DEPOSITION OF WITNESS

(Chapter XXIII code of Criminal Procedure)

In the Court of XI Additional Special Judge for CBI Cases

(CBI Cases Relating to Banks and Financial Institutions)

Chennai - 600 001.

Calendar Case : C.C.No.06/2006

Deposition of witness for : PW-3

Name of the witness : S.Muralidharan

Solemnly affirmed in accordance with the provisions of Oaths Act, 1969 (Central Act 44 of 1969) on the 28th day of July 2025.

(A1, A5, A6 are present. A3 company represented by A5 and A6. A4, A8, A9 charge abated. A7 split up in CC.No.7 of 2018. A2 absent. Petition filed and allowed).

Cross Examination by A1:

Q: Please see Ex.D1 in CC 6 of 2006, is it correct to say the total plot loan cases given by HUDCO is 271?

A: Yes.

Q: Last of the plot loan is 06.08.2002, is it correct?

A: Yes. Offer of Sanctioned date is 06.08.2002.

Q: Please refer to LD29 in CC.No.10 of 2006, the Zonal Audit Report dated 19.09.2002. Is it correct to state that said audit was conducted on 14.08.2002, 16.08.2002 and 19.08.2002 ?

A: Yes.

Q: Is it correct to state that even before this audit, the sanction of plot loan cases was stopped earlier, as per Ex.D1(CC.06 of 2006)?

A: Yes.

Q: Do you recollect that in your Sec.161 Cr.P.C Statement to the CBI and Sec.164 Cr.P.C statement to the Magistrate, you have categorically stated that the sanction of plot loans was stopped only after the conduction of Southern Zonal Audit?

A: I am not able to exactly recollect.

Q: I put it to you that before the CBI, you have specifically stated "after the Zonal Audit Inspection, Arulkumar finally agreed to stop sanction of plot cases, reiterated the same before the Magistrate in your confessional statement and also before this court in Chief Examination" What do you say?

A: Yes. Witness adds that the intimation came few days earlier and then the sanction was stopped based on such intimation.

Q: I put it to you that this explanation, you are telling for the first time now?

A: Yes. I did not get opportunity to give explanation.

Q: Is it correct to state that I took oath before the Magistrate while giving confession?

A: Yes.

Q: You are now shown LD40 in CC.No.10 of 2006, Is it correct to state that in more than one place in the confession, you have admitted that yourself and the other approver Subramaniyam functioned as Senior Managers in Retail Finance, HUDCO?

A: Yes.

Q: Did you maintain the same stand while you were enquired by CBI?

A: Yes.

Q: Have you stated before the CBI that you had functioned as Branch Manager?

A: They might have recorded statement so.

Q: You are now shown Head Office Letter on operational circular no.80 dated 02.07.2003 and HM-OM-7-2003 dated 02.07.2003, Is it correct to say apart from Regional Chief, concept of Branch Manager is mentioned in this OM?

A: Yes.

Q: On transfer to Chennai, you joined in the place of Mr.V.T.Subramaniyam, is it correct?

A: Yes.

Q: Is it correct to state that V.T.Subramaniyam was functioning as branch head?

A: No. He was Senior Manager.

Q: When you functioned in Retail Finance Unit, do you have powers to sanction loan? If so, upto what limit?

A: I have no power to santion loan.

Q: Then did you inform Arulkumar, that you have no power to sanction when he went to Australia, authorizing you to sanction loan with an assurance that even ratify the same?

A: Yes. I did not specifically inform Mr.Arulkumar that I had no sanction power. (Witness adds that As a Regional Chief, Mr.Arulkumar himself aware that I had no sanctioning power, accordingly, he gave an instruction).

Q: Is it correct to state that the very first batch of loan applications for loan no.2262, 2263 and 2264 were received on 24.12.2001?

A: Yes.

Q: Those applications were based on Sale Agreement, is it correct?

A: Yes.

Q: Are you aware that as per Additional Document No.XXIV of Criminal M.P.No.24/2010, summoned in CC.No.06/2006 and marked as Ex.D11 in CC.NO.11/2006, reveals that the stamp paper for the sale agreement mentioned in the above three loan applications were purchased only on 28.12.2001 and executed thereafter on 31.12.2001?

A: Yes. (Witness adds that the disbursal of the loan amount was completed after getting sale agreement).

Q: You are now shown LD14 Dated 09.03.2002, is it correct that Arulkumar has stated in this letter that Sankaran, the valuer had called him over telephone asking for the payment of fees?

A: Yes. (Witness adds that during the conversation mentioned in the letter, Mr.Arulkumar gave instruction about the valuation of plots, to the valuer.)

Q: Was any specific direction given by Arulkumar to the valuer in the said telephonic conversation, not to indicate forced sale value or a quantum of loan, that could be disbursed?

A: Yes.

Q: Did the valuer abide by that direction and gave valuation subsequently without indicating forced sale value or a quantum of loan, that could be disbursed?

A: Yes.

Q: I put it to you that your answer is false, because as per Ex.P4/CC.NO.10/2006 and Ex.P5/CC.No.10/2006 received on 11.03.2002, subsequent to

LD9/Ex.P14/CC.No.09/2006 and LD13/CC.No.08/2006 received on 25.03.2002, in all of which valuation reports, the valuer had indicated forced sale value?

A: May be. (Witness adds that multiple valuations were given by the valuer).

Q: I suggest to you that Arulkumar has spoken to Shankaran, the valuer only regarding the fees and not about the valuation?

A: No.

Q: Is it correct to state that Shankaran was not physically present and only talked over the phone?

A: Yes.

Q: Please, go through the confession (LD72/CC.No.06/2006) given to the Magistrate as per sec.164 Cr.P.C, is it anywhere stated therein that Arulkumar called Vijayalakshmi, Steno, in front of myself and other approver and dictated the note dated 05.03.2002 (Ex.P3 in CC.No.06/2006)?

A: Yes. I have not stated so.

Q: How many drafts of the said note dated 05.03.2002 prepared?

A: I am not aware.

Q: Is Mr.Sundararajan, a Signatory to the or party to the note dated 05.03.2002 ?

A: First draft had in the name of Mr.Sundararajan also.

Q: Was taking valuation prohibited by HUDCO Nivas guide lines?

A: There is no mention about the valuation for plot loans.

Q: Is it correct to state that in the note dated 05.03.2002, Arulkumar had in his own handwriting in a transparent manner, openly wrote clear instructions stating how to proceed with the processing of the loan applications?

A: Yes. (Witness adds that this handwriting was made at later point of time.)

Q: Is it correct state that in all the loan applications processed subsequently, you and other officers have followed uniformly the above instructions?

A: I am not fully aware.

Q: In all the credit appraisal forms, there is a column in item no.14 asking for remarks regarding deviations if any. Did you or any of the Officers recorded any reservations in that column?

A: No.

(Accused have no cross examination).

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

VADIVELU T P

Digitally signed by VADIVELU T P

28.07.2025

XI Additional Special Judge for CBI Cases.