IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON: 15.04.2025
PRONOUNCED ON: 09.09.2025

CORAM

THE HONOURABLE MR.JUSTICE M.NIRMAL KUMAR

Crl.O.P.No.4702 of 2025
and
Crl.M.P.Nos.3024 & 3025 of 2025

1.Dhanasegaran
2.Manjula ... Petitioners

Vs.

1.The State rep by
The Inspector of Police,
Vigilance and Anti Corruption Department,
Puducherry.
(Crime No.3 of 2009)

2.Mr.Kumaran,
S/o.Dhanapal,
Administrator,
Ariyan Kuppam Primary Agricultural
Cooperative Credit Society,
R.K.Nagar, Ariyan Kuppam,
Puducherry – 605 007. ... Respondents

PRAYER: Criminal Original Petition is filed under Section 528 of BNSS, to call for the records relating to Spl.C.C.No.6 of 2024 on the file of the

Special Judge, Puducherry under the Prevention of Corruption Act, 1988 in respect of the petitioners concerned and to quash the same.

For Petitioners	:	Mr.C.Prabakaran
For R1	:	Mr.K.S.Mohandass Public Prosecutor (Puducherry)

ORDER

This Criminal Original Petition is filed to call for the records relating to Spl.C.C.No.6 of 2024 on the file of the learned Special Judge, Puducherry under the Prevention of Corruption Act, 1988 in respect of the petitioners concerned and to quash the same.

2.The contention of the learned counsel for the petitioners is that the petitioners are Lower Divisional Clerks of Ariyankuppam Primary Agricultural Cooperative Bank Limited. A case in Crime No.3 of 2009 was registered for the offence under Sections 409, 468, 471, 477A, 420 r/w. 34 IPC on 14.07.2009 on the complaint given by the second respondent. For the past 15 years, investigation was put on hold and in the meanwhile, the named persons in the FIR and others repaid the entire amount alleged to have been misappropriated. The second respondent Cooperative Bank initiated disciplinary proceedings under the Puducherry Cooperative Societies Act. On completion of enquiry, the petitioners were awarded with stoppage of increment for a period of two years without cumulative effect. The liability fixed on the first petitioner is Rs.1,08,953/- and the second petitioner is Rs.3,46,356/- which were repaid by them and the accounts have been regularized and the alleged jewel loan accounts have been closed in the year 2009 itself. The petitioners were initially suspended and later got reinstated and the petitioner are under the employment for the past 20 years with unblemished records. The petitioners are likely to attain superannuation within few months, the second petitioner is in the verge of retirement and due to the pendency of the above case, they are unable to get any increment or promotion and they have been adversely affected. This being so, in the year 2024 the first respondent sent a letter dated 09.07.2024 to the Registrar of Cooperative Societies to issue sanction order for prosecution to proceed against the petitioners. On receipt of the letter, the Registrar of Cooperative forwarded the communication to the second respondent Cooperative Bank to issue sanction order. The second respondent by letter dated 10.07.2024 finding that the petitioners are serving in the Society for 20 years without any blemish and also instrumental in the better performance of the Society, augmenting its revenue and the office bearers of the Society acknowledged the same, passed a resolution on 17.07.2024 in the General Body Meeting requesting the respondent Police to close the criminal case as further action dropped, since no purpose would be served if the investigation and prosecution is continued against the petitioners. The said resolution was forwarded to the Registrar of Cooperative Societies on 26.07.2024 requesting the Registrar to take suitable action for the closure of FIR and prosecution. In the meanwhile, the first respondent threatened and forced the office bearers of the second respondent Cooperative Bank to grant sanction contrary to the earlier resolution and obtained the sanction order dated 23.08.2024 by force. The said sanction order is contrary to the earlier resolution for withdrawal of the criminal prosecution and the sanction order dated 23.08.2024 is without any fresh materials, hence this sanction order is not a valid one which was obtained by force by the first respondent which resulted in failure of justice. Hence, prayed for quashing the case.

3.The learned Public Prosecutor (Puducherry) filed a counter and submitted that on 14.07.2009, the second respondent/D.Kumaran, Administrator, Ariyankuppam Primary Agricultural Co-operative Bank Limited, R.K. Nagar, sent a complaint, which was endorsed by SP(VAC) with the instruction to register a case and to investigate the same. In the complaint, it is stated that between the year 2000 and 2004, Loganathan, Manager (under suspension), Dhanasegaran/first petitioner herein, Senior Clerk, Manjula/second petitioner herein, Junior Clerk, Ilango, Cashier and Nagaraj, Ex-Appraiser of Ariyankuppam Primary Agricultural Co-operative Bank Limited joined together with common intention pledged covering jewels in the name of account holders of the Bank and falsified the accounts and thereby committed misappropriation to the tune of of Rs.19,33,873.50/-. On the basis of complaint, a case in Crime No.3 of 2009 for the offence under Sections 409, 468, 471, 477A, 420 r/w 34 IPC registered and taken up for investigation. During the course of investigation, the relevant Bank Ledgers and Registers were perused and ascertained that the accused persons jointly made false entries, prepared forged records and used the same as genuine for the purpose of cheating. They made falsification of accounts in the ledgers and records and also pledged artificial jewels for availing jewel loan in the name of account holders at Ariyankuppam Primary Agricultural Co-operative Bank Limited. The independent and official witnesses examined and their statements recorded. The oral and documentary evidences collected clearly established that the accused persons committed misappropriation by misusing official capacity. As per the complaint, the misappropriated amount were recovered by the concerned Department before lodging a complaint against them at Vigilance and Anti-Corruption Unit, Puducherry and the details are as follows:

S.No.	Name of the Accused	Misappropriated Amount	Recovered/Collected Amount
1.	V.Dhansekaran, UDC	1,08,953.00	1,08,953.00
2.	K.Manjula, LDC	3,46,356.00	3,46,356.00
3.	P.Ilangovan, Cashier	17,400.00	17,400.00
4.	Nagarajan, Jewels Appraiser	74,400.00	74,400.00
5.	G.Loganathan, Manager	13,86,764.50	10,99,054.00
	After FIR	On 17.07.2009 On 22.07.2009	1,89,050.00 98,660.50
	Total	19,33,873.50	19,33,873.50

4.It is submitted that out of the misappropriated amount of Rs.19,33,873.50/-, a sum of 17,400/- has to be deducted from the said amount, since the same has been paid in excess in the name of Thiru.Loganathan. Hence, total amount recovered/collected is at Rs.19,16,473.50/-. He would further submit that further investigation reveals that the accused persons A1-Loganathan, the then Manager, A2-Dhanasekaran, the then Senior Clerk, A3-Manjula, the then Junior Clerk, A4-Ilangovan, the then LDC and A5-Nagaraj, Ex-Appraiser of Jewels of Ariyankuppam Primary Agricultural Co-Operative Bank Limited joined together with common intention, pledged artificial jewels in the name of account holders, made false entries and prepared forged records and used the same as genuine for the purpose of cheating and thereby, committed misappropriation of Public Money to the tune of Rs.19,16,473.50/- which was entrusted with them. They also misused their official capacity to commit the offence. Hence section 13(1)(c) of Prevention of Corruption Act 1988 was added along with the existing sections. It is further submitted that the investigation of this case completed and necessary prosecution sanction obtained from competent Authority and the Final Report/Charge sheet filed before the learned Special Judge Court, Puducherry vide No.02/2024 dated 25.09.2024 and the same taken on file on 16.10.2024 vide

Spl.C.C.No.06 of 2024.

5.It is further submitted that the charge sheet was laid only after the completion of investigation and obtaining of Prosecution Sanction from the competent Authority, the investigation clearly reveals since the fraudulent activities/misappropriation committed by the petitioners and others between the year 2000 and 2004. By misusing their official capacity, the accused persons falsified records and pledged artificial jewels and misappropriated amount total to the tune of Rs.19,16,473.50 and committed serious offences. Further during investigation, it was revealed that the petitioners individually misappropriated the following amounts:

Table: A

In the year 2000-2001			**Amount**
i.	Dhanasekaran	Savings A/c	2000.00
ii.	Manjula	Savings A/c	3000.00
		Total	5,000.00

Table: B

In the year 2001-2002			**Amount**
i.	Dhanasekaran	Savings A/c	43600.00
		Fixed Deposit A/c	3500.00
		Short Interest Collection	10815.00

In the year 2001-2002			Amount
		i.Total	57915.00
ii.	Manjula	Short Interest Collection	21927.00
		Recurring Deposit	100.00
		Jewel Loan	1000.00
		ii.Total	23027.00
		Total (i+ii)	80942.00

Table: C

In the year 2002-2003			Amount
i.	Dhanasekaran	Savings A/c	26447.00
		Short Interest Collection A/c Jewel Loan	1157.00
		Consumer Loan	7934.00
		i.Total	35538.00
ii.	Manjula	Savings A/c	128222.00
		Short Interest Collection	25691.00
		Recurring Deposit A/c.	5600.00
		ii.Total	159513.00
		Total (i+ii)	195051.00

Table: D

In the year 2003-2004			Amount
i.	Dhanasekaran	Savings A/c	13500.00
		i.Total	13500.00
ii.	Manjula	Savings A/c	41609.00
		Interest on loan on fixed deposit	6357.00
		Recurring Deposit A/c.	800.00

In the year 2003-2004			Amount
		Self Employment Loan	3050.00
		Loan on Fixed Deposit A/c	109000.00
		ii.Total	160816.00
		Total (i+ii)	174316.00
Thereby the accused person Dhanasegaran itself had misappropriated			Rs.1,08,953.00
Thereby the accused person Manjula itself had misappropriated			Rs.3,46,356.00
Total (A+B+C+D) amount misappropriated by Dhanasegaran and Manjula is			Rs.4,55,309.00

6.Considering the submissions made and on perusal of the materials, it is seen that a case was registered in the year 2009 and in the meanwhile, proceedings initiated under the Cooperative Societies Act, the petitioners were indicted and liability fixed. The petitioners repaid the misappropriated amount. Thereafter, the office bearers of the Society passed a resolution on 17.07.2024 to withdraw the complaint and the same was forwarded to the Registrar of Cooperative Societies by communication dated 26.07.2024. In the meanwhile, the Registrar of Cooperative Societies sent a letter dated 22.07.2024 reminding that case diary received from Vigilance and Anti Correction forwarded to the second respondent to issue sanction order and forward the same to the Vigilance and Anti Corruption, Puducherry but in contra a letter was sent on 17.07.2024 which was not acceptable to the

Registrar, hence the Registrar directed the second respondent to directly submit the sanction for prosecution to the Superintendent of Police, Vigilance and Anti Corruption. Thereafter, the second respondent sent a communication on 26.07.2024 requesting the Registrar to take a final decision. But on 23.08.2024, sanction for prosecution granted and charge sheet filed in this case. Though a resolution was passed earlier considering the pendency of FIR from the year 2009, proceedings initiated under the Cooperative Societies Act, repayment of the misappropriated amount and thereafter reinstated the petitioners in service leading to 20 years of unblemished service, which does not mean that a decision taken with regard to sanction for prosecution. In this case, admittedly sanction for prosecution was granted only once that is on 23.08.2024 and there is no earlier sanction given or denied as contended by the petitioners. There might be change of perception with regard to decision for issuance of sanction which is a matter of fact which has to be decided during trial and this fact alone would not entitle the petitioners for quashing of the case. Hence, this Court is not inclined to quash the charge sheet.

7.Accordingly, this Criminal Original Petition is dismissed. Consequently, connected criminal miscellaneous petitions are closed. It is made clear that the above observations is limited for the disposal of the above quash petition and the petitioners' right with regard to the competence of the authority, independent application of mind, error, omission or irregularity can be raised before the Trial Court along with all other grounds the petitioners are entitled.

09.09.2025

Index:Yes/No
Speaking Order/Non-Speaking Order
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To

1.The Inspector of Police,
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Puducherry.
(Crime No.3 of 2009)

2.Mr.Kumaran,
S/o.Dhanapal,
Administrator,
Ariyan Kuppam Primary Agricultural Cooperative Credit Society,
R.K.Nagar, Ariyan Kuppam,
Puducherry – 605 007.

3.The Special Judge,
Puducherry under the Prevention of Corruption Act.

4.The Public Prosecutor (Puducherry),
High Court, Madras.

M.NIRMAL KUMAR, J.

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Pre-delivery order made in

Crl.O.P.No.4702 of 2025

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