

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.10/2006
Deposition of witness for : PW-3
Name of the witness : Mr. P.Subramanian

Solemnly affirmed in accordance with the provisions of Oaths Act, 1969 (Central Act 44 of 1969) on the 15th day of April 2025.

(A1 present. A2 company rep. by Proprietor Irwin, who is absent. Petition u/s 317 CRPC filed and allowed. A3, A5 Charge abated. A4 Died, await Death certificate).

Cross Examination continuation by A1:-

Q : During the period of this plot loan cases, was the post of Senior Manager, subordinate to Branch Manager?

A : Senior Manager is the designation, Branch Manager is a role. Branch Manager can be Senior Manager.

Q : Was Mr.Muralidharan, superior to you at that time?

A : Yes.

Q : Is there distinction between in principle sanction and approval?

A : Both are same.

Q : Is it correct to say that TNHB used to collect escalation charges finally at the time of Registration of Sale Deed?

A : Yes.

Q : Do you accept that HUDCO would have funded such purchases from TNHB taking into account such future escalation charges also?

A : Hudco funded such cases.

Q : In 2000 Head office issued a circular to finance Plots developed from Reputed builders. What was the necessity for the circular?

A : Till that time Hudco funded individuals for purchase of plots from Government Agencies only like TNHB.

Q : This concept of funding reputed builders in the year 2000 stated by you to the CBI when they questioned you in connection with this case?

A : I dont remember.

Q : In December 2001 did Mr.Irwin 1st discussed with you and Mr.Muralidharan regarding funding before meeting Mr.Arulkumar (A1)?

A : Yes.

Q : How many days thereafter did Mr.Irwin came to meet Mr.Arulkumar according to you?

A : I don't remember exactly.

Q : Do you accept that in your statement to the CBI during investigation, you have never mentioned Mr.Irwin meeting Mr.Arulkumar personally?

A : I have to refer to the statement.

Q : Is it correct to say that only subsequently during your confession to the Hon'ble Magistrate and Chief examination before this court, you 1st mentioned about

Mr.Irwin meeting personally A1?

A : I have to refer to the statement.

Q : In the same way, you have not mentioned to the police about the visit of A1 to Australia before Mr.Irwin came to meet A1

A : I have refer to the statement.

Q : Regarding the site inspection by Mr.Sundarraaj did A1 discuss or instruct anything personally to you?

A : No.

Q : Do you accept that regarding vital aspects, there are deviation between your statement to police, confession to Hon'ble Magistrate and Chief examination before this court?

A : I have to refer to the statement.

Q : In your confession to Hon'ble Magistrate and to the police you have not mentioned about discussing the site inspection by Sundararajan between yourself and Mr.Muralidharan before meeting A1?

A : I have to refer to the statement.

Q : Regarding the valuation report of Mr.Sankaran and particularly the deliberation before asking Mr.Sankaran to do the valuation, are these facts specifically noted in any note file of Hudco or they are only oral discussions?

A : Only oral discussions.

Q : That Regional Office prepared the list of approved valuer or they are prepared and approved by Head office?

A : Both prepared and approved by Regional office

Q : How many valuers are there during the period of this Plot loan cases?

A : I don't remember.

Q : Is it correct to say that Mr.Arulkumar never spoke to Sankaran about the valuation aspects but Mr.Sankaran only called A1 for his fees?

A : The directions to value the plots were given by Mr.Arulkumar to Sankaran.

Q : Is there any documentary evidence in the form of note sheets of any file to vouch the above answer?

A : Oral directions only.

Q : I suggest you that you are improving on vital aspects regarding the above subject matter?

A : Nothing to comment.

Q : Regarding the amount of funding to be made who has to decide, valuer or Regional Chief?

A : Regional Chief.

Q : Please see the note marked as Ex.P13 in CC 09/2006, please state whether a note with the same particulars were earlier prepared by yourself, Branch Manager Mr.Muralidharan and Mr.P.Sundararajan?

A : The note was drafted by the Regional Chief as if it was initiated by Mr.Sundararajan, myself and Mr.Muralidharan.

Q : Do you find the name of Mr.Sundararajan in this note anywhere?

A : No, it is not there.

Q : Please tell the Court as to what happened in respect of that note, which had the name of P.Sundararajan?

A : Since Mr.Sundararajan refused to sign the note, the note was reprinted dropping the name of Sundararajan.

Q : For this aspect, whether there is any noting in the files anywhere?

A : It was not recorded anywhere.

Q : Do you recollect that you have not stated these aspects particularly regarding the name of Sundararajan, when you are examined by the CBI first?

A : In the CBI statement, replies were given for the specific question raised by them. I don't remember whether I have mentioned the name of Sundararajan or these aspects in respect of the note dated 05.03.2002.

Q : This note has the date of 05.03.2002. When did Mr.Arulkumar return from tour?

A : I don't remember.

Q : Can you atleast say how many days after 05.03.2002, Mr.Arulkumar signed this note?

A : The note was signed in the third week of March 2002.

Q : Whether for these aspects are there any file notings or only your oral statement?

A : It was not recorded in the file notings.

Q : Did you atleast maintain files in HUDCO during that relevant time?

A : Files only pertaining to the loan accounts were maintained.

Q : Is it correct to state that the note dated 05.03.2002 does not pertain to loan account?

A : This note is common to all the plot loan accounts.

Q : Please recollect from your memory and tell that on these vital aspects regarding the surrounding facts pertaining to 05.03.2002 note, you have given different versions in your 161 CRPC statement to police, 164 CRPC statement to the Magistrate and your evidence in chief before this Court?

A : I don't remember.

Q : Is it correct to state as per HUDCO NIVAS procedure suggestive note has been come from the processing officers and put up to Regional Chief?

A : In the normal process at any office, the suggestive notes usually put up by the processing officer.

Q : Is it correct to state that there are more drafts of note dated 05.03.2002?

A : Yes, it is correct.

Q : What happened to them?

A : The draft versions were not handed over to us.

Q : You are telling this aspect for the first time in your cross examination, is it correct?

A : Yes. This question was posed for first time.

Q : Please tell the court as to within what time from submission of application for loan pre-site inspection is to be done, by whom as per HUDCO NIVAS guidelines?

A : Site inspection was done in the case of loan extended for construction. Site inspections were done before release of loan installments. There is no specific time stipulated. The inspection was done by HUDCO NIVAS Technical officers.

Q : Was Mr.Sundararajan, the Technical officer as far as this case is concerned?

A : He was one of the Technical officers.

Q : Is it necessary for the Technical officers to consult their superiors before submitting the site inspection report?

A : Normally, Technical officers, who inspect the site give his own assessment.

Q : Will the inspection report mentioned the price of the plot in its opinion?

A : The site inspection report provides for indicating value of construction on the date of inspection.

Q : Did Mr.Sundararajan at any time report in writing that he was instructed to give site inspection report contrary to the HUDCO NIVAS guidelines?

A : He has not recorded like that in the file.

Q : If the NIVAS guidelines itself state that the Technical officer has to mention the price of the plot, what is the need according to NIVAS guidelines for appointment of a Valuer for the same subject?

A : NIVAS guidelines do not stipulate the Technical officer to mention the value of the plot in the inspection report.

Q : As far as the four plot loan cases are concerned, before default by the borrowers first occurred, how many loans were approximately sanctioned?

A : I don't remember.

Q : Do you know that apart from Mr.Arulkumar, the Executive Director also has cleared the loan?

A : Yes.

Q : Were you arrested in connection with this case?

A : Yes. I was granted bail by the Court.

Q : Were you granted anticipatory bail or regular bail by the Special Judge on remand?

A : I don't know.

Q : In all these credit appraisal/sanction loans in Clause 14 there is a column "relaxation in norms if any". Have you at any time in any of those credit appraisal/sanction loans made any remarks?

A : I don't remember.

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

15.04.2025 XI Additional Special
Judge for CBI Cases.

