31.01.2024, information received by the respondent against one V.Arulkumar, Regional Chief, HUDCO, Chennai, S.Vijaylakshmi, Stenographer, HUDCO, Chennai, M/s.Sindhu Developers Pvt. Ltd., T.Nagar, Chennai and others. During investigation, the role of other accused, namely, Bhaherathi, Managing Director of M/s.Sindhu Developers Pvt. Ltd. G.R.Venkatesh, Director of M/s.Sindhu Developers Pvt. Ltd., P.M.Sankaran, Muralidharan and Subramanian and 43 loanees came to light, hence added as accused. In this case, Muralidharan and Subramanian taken as approvers. The HUDCO NIWAS Scheme envisaged in the year 2000 for sanction of loans to individuals for purchase of plots. Two important requirements for sanction of loan is that the developer should be reputed one and the loan sanctioned should not exceed 85% of the registered value of the plot including the registration charges. A1 was the competent authority to sanction the loan processed by the Retail Finance Unit. A2 as Stenographer is not empowered to receive the loan applications from the loanees and to process them. But A2 was entrusted with the work of

receiving the loan applications by A1 in pursuance of criminal conspiracy, against HUDCO Circulars. A2 Page No.3 of 31

after receipt of the loan applications used to check the applications and instruct the loanees to make suitable corrections in the application in order to circumvent the rules and regulations of HUDCO knowing that the information directed to be filled up is not true. A2 used to do the legal appraisal though she is not competent to make remarks. The employment verification of the loanees was done knowing that no such verification was carried out and A2 pressurized the Senior Managers on behalf of A1 to process the loan applications. A3/M/s.Sindhu Developers Pvt. Ltd. developed a layout at Sri Krishna Nagar at No.157, Pondur Village, Sriperumbudur Taluk and created inflated sale agreements with 43 loanees for availment of loan under HUDCO NIWAS, on forged income proof and false sale agreement and thereby loanees received excess loan amount from HUDCO. The approvers Muralidharan and Subramanian, Managers in HUDCO responsible for processing the applications submitted by the loanees for purchase of plots. On their recommendation, Regional Chief was sanctioning the loans. One P.M.Sankaran, Approved Valuer of HUDCO fraudulently and dishonestly given inflated valuation report dated 08.03.2002. thus 43 loanees purchased plots at Sri Krishna Nagar, Pondur Village, Sriperumbudur Taluk fraudulently applied for plot loan from Page No.4 of 31

HUDCO by creating a false agreement with M/s.Sindhu Developers Pvt. Ltd. and by submitting false salary slips as income proof based on which, loans sanctioned. In pursuance of the conspiracy, M/s.Sindhu Developers Pvt. Ltd. represented by A4 and A5 approached the approvers, Muralidharan and Subramanian and A1 in this case during December 2001 and requested for extending loans for purchase of plots to prospective buyers on the basis of sale agreements which is above the actual value of the plot and sale deed value inflated, accepted by them. A1 wrote a letter to A3 on 19.03.2002 informing he cleared the

project in financing to M/s.Sindhu Developers Pvt. Ltd. and Company can advertise the Scheme for sale of plots. This letter was issued by A1 even without conducting pre-sanction verification about the worthiness of the plots which is mandatory as per the HUDCO

guidelines.

5.A1 in this case instructed the approvers to process the application for sanction of loan on the cost of the plot including the future development cost. During March 2002, A1 called a meeting of his subordinates instructed them to release the loan based on the value mentioned in the sale agreement. Despite objection from the Technical Officer that he had inspected the plots Page No.5 of 31

and the value shown in the sale agreement was much higher, A1 forced him to give opinion as per valuation report obtained from the Panel valuer. Though A1 was not present in the office on 05.03.2002 and he was in Delhi in connection with the official work, he created a false note on 18.03.2002 as though a meeting was conveyed and instructions issued. The Panel valuer of HUDCO on 17.09.2004 pegged the value of the loand (2400 sq.feet) at Rs.24,000/- to Rs.36,000/- at the relevant period. Thus, it is clear that A1 managed to nominate a Panel valuer A3 of his choice who readily obliged giving inflated Valuation report including future development cost. The loans were disbursed to the loanees who submitted fake income certificates and further, the loanees defaulted in repayment of EMI loan within few months of grant of loan. Hence, case registered. After investigation, charge sheet filed in this case in the year 2006 which was taken on file in C.C.No.11 of 2006 listing 51 witnesses and documents.

6.The submission of the learned senior counsel for the petitioner in all criminal original petitions is as follows:

(i) As regards the petitioner/Gandhi/A41 in Crl.O.P.No.27543 of 2025, submission is that the petitioner is A41, employed in Chennai Port Trust, Page No.6 of 31

Marine Department as Fireman/Driver and retired attaining superannuation on 31.03.2025. Because of the pendency of the case, A41 not paid any settlement amount such as Payment of Gratuity, Provident Fund, his promotions negatived citing the above case. The petitioner is not at fault. The allegation against this petitioner is that he obtained false certificate from his employer and got excess loan from HUDCO. He further submitted that in this case A11/R.Elumalai, A15/Geetha Veeraraghavan and A16/U.Anantharaman filed petitions for discharge before the Trial Court and their petitions allowed. In this case, totally eight persons discharged, all similarly placed. The specific charge against this petitioner is that the loanees are eligible to 85% of the sale agreement, as regards petitioner is concerned he was sanctioned loan of Rs.3,69,000/- for purchase of three plots of 7200 sq.ft. in Nos.685, 656 and 687 on 30.07.2002. The petitioner applied for loan on 23.07.2002, sanctioned on 30.07.2002, the first installment was released on 01.08.2002. The petitioner is said to have submitted false salary certificate from Chennai Port Trust, but it was the developer of plots, who have done all the works pertaining to loan. After disbursement of loan, now HUDCO collected the entire amount with interest from the petitioner with some excess amount and retained by HUDCO, the Page No.7 of 31

petitioner not caused any wrongful loss, in fact HUDCO gained but petitioner facing trial from the year 2006. The retirement benefits of the petitioner which is around Rs.30,00,000/- not paid. In this case though there are 43 loanees, out of them some discharged and some died. Hence, less than 50% of 43 loanees are now facing trial. The petitioner could be a witness but unfortunately shown as accused. The case is pending for more than 22 years, the petitioner already paid the entire loan amount. In support of the same, the petitioner referred to the letter of HUDCO wherein it is recorded that as on 31.10.2006 the outstanding

loan is Rs.6,81,250/- has been paid by way of Demand Draft dated 13.12.2006 drawn on State Bank of India vide DD.No.899663 and the letter of the petitioner to HUDCO referring to the petitioner's loan account No.3130 and settlement of entire loan amount produced. The HUDCO written a letter to the petitioner on 29.01.2007 confirming that the entire loan availed by the petitioner fully repaid and there is no outstanding due against the loan amount, but informed its inability to discharge the mortgage due to the pendency of the above case.

(ii) As regards the petitioner/Lalitha/A37 in Crl.O.P.No.28469 of 2025, it is submitted that she was employed in Government Central Press, Page No.8 of 31

Chennai as Binder Grade-II and retired in August 2006. Due to the pendency of the above case, the original sale deed of the petitioner's plot not released, despite petitioner paid all dues and the petitioner is now in death bed owing to Paralytic attack and facing innumerable sufferings. The petitioner should have been cited as witness not as an accused. The petitioner appearing before the Trial Court for more than 20 years and this prolonged trial had caused her life and happiness. The petitioner not furnished any false certificate and the only allegation is that the petitioner got excessive loan from HUDCO. In this case the co-accused A8, A11, A15, A16, A17, A20, A24 and A34, standing on the same footing as that of the petitioner got discharged. The petitioner was sanctioned the loan of Rs.2,46,000/- in Loan Account No.3096 for purchase of two plots of 4800 sq.ft. in Nos.709 and 710. The petitioner applied for loan on 23.07.2002 which was sanctioned on 01.08.2002. The petitioner purchased the property from M/s.Sindhu Developers Pvt. Ltd. who through their agent approached the petitioner in her Office and canvassed. From the letter of HUDCO dated 25.07.2002 it is seen HUDCO not to disburse loan in part or full until the loanee fully invested the contribution i.e., the cost of unit less the HUDCO loan. Further, letter of offer shall stand revoked and cancelled if any Page No.9 of 31

material changes in the proposal for which loan sanctioned, is found. Further the repayment of loan/EMI was secured by collecting post-dated cheques. The loan application of the petitioner was verified by Technical member of Sanctioning Committee, Law Officer of Sanctioning Committee, Financial Member of the Sanctioning Committee and thereafter, loan sanctioned. The outstanding loan amount of Rs.2,63,100/- was informed on 02.08.2006 and thereafter, this amount was paid by the petitioner by way of Demand Draft drawn on State Bank of India vide DD.No.528745. The HUDCO received the same and issued receipt dated 08.08.2006. Further by letter dated 08.09.2006 the HUDCO acknowledged and informed that the loan amount fully repaid and there is no outstanding balance, it also confirmed that the property is released from all charges, but original sale deed could not be released on the directions of CBI.

(iii)As regards the petitioner/Gnanaoli/A46 in Crl.O.P.No.28466 of 2025, it is submitted that the petitioner was previously employed in Principal Accountant General (Accounts and Entitlement), Chennai and retired from service in the year 2014. The charge against this petitioner is that the petitioner submitted false salary certificate and availed excess loan from Page No.10 of 31

HUDCO. The petitioner after his retirement is now receiving provisional pension, for no fault of him and he is now surviving with provisional pension with hand to mouth existence. He further submitted that in this case, A8, A17, A20, A24 and A34, all similarly placed as that of the petitioner got discharged. The petitioner was sanctioned the loan of Rs.2,46,000/- in Loan Account No.3158 for purchase of two plots of 4800 sq.f.t in Nos.614 and 615. The petitioner applied for loan on 30.07.2002, which was sanctioned on 06.08.2002 and the first installment was released on 22.08.2002. He further submitted that the petitioner paid more than the loan amount he received from HUDCO and discharged his

liability within a period of three years from the date of granting loan, though EMI was for ten year period. The entire amount was paid as demanded by HUDCO. The petitioner not obtained any false certificate from his employer and the loan amount was paid to the developers of the property, the petitioner not received even a single rupee. He further submitted that HUDCO sent a communication on 26.09.2006 informing the petitioner outstanding loan amount was Rs.4,32,252/-. The petitioner paid Rs.3,99,000/- by way of Demand Draft drawn on Indian Bank, Chintadripet Branch, vide DD.No.215297 and another Demand Draft for Rs.43,000/- vide Page No.11 of 31

DD.No.215298 dated 29.11.2006. The HUDCO received the same, acknowledged by receipt dated 29.11.2006. Further, HUDCO by letter dated 05.01.2007 confirmed entire loan amount discharged by the petitioner, the mortgage of the property also discharged but document could not be released due to the pendency of the above case.

7.The learned senior counsel submitted that earlier petitioners filed discharge petition before the Trial Court which was dismissed, against which they filed revision petitions before this Court along with other accused in Crl.R.C.Nos.159/2012 and 158/2012. This Court by order dated 24.02.2015 dismissed the revision petitions that is at pre-trial stage. Now it is almost 10 years after the dismissal of the revision petitions, the trial is moving at snail pace. Though witnesses are examined, no witness deposed against the petitioners for charge of conspiracy between the petitioners with M/s.Sindhu Developers Pvt. Ltd. and with the officials of HUDCO. The loanees in this case are from various Central Government, State Government and Public Sector undertakings, all employed then at clerical level and M/s.Sindhu Developers Pvt. Ltd. approached the loanees in their office, canvassed for the sale of plots in Pondur, Sriperumbudur Taluk projecting Sriperumbudur Page No.12 of 31

soon to become an industrial hub and residential plots have potential for appreciation. True to their prediction, Multinational Companies, Automobile giants and Software Companies mushroomed in and around Sriperumbudur and it is now a business hub. The value of the properties jumped manifold and the petitioners with an intention of making a small investment and to own a property which might be useful in future after retirement either to settle there or to make a profit out of the appreciation of the properties, purchased two or three plots each. The HUDCO gave a loan of 85% of sale agreement value. Now the petitioners have repaid the entire loan amount with interest and HUDCO has suffered no loss from the loan transaction.

8.The primary ground projected is that 85% of the value must be for the actual sale and not for the sale agreement. Hence, there was a conspiracy between the HUDCO and M/s.Sindhu Developers Pvt. Ltd. It is a known fact that guideline value and market value are in variance, with huge difference between them. Going by the guideline value and getting a loan against the market value, then no plots can be purchased. It is the market rate which determine and confirm the real value of the property but properties are registered on the guideline value to avoid stamp chargers and Page No.13 of 31

duties. In the year 2002, guideline value was much less than the market value and thus, granting of loan, on the guideline value is not proper and workable. The valuation report projected is subjective, bound to have difference and cannot be a basis for prosecution. Further, this difference of value taken then it is between the officials of HUDCO and M/s.Sindhu Developers Pvt. Ltd. Not with the loanees. He further submitted that in this case the two approvers examined as witnesses not whisper anything against the petitioners. The entire collection of documents, submitting the same to HUDCO was done by the sale representative of M/s.Sindhu Developers Pvt. Ltd. and if there was any correction, it was not to the

knowledge of the petitioners. The undisputed fact is that the petitioners availed loan for a period of ten years but within three years, petitioners repaid the entire loan amount with interest, HUDCO received and acknowledged loan repayment and now after payment of the entire loan amount, mortgage cancelled but documents not released due to the instructions of CBI and now petitioners are unable to deal with the property. In this case, admittedly HUDCO not suffered any loss and the entire loan amount repaid. Further, the loan is of the year 2002 and it is almost 24 years now, all the three petitioners retired from service and their retirement/terminal benefits not paid citing the above Page No.14 of 31

case. The petitioners are surviving with the provisional pension and one of the petitioner is bedridden with Paralytic stroke. The petitioners already undergone ordeal of trial for more than 20 years. The objection of the prosecution that earlier petitioners filed discharge petitions, the same dismissed and filing of the quash petition is not permitted is not proper. The present quash petitions filed on the ground of delay and on the ground that the entire loan amount repaid 20 years before, HUDCO not suffered any loss. Further, the discharge petition was at pre-trial stage and ten years thereafter to, the trial not yet completed and the petitioners are undergoing ordeal of trial. In this case, out of 43 loanees, around 23 loanees have either been discharged or charged against them got abated due to their death and petitioners are one step short of their grave. He further submitted that the primary allegation is that A1 in this case sanctioned 43 loans knowing its inflated sale agreement/valuation report and on forged documents, which is against the HUDCO procedures and the loanees received part of the excess loan released by A4 and A5 and it shows that the loan amount was not used for the purpose for which it was sanctioned. Though such averments made but there is no iota of evidence that there was any diversion or reverse flow of any excess amounts. According to the petitioners, there was no excess Page No.15 of 31

amount it was only the market value for which the loan was sanctioned. He further submitted that in this case excess loan amount was shown to be granted to 43 loanees and similarly placed accused A11/Elumalai, A15/Geetha Veeraraghavan, A16/U.Anantharaman, A20/N.E.Seetharaman, A24/M.T.Rajan and A34/P.Jagannathan, all discharged from the case.

9.The learned Special Public Prosecutor filed counter affidavit to all the three petitions. With regard to A41, it is submitted that the petitioner earlier filed a discharge petition in Crl.M.P.No.825 of 2010 which was dismissed, against which he filed a revision petition in Crl.R.C.No.159 of 2012 and the same was dismissed by this Court on 24.02.2025. The petitioner cannot take umbrage referring to the discharge of the co-accused. In this case, the co-accused, namely, A11, A15 and A16 were discharged on the ground that no material on record to show that they forged salary certificate and availed inflated loan amount. Further, as per records the salary of the petitioner/A41 is Rs.17,070/- and he produced a salary certificate where it shows gross salary as Rs.16,685.85. The Chennai Port Trust on enquiry had given the actual salary was only Rs.11,892.98 for May 2002 and Rs.12,314/- for April 2002. This discrepancy clearly establishes

that the salary particulars furnished in the loan application and certification was false and forged. The petitioner by selectively citing those accused who got discharged and attempting to mislead this Court. He further submitted that the petitioner claimed that the entire loan amount availed by him was repaid within three years. It is submitted that the loan in question was sanctioned for a period of 10 years under an EMI repayment structure but on coming to know about the petitioner obtaining loan on false certificate, petitioner repaid the loan to avoid prosecution. He further submitted that the case against the petitioner not only pertains to non-repayment but to the manner in which the loan was

obtained by using false and fabricated documents. Since this Court already dismissed the revision petition filed by the petitioners, this quash application cannot be entertained. The present petition is nothing but a repetition on the same ground which already considered and rejected by this Court. Successive petition on the same ground is impermissible and constitute an abuse of process of law as held by the Apex Court in the case of K.K.Modi vs. K.N.Modi and others reported in

(1998) 3 SCC 573 which is reiterated in Supertech Limited vs. Emerald Court Owner Resident Welfare Association reported in (2021) 10 SCC 1. The petitioner's personal reason of reaching superannuation and non- Page No.17 of 31 payment of terminal benefits or health ground cannot be a ground to discharge him from a criminal case and stall the proceedings.

10.As regards the petitioner/A46, it is submitted that the petitioner earlier filed a discharge petition in Crl.M.P.No.1184 of 2010 which was dismissed, against which he filed a revision petition in Crl.R.C.No.158 of 2012 and the same was dismissed by this Court on 24.02.2025. The petitioner cannot take umbrage referring to the discharge of the co-accused. In this case, the co-accused, namely, A11, A15 and A16 were discharged on the ground that no material on record to show that they forged salary certificate and availed inflated loan amount. Further, as per records the salary of the petitioner/A46 is Rs.10,145/- and he produced a salary certificate where it shows net salary as Rs.8,115/-. The Principal Accountant General (A&E), Teynampet on enquiry had given the actual gross salary as only Rs.6,409/- and net salary as Rs.5,697/-. This discrepancy clearly establishes that the salary particulars furnished in the loan application and certification was false and forged.

11.As regards the petitioner/A37, it is submitted that the petitioner Page No.18 of 31

earlier filed a discharge petition in Crl.M.P.No.825 of 2010 which was dismissed, against which she filed a revision petition in Crl.R.C.No.159 of 2012 and the same was dismissed by this Court on 24.02.2025. The petitioner cannot take umbrage referring to the discharge of the co-accused. In this case, the co-accused, namely, A11, A15 and A16 were discharged on the ground that no material on record to show that they forged salary certificate and availed inflated loan amount. Further, as per records the salary of the petitioner/A37 is Rs.13,370/- but enclosed a salary slip along with loan application which is not signed by the employer/Works Manager, Government Central Press. The petitioner's actual salary was Rs.8,370/-. This discrepancy clearly establishes that the salary particulars furnished in the loan application and certification was false and forged.

12.In support of his contention, the learned Special Public Prosecutor relied upon the judgment of the Apex Court in the case of Vikram Bakshi and others vs. R.P.Khosla and another reported in 2025 SCC Online SC 1783. 13.Considering the submissions made and on perusal of the materials, Page No.19 of 31

the undisputed fact is that the petitioners/A41, A37 and A46 availed loan from HUDCO for purchase of plots from M/s.Sindhu Developers Pvt. Ltd. Out of three petitioners, two petitioners are Government employees and one petitioner from Public Sector undertaking. The petitioner/A41 purchased three plots, petitioners/A37 and A46 purchased two plots each. They availed a loan of Rs.3,69,000/-, Rs.2,46,000/- and Rs.2,46,000/-. The loan availed in the year 2002 and within three years, entire loan amount repaid with interest by the petitioners, it is not in dispute. Hence, there is no loss to HUDCO due to the alleged act of the petitioners. Now the other ground on which the petitioners are prosecuted is that petitioners submitted false salary certificates. The employers of the petitioners state there is variance in the salary certificates submitted with the loan application and to their actual salary received and the salary certificate is doubtful. But in this case the person

who issued salary certificate not examined and the person who signed the disputed salary certificate not found and identified. One thing is clear that application for purchase of plots were collected by the agents of M/s.Sindhu Developers and submitted to HUDCO. There might be discrepancy in the salary particulars. But it is not the case that but for the inflated salary details, petitioners will be ineligible for the loan under

HUDCO NIWAS Scheme. It is certain that the petitioners not created any forged document and there is no forensic report to show linking to the petitioners to have forged documents.

14.M/s.Sindhu Developers Pvt. Ltd. engaged agents and representatives for promotion and sale of plots. Further, Prasanna Christopher and Sripriya confirms involved in promotion and sale of plots to certain loanees. Thus M/s.Sindhu Developers Pvt. Ltd. who took all steps and measures in sales promotion and for availment of loan. The HUDCO approval letter confirms what are the documents to be submitted and if found any details concealed or loan application is found to be incorrect and untrue, loan will be cancelled without further notice. The credit appraisal cum sales note of HUDCO confirms the filling up of the details, payment schedules and collection of post dated cheques as security and employment details with salary particulars which is scrutinized by Technical Member of Sanctioning committee, Law Officer of Sanctioning Committee and Financial Member of Sanctioning Committee.

15.The petitioners have no interface with the HUDCO authorities. It

is the agents of M/s.Sindhu Developers Pvt. Ltd. collected documents, submit to HUDCO, the HUDCO thereafter process the same, release the loan and credit the amount to the developer of the property, sale deed executed, mortgage created, thereafter EMI paid and on discharge of

loan liability, mortgage to be cancelled. The loan is well secured by mortgage. The only allegation is that over and above the eligible level, loan sanctioned not only to the petitioners and to other loanees. The other loanees to whom granted excess loan amount also repaid the loan amount and got discharged from the case. The witnesses primarily speak about the procedures followed in HUDCO violated and not followed, at the instance of M/s.Sindhu Developers Pvt. Ltd. The two approvers Muralidharan and Subramanian only speak about the procedure and what are the documents which are required and collected prior to consideration and sanction of loan. They deposed against HUDCO officials and M/s.Sindhu Developers who are facing prosecution and nothing against loanees. There are 12 documents which have been listed by them to be scrutinized which are as follows: 1.Original Sale Deed 2.Parent document for 30 years 3.Nil Encumbrance Certificate above 30 years 4.For plan approval by the competent authority Page No.22 of 31

5.Estimate from a license builder or valuer 6.Legal opinion to the panel advocates 7.Salary slip in case of salaried employees 8.Form-16 of IT returns for 3 years 9.Bank account statements for 6 months 10.Age proof 11.Details of the guarantor 12.Residence proof

16.Out of the aforesaid 12 documents, salary slip was found to be produced with inflated amount. Further, eight officials during that period were looking after the scrutiny task and processed each of loan applications. None of these witnesses either from HUDCO or from M/s.Sindhu Developers Pvt. Ltd. stated that the petitioners created any forged salary certificate. The only inference now sought to be projected is that these salary particulars given in the loan application of the petitioners are not correct particulars, it is with inflated details, but now the entire loan amounts repaid much before framing of charges. It is also not in dispute that case against some of the similarly placed loanees discharged. Added to it, charge against 12 persons abated due to their death. Thus in this case, majority of the loanees, either discharged by the

Trial Court or they are no more. Page No.23 of 31

Further, in this case loanees are Government servants and Public Sector employees but no sanction for prosecution obtained and thus, no charges under Prevention of Corruption Act can be framed. The respondent in the charge sheet in paragraph 30 recorded reasons for not obtaining sanction to the loanees for the following reason The sanction to prosecute other loanees who are also public servants have not obtained since the offence which they had committed not as a public servant but in their individual capacity, hence no sanction is required, which may not be proper. On a plain reading of Section 19 of PC Act, it is clear that previous sanction is necessary for prosecution of public servants and it does not differentiate whether they have committed the offence in their individual capacity or as public servant.

17.In the case of Lalu Prasad vs. State of Bihar reported in (2007) 1 SCC 49, the Apex Court observed as follows: 10.It may be noted that Section 197 Cr.P.C. and Section 19 of the PC Act, 1988 operate in conceptually different fields. In cases covered under the Act, in respect of public servants the sanction is of automatic nature and thus factual aspects are of little or no consequence. Conversely, in a case relatable to Section 197 Cr.P.C., the substratum and basic features of the case have to be Page No.24 of 31

considered to find out whether the alleged act has any nexus with the discharge of duties. Position is not so in case of Section 19 of the Act. (emphasis supplied)

Thus, in the charge sheet at paragraph No.30 explanation given by the Investigating Officer that the Sanction to Prosecute other loanees who are also Public Servant not obtained since the offence which they had committed not as a public servant but committed in their individual capacity, hence no sanction is required, is against law and procedure.

18.As regards the objection of the learned Special Public Prosecutor that the petitioners filed revision petitions against the dismissal of discharge petitions and this Court dismissed the revision petitions, hence quash petition cannot be filed by the petitioners is not correct and proper. The Apex Court in the case of Harish Dahiya Alias Harish and another vs. State of Punjab and others reported in (2019) 18 SCC 69, held that the grounds of quashing a criminal proceedings and the reason for allowing or disallowing application for discharge are completely different. The grounds falling for consideration in the two jurisdictions are completely different.

19.In the case of P.Ramachandra Rao vs. State of Karnataka reported in (2002) 4 SCC 578, a Bench of Seven Judges while disapproving of setting up of strict timelines for completion of investigation, observed as follows: .The mental agony, expense and strain which a person proceeded against in criminal law has to undergo and which, coupled with delay, may result in impairing the capability or ability of the accused to defend himself have persuaded the constitutional courts of the country in holding the right to speedy trial a manifestation of fair, just and reasonable procedure enshrined in Article 21. Speedy trial, again, would encompass within its sweep all its stages including investigation, inquiry, trial, appeal, revision and retrial - in short everything commencing with an accusation and expiring with the final verdict - the two being respectively the terminus a quo and terminus ad quem - of the journey which an accused must necessarily undertake once faced with an implication. The constitutional philosophy propounded as right to speedy trial has though grown in age by almost two and a half decades, the goal sought to be achieved is yet a far-off peak. Myriad fact situations bearing testimony to denial of such fundamental right to the accused persons, on account of failure on the part of prosecuting agencies and the

executive to act, and their turning an almost blind eye at securing expeditious and speedy trial so as to satisfy the mandate of Article 21 of the Constitution.

> 20.In the case of CBI vs. Mir Usman reported in 2025 SCC Online SC 2066, the Apex Court following its earlier judgments, held as follows: .31. The right to speedy trial is implicit in Article 21 of the Constitution of India. The first written articulation of the right to speedy trial appeared in 1215 in the Magna Carta:We will sell to no man, we will not deny or defer to any man either justice or right. Article 21 of the Indian constitution declares that no person shall be deprived of his life or personal liberty except according to the procedure laid by law. Justice V.R. Krishna Iyer in Babu Singh v. State of U.P., (1978) 1 SCC 579 : AIR 1978 SC 527 remarked, Our justice system even in grave cases, suffers from slow motion syndrome which is lethal to fair trial whatever the ultimate decision. Speedy justice is a component of social justice since the community, as a whole, is concerned in the criminal being condignly and finally punished within a reasonable time and the innocent being absolved from the inordinate ordeal of criminal proceedings. In the case of Sheela Barse v. Union of India, (1986) 3 SCC 632 : (1986) 3 SCR 562, this Court has held that the right to Page No.27 of 31

speedy trial is a fundamental right. Further it was stated by this Court that the consequence of violation of the fundamental right to speedy trial would be that the prosecution itself would be liable to be quashed on the ground that it is in breach of fundamental right.

> 21.Thus, the Apex Court held that speedy trial wold encompass within its sweep all its stages including investigation, inquiry, trial, appeal, revision and retrial, in short everything commencing with an accusation and expiring with the final verdict. In this case, admittedly there had been a delay of more than 20 years, all the petitioners now attained superannuation, one petitioner superannuated recently and the other two petitioners decades before. Further, one of the petitioner is paralysed,

bedridden and all of them denied of their career growth, promotion and denied their terminal benefits which is a planned fallback for their future, a requirement for post retirement needs including for health care. Thus, petitioners deprived of their fundamental right. From the above facts, it is clear that continuation of criminal proceedings pending against the petitioners before the Trial Court is unwarranted and liable to be quashed.

22.In the result, the Criminal Original Petitions stand allowed and as a sequel, the proceedings pending against the petitioners in C.C.No.11 of 2006 on the file of XI Additional Special Court for CBI Cases, Singaravelar Maaligai, George Town, Chennai - 600 001 is quashed. The petitioners are discharged from the charges levelled against them.

07.04.2026 Index : Yes/No

Speaking Order/Non Speaking Order

Neutral Citation: Yes/No cse Page No.29 of 31 To 1.The Inspector of Police, SPE: CBI: ACB: Chennai. 2.The XI Additional Special Court for CBI Cases, Singaravelar Maaligai, George Town, Chennai - 600 001 3.The Public Prosecutor, High Court, Madras. Page No.30 of 31

M.NIRMAL KUMAR, J.

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