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. 6 of 2006

Deposition of witness for : PW-3

Name of the witness : Mr.Muralidharan

Solemnly affirmed in accordance with the provisions of Oaths Act, 1969 (Central Act 44 of 1969) on the 11th day of August 2025.

(A1, A5 are present. A3 Company rep. by A5, A6. A4, A8, A9 Charge abated. A7 split up in CC.No.07/2018. Others absent. Petition filed and allowed.)

Cross Examination continuation by A1 :

Q : During the tenure of Arulkumar as RC, under the Chennai Regional office, whether HUDCO **Niwas offices** were functioning at 1) Chennai 2) Port Blair, 3) Pondicherry, 4) Coimbatore, 5) Madurai and 6) Nagercoil?

A : Yes.

Q : Whether, HUDCO has a system of presenting outstanding performance award in every year Annual Day function at Delhi, separately for Regional Offices and Niwas offices?

A : Yes.

Q : Did you (being the Branch Head/Manager of the Chennai Niwas Office was invited to) receive the award for the Chennai Niwas Office in the Annual Day Function?

A : Yes, I accompanied shri.Arul Kumar to this function as Senior Manager.

Q : With nearly **10 Executives** (Yourself, approver Subramanian SM(S), Sundararajan, Dina, Vineeta, Sarala, Venkatesan as **7** technical officers, Sivasankar, Rajendran as **2** finance officers and Murugesan as **1** law officer) and **9 non-executives** (S.R. Uma, Vijayalakshmi, Lakshmi, Sampoornam, Muruganantham, Nagaraj, Mahalashmi, Elangovan, & Perumal) working at Chennai Niwas at that time, whether Chennai Niwas was a full-fledged office?

A : Yes, under the overall control of Regional Chief.

Q : Do these officials in Chennai Niwas Office submit and route their application for leave, car loan, House Building advance loan, festival advance, office notes etc through you?

A : Yes, for leave and office notes only

Q : Do you write and report the Annual Performance Appraisal Report (APAR) for the employees of Chennai Niwas Office?

A : Yes, I was their reporting Officer.

Q : Please refer to **Additional Document No. VI of Crl MP-24/2010 of CC-6/2006.** As per the year 2010 statistics**, o**ut of 271 plot loans sanctioned by Chennai Niwas whether nearly 224 loans are foreclosed, 7 are regular in repayment and the balance default is only 40 loans?

A : Yes.

Q : Whether **total amount of loan sanctioned** for purchase of 271 plots from the 5 private developers is **Rs. 6.00 crores**?

A : Yes, approximately.

Q: Please refer to **Additional Document No. VII of Crl MP-24/2010 of CC-6/2006**. In addition to recovery of principal/loan amount, and normal interest, on account of foreclosure after default, did the HUDCO Niwas made hefty additional **profit amounting to Rs. 2.12 crores** over and above normal operational profit by way of collection of additional penal interest and incidental charge in respect of plot loan sanctions?

A : Not sure, if this amount is booked/accounted as profit in HUDCO's Balance Sheet.

Q : Are you aware that **out of 55** (CC-6/2006 Siddhi Developers – 2, 9/2006 Kothari constructions – 9, CC-10/2006 Winvilla Promoters – 2 and Sindhu Developers – 42) plot loan borrowers included as accused in 4 charge sheets, **52 loans are foreclosed** and out of the **balance 3 loans/accused**, Charges are **abated for 2** accused in CC-10/2006 - Winvilla and charges **separated for 1** accused from CC-6/2006 – Siddhi as the accused is absconding?

A: No, I am not aware.

Q : As per clause 1.4 (iii) in page 10 of the Niwas Guidelines in **Ex. P-2/LD-3 of CC-9/2006** whether the development of layouts approved by the Director of Town & Country Planning (DTCP), which is the statutory authority of the State Govt., fall under the definition of “Reputed Developer”?

A : Yes. DTCP approval is one of the criteria for categorization as reputed Developer.

Q : Whether all the layouts developed by the 5 plot developers in the instant charge are approved by DTCP?

A : Yes.

Q : Have you confirmed to the CBI that the Developer falls under the category of Reputed Developer as per the criteria defined in the Niwas Guidelines?

A : Yes. DTCP approval is one of the criteria for categorization as Reputed Developer.

Q : Please refer to the following written communications:

a. Xerox copy of Arulkumar’s letter to Irwin dated 21.01.2002 (**Ex. P-12**/LD-6 of CC 10/2006), Sekar dated 21.01.2002 (**Ex.P-4** in page 422A in file LD7 of CC-9/2006), Vidya dated 16.02.2002 **(Ex. P-24/LD-13 in CC-06/2006**), Bhagherathi dated 19.03**.2002** in **LD-70** in CC-11/2006.

b. Arulkumar's approval on the internal note dated 05.03.2002 (LD-11/ **Ex. P-3**) of CC-6/2006

c. **Zerox copy** of Arulkumar's letter to Sankaran dated **09.03.2002 (LD-14) of** CC-6/2006

d. Arulkumar's internal note No.HUDCO /CHRO/NIWAS/Default /2002 dated **13.04.02** (**Ex. D-4 of CC-6/2006**) titled "Default in Retail Finance Unit"-issued to all employees in **Additional Document No.XIII in Crl MP 24/2010 of CC-6/2006**

e. Arulkumar's internal note dated **15.04.02** titled "Staggering cheque presentation for collection"- circulated to SM & all employees of RFU in **Additional Document No.XIV in Crl MP 24/2010** of CC-6/2006 **.**

f. Arulkumar's internal note No.HUDCO/CHRO/NIWAS/2002 dated **02.09.02** titled "Entertaining of visitors to RFU"-circulated to SM & all employees in **Additional Document No.XVI in Crl MP 24/2010** of CC-6/2006

g. Arulkumar's internal note No.HUDCO/CHRO/NIWAS/2002 dated **02.09.02** in **LD-3-6** of CC-6/2006 regarding future parameters for entertaining plot loan issued to SM & circulated to all employees.

h. Arulkumar's internal note No.HUDCO/CHRO/RfU/2002 dated **03.10.02** titled "HUDCO Niwas-Default Review"-issued to SM for circulation in **Additional Document No.XVIII in Crl MP 24/2010** of CC-6/2006

i. Arulkumar's internal circular note dated **27.02.03** titled "Operation of Retail Finance Unit" **(Additional Document No.XIX in Crl MP 24/2010** of CC-6/2006**)**

j. Copy of Shri. Muralidharan's note No.HUDCO/CHRO/NIWAS/ GENERAL/2002 dated **17.10.02** regarding coordination duty for default fallow up-circulated to all concerned in **Additional Document No.XX in Crl MP 24/2010** of CC-6/2006

k. Copy of Shri. Muralidharan's note dated **4th Dec.'02** titled "Resetting of existing House loans" circulated to all concerned with copy to RC in **Document No.XXI in Crl MP 24/2010** of CC-6/2006

l. Copy of Shri. Subramanian, SM's note No.CHRO/Dy.No.1207/02 dated **7.11.02** on the subject "Restriction of sanctioned loan Amount" submitted to RC and then **submitted to CF (RF) – HQ** for approval in **Document No.XXII in Crl MP 24/2010** of CC-6/2006**.**

Does these examples evidence that Arulkumar always resort to written communication with customers/builders/valuers and issue internal notes/ orders/instructions/circulars/approvals **transparently in black and white** for all internal direction/ communications?

A: No beyond these, these were oral instructions during plot loan sanctions.

Q : I suggest to you that, you are evasive in your answer, giving new facts supressing the truth?

A : I deny.

Q : I suggest to you that, yourself and the other approver P. Subramanian were putting unnecessary obstacles in clearing the plot loan cases and that prompted Regional Chief Arulkumar to issue direction on the 5.03.2002 note in a transparent manner?

A : I deny.

Q : I suggest to you that, Regional Chief used his discretion in the interest of business of HUDCO relating to plot loan cases?

A : Not able to comment on this matter.

Q : I suggest to you that, you functioned as Niwas Incharge but conveniently did not issue any written instruction to the persons working under you, only in order to conveniently put the blame on the Regional Chief?

A : I deny. All Plot loan cases for directly over seen by Shri.Arul Kumar.

Q : I suggest to you that, sanction of plot loan to individuals by HUDCO is a business and as such Arulkumar was always giving written instructions including post-facto instructions in the interest of HUDCO?

A : No, I deny.

(Other 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

11.08.2025 XI Additional Special Judge for CBI Cases.