IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON: 09.04.2025
PRONOUNCED ON: 09.09.2025

CORAM

THE HONOURABLE MR.JUSTICE M.NIRMAL KUMAR

Crl.O.P.No.8229 of 2025

Vincent Ramesh Babu ... Petitioner

Vs.

1.The Director,
Vigilance and Anti Corruption,
Vellore.

2.The State rep. By
The Inspector of Police,
Vigilance and Anti Corruption,
Vellore. ... Respondents

PRAYER: Criminal Original Petition is filed under Section 528 of BNSS, to call for the records and quash the FIR in Crime No.8 of 2021 dated 25.06.2021 on the file of the second respondent.

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| For Petitioner | : | Mr.V.Raghavachari<br>Senior Counsel<br>for Ms.V.Srimathi |
| For Respondent | : | Mr.S.Udayakumar<br>Government Advocate (Crl. Side) |

ORDER

The petitioner/A3 in Crime No.8 of 2021 for the offence under Sections 120B, 409, 420, 467, 468, 471, 477A of IPC and Section 13(2) r/w. 13(1)(b) r/w. 12 of Prevention of Corruption Act, 1988 filed this quash petition.

2.The contention of the learned senior counsel for the petitioner is that the petitioner was serving as Block Development Officer from 2017 to 2018 and as Block Development Officer (Village Panchayat) in Alangayam Panchayat Union served from 13.03.2019 to 20.06.2019, thereafter he was transferred as Block Development Officer (Block Panchayat), Vellore. The petitioner served as Block Development Officer (Village Panchayat) for a period of three months. During this period, he was assigned with election duty till 18.04.2019. When the petitioner resumed with to his regular duties, he conducted inspection with respect to Pradhan Mantri Awaas Yojana (Gramin) Scheme [PMAY-G] being implemented. The Scheme was commenced in the year 2016, at that time, the petitioner was posted in

Alangayam Panchayat Union. The process of selection, identification of beneficiaries, identification of land, freezing of bank accounts all already completed by his Predecessor Block Development Officer, the petitioner had no role in these processes. But now the case projected against the petitioner is that there have been improper implementation of the Scheme, no followed, the guidelines issued, it is seen that once the beneficiaries' accounts included and frozen, it is not changeable and no corrections can be made even by the petitioner. The petitioner himself identified the fraud, mentioned in the FIR while conducting physical inspection and sent a letter to the Deputy Director/Project Director and District Rural Development Authority [DRDA], Vellore on 11.06.2019 informing action taken for improper implementation of the scheme stating that the Computer Assistant was stopped from the work and another Computer Assistant appointed to operate the computers. Further the said person was given training, the Accountant and Assistant transferred to other Panchayats. These are 2424 houses being constructed under the Scheme. The petitioner found that mistakes committed in identifying the beneficiaries with Geo Tag. Further the beneficiaries' bank accounts not properly given, Geo Tag showed already constructed houses and hence appropriate steps taken to rectify the mistakes. Further to take proper implementation of the Roof Cost, by verifying the account details and ECS transfer. In the above case, the same irregularities are being investigated. In fact, it is the petitioner as a whistle blower found out the improper implementation of PMAY-G Scheme.

3.The learned senior counsel would submit that as per the Scheme, the petitioner has to inspect as far as possible 10% of the houses under construction, for which he carried inspection, identified the irregularities and sent a report. Further, the improper transfer of amount to non-beneficiaries now recovered as per the directions of the proceedings issued by the Director of District Rural Development Authority dated 19.01.2024. The petitioner served as Block Development Officer (Village Panchayat) only for a period of three months, during this period he was also deputed to election duty, within the limited period of his service the petitioner conducted inspection, found out the irregularities committed in implementation of the Scheme. Further the petitioner released only 3rd and 4th installments for already identified beneficiaries. The petitioner is not the person when the beneficiaries were identified by the officials including physical verification of the site, enquiring the beneficiaries, collecting the documents and other vital details as enumerated in the Scheme, it was done by his predecessors and not the petitioner. It is further seen that once the bank accounts are frozen, there is no method to modify or change the bank accounts since it would be uploaded in the AwaasSoft App through which funds will be released directly and it is monitored at the National level. The respondent not considered the petitioner's letter dated 11.06.2019 wherein the petitioner highlighted the misdeeds committed in the Scheme, on the other hand now he is tagged along with others as though he conspired with others in commission of the above offence. The learned senior counsel further referred to the letter in Rc.No.21030/2016/RHS-2.1 dated 01.12.2016 issued by the Directorate of Rural Development and Panchayat Raj wherein the guidelines issued with regard to the implementation of PMAY-G Scheme and it is clearly held that the account details of any beneficiary once frozen after three step verification process is not changeable. This three step verification was done much before the petitioner took charge as Block Development Officer (Village Panchayat).

Likewise, it is the Project Director, DRDA to ensure that the funds released to Block Panchayat is maintained in the separate account and utilized for the purchase of materials and to beneficiaries through ECS by Block Development Officer which was monitored through AwaasSoft app.

4.In support of his contention, the learned senior counsel relied upon the judgment of the Apex Court in the case of ***Uma Shankar Gopalika vs. State of Bihar and another*** reported in ***(2005) 10 SCC 336*** for the point that it is well settled that every breach of contract would not give rise to an offence of cheating and only in those cases where there was any deception played at the very inception, breach of contract would amount to cheating. In this case, the identification of the beneficiaries, registering them, Geo Tagging and freezing bank accounts all done by other Officers, hence for the mistakes committed by the predecessors, the petitioner cannot be charged for any cheating. The amounts were directly paid to the beneficiaries and hence there is no entrustment to the petitioner and the petitioner as Block Development Officer (Village Panchayat) had nothing to do with maintenance of registers or falsification of accounts. Hence, prayed for quashing the FIR.

5.The learned Government Advocate (Crl. Side) filed his counter and submitted that the object of Pradhan Mantri Awaas Yojana (Gramin) (PMAY-G) Housing Scheme is to provide a pucca house with basic amenities to all houseless households and those living in kutcha and dilapidated house in rural areas as per SECC-2011 data. For the implementation of PMAY-G housing scheme, the cost would be shared between the Government of India and the State Governments in the ratio of 60:40. The stage-wise payment for the construction of new houses under PMAY-G is of Rs.1,20,000/- (Central Share-60%) to be released to house sanctioned beneficiaries from Public Financial Management System (PFMS) to the concerned house sanctioned beneficiary bank account and roofing cost of Rs.50,000/- (State Share-40%) amount should be released to the beneficiaries through ECS by the Block Development Officer (Village Panchayat) concerned. Net amount payable to each beneficiaries is Rs.1,70,000/-. The selected beneficiary will be provided Rs.26,029/- as the first installment for purchasing construction materials, Rs.26,715/- as the second installment for building lintel level, Rs.26,681/- as the third installment for the roof laid stage of the house and Rs.40,575/- upon completion of the house from Central Government fund and the State Government will provide its share of Rs.50,000/- to the same beneficiary as house roofing cost during the period when the Central Government provides the third installment and if the beneficiary has taken a loan for cement and steel from the State Government, the loan amount will be deducted from the Rs.50,000/- provided to beneficiary. The public servants working on this project should ensure that the selected beneficiary has land ownership and to scrutinize the documents related to the beneficiary before disbursing the first installment and the other installments should be disbursed to the beneficiary after examining each stage of the beneficiary's house construction and should be paid according to those stages and they should also monitor whether the money is disbursed to the selected beneficiary. The accused officers and Panchayat Secretary of Alangayam Panchayat Union, Vellore District, during their tenure were entrusted with the job of the implementation of Pradhan Mantri Awaas Yojana Gramin (PMAY-G) housing scheme for the period 2017-18. In order to continue the implementation of PMAY-G scheme 2017-18 to the same, the Petitioner/accused entered in to a criminal conspiracy and released the PMAY-G fund 2nd installment fund amount of Rs. 26,715/- and 3rd installment fund amount of Rs.26,681/- and 4th installment fund amount of Rs.40,575/- to wrong beneficiaries.

6.It is further submitted that if it is found that the PMAY-G scheme amount is transferred to the bank account of an individual who is not a beneficiary, the transfer of PMAY-G scheme amount to the non-beneficiary can be stopped at any stage. Moreover, even if the wrong bank account is frozen after three-step verification, the transfer of PMAY-G scheme amount to the wrong person can be stopped at any stage by the Block Development Officer. Further, the petitioner was not added as an accused for working from 2017 to 2018, he was added as an accused only because he transferred PMAY-G scheme amount to four wrong beneficiaries during his tenure between 13.3.2019 to 20.06.2019. It is the duty of the Block Development Officer to monitor at every stage whether the amount given to the beneficiaries under the PMAY-G scheme goes to the right beneficiaries and whether the amount received by the beneficiaries under this scheme is spent properly by the beneficiaries. The amount is not given to the beneficiaries on the basis of the selection of the beneficiary and the freezing of his bank account. After monitoring whether the amount received by the beneficiaries under this scheme is spent properly by them and whether the amount goes to the right beneficiaries, the next step is to provide the amount to the right beneficiaries under this scheme. The petitioner has given the amount under the Scheme to Tr.K. Rajasekar S/o.Kannan, Tr.C.Venkatesan S/o Chinnakulanthai, Tmt.Mani W/o.Manickam, Tmt.Mallika W/o.Perumal, who were not beneficiaries. Further, even though he knows that he can stop the amount given to the wrong beneficiaries at any time and finding Tr.K.Rajasekar, Tr.C.Venkatesan, Tmt.Mani, Tmt.Mallika are wrong beneficiaries, he has given the amount under the PMAY-G scheme to them without taking steps to stop the amount given to them. The scheme amount for the beneficiaries benefiting under the PMAY-G scheme is not given in lumpsum but given in 5 installments. It is the duty of the Block Development Officer (Village Panchayat) to monitor the disbursement of amount at each installment and make the payment properly. If any illegalities are detected, it is the duty of the Block Development Officer (Village Panchayat) to prevent the amount from going to the wrong beneficiaries of the scheme. Now the amount returned from the wrong beneficiaries proves illegality committed in this scheme.

7.It is further submitted that a case was registered on the basis of the confidential information received on the basis of the official documents which clearly established that the accused had committed the offence. Hence, grounds raised by the Petitioner is not maintainable. During the investigation, the letter dated 11.06.2019, allegedly written by the petitioner to the project director, was not produced to the Investigation officer. Further, although the petitioner knew that if an offence was found, a complaint should be filed with the appropriate authority, the petitioner being involved in that offence, deliberately not taken steps to lodge any complaint. He further submitted that in this case investigation completed, the Deputy Superintendent of Police already written to the concerned District Collector seeking sanction for prosecution as early as 06.01.2024. Hence prayed for dismissal.

8.Considering the submissions made and on perusal of the materials, it is seen that it is the case of the petitioner that he served as Block Development Officer (Village Panchayat) in Alangayam Panchayat Union for the period 13.03.2019 to 20.06.2019 and his case is that even before registration of the case on 25.06.2021, two years before on 11.06.2019 he address a letter to the Deputy Director/Project Director, DRDA giving details about improper implementation of PMAY-G Scheme such as false tagging of Geo Tag, furnishing particulars of non-beneficiaries as beneficiaries, freezing of accounts, transfer of funds and about wide scale misappropriation. The PMAY-G scheme implemented even before the petitioner joined duty as BDO (VP). The petitioner released 3rd and 4th installments for few persons and that to, he claims that after the letter from the Director, DRDA in Na.Ka.No.26702/2023/RHS22 dated 19.01.2024, recovery made. These are the defence of the petitioner which are factual. Though the petitioner produced the copy of the letter dated 01.06.2019 which he collected through Right to Information Act, it is for the respondent police to verify the genuineness of the petitioner's claims whether he acted as whistle blower. The respondent admit that wrong beneficiaries identified and benefited during the petitioner's tenure between 13.03.2019 to 20.06.2019 and in the counter, the respondent submitted that the letter of the petitioner dated 11.06.2019 to the Project Director was not produced to the Investigating Officer which confirms Investigating Officer was not informed about the such letter. This letter is two years prior to registration of FIR. In view of the same, this letter gains credence. Hence, the Investigating Officer can collect this letter dated 11.06.2019, verify its genuineness and thereafter, appropriate decision can be taken even after filing of the final report by resorting to further investigation if required. If the investigation officer had collected other materials confirming active participation of the petitioner in the above case, in that event the case to be taken to its logical end.

9.Accordingly, this Criminal Original Petition is dismissed.

09.09.2025

Index:Yes/No
Speaking Order/Non-Speaking Order
*cse*

To

1.The Director,
Vigilance and Anti Corruption,
Vellore.

2.The Inspector of Police,
Vigilance and Anti Corruption,
Vellore.

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

M.NIRMAL KUMAR, J.

*cse*

Pre-delivery order made in

Crl.O.P.No.8229 of 2025

09.09.2025