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REPORTABLE

IN THE SUPREME COURT OF INDIA

CRIMINAL APPELLATE JURISDICTION

CRIMINAL APPEAL NO(S). OF 2025

(Arising out of SLP(Criminal) No(s). 14629 of 2024)

Tr. A. BABU .....APPELLANT(S)

VERSUS

STATE OF TAMIL NADU ....RESPONDENT(S)

O R D E R

1. Heard.

2. Leave granted.

3. The appellant[1] (A-4) and the co-accused persons[2] faced trial before the Ld. ASJ, Additional Special

1Tr. A. Babu/Accused No. 4. (Hereinafter, referred to as 'appellant (A-4)'.
2The other accused namely are, Indirakumari/Accused No.1, wife of appellant herein (A-4); T.K. Kirubakaran/Accused No.2, Secretary to the Government, Social Welfare and Nutritious Scheme (A-2); Dr. P. Shanmugam/Accused No.3, Director of Rehabilitation of the Disabled (A-3) and R. Venkatakrishnan/Accused No.5, junior P.A. to A-1 (A-5).

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Court[3] for the criminal cases relating to elected MPs and MLAs, Chennai. They were charged for criminal misconduct under the Prevention of Corruption Act, 1988,[4] criminal breach of trust and misappropriation of grant-in-aid funds amounting to Rs.15,45,000/-. These grants were made for running schools for the welfare of 'Severely Orthopedically Handicapped Children' and 'Deaf' children. A-2 died during pendency of the trial and thus, the trial against him stood abated. *Vide* judgment dated 29th September, 2001, the trial Court acquitted A-5 and convicted appellant (A-4) and other co-accused persons(A-1) and (A-3) and sentenced them as below.:-

Accused(s)	**Sections**	**Sentence**
Appellant/Accused-4	Section 120(B) read with Section 409 IPC read with 13(2) read with 13(1)(d) of the PC Act and Section 109 read with Section 409 IPC and Section 109 IPC read with Section 13(2) read with Section 13(1)(d) of the PC Act	Sentenced to undergo 5 years rigorous imprisonment and to pay a fine of Rs.10,000/-, in default to undergo 6 months rigorous imprisonment.
Indirakumari/ Accused No.1 (wife of the appellant)	Section 120(B) IPC read with Section 409 IPC read with Section	Sentenced to undergo 5 years rigorous

3Hereinafter, referred to as 'trial Court'.
4Hereinafter, referred to as 'PC Act'.

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	13(2) read with 13(1)(d) of the PC Act and Section 409 IPC and Section 13(2) read with Section 13(1)(d) of the PC Act	imprisonment and to pay a fine of Rs.10,000/-, in default to undergo 6 months rigorous imprisonment.
Dr. P. Shanmugam Accused No. 3	Section 120(B) IPC read with Section 409 IPC read with Section 13(2) read with Section 13(1)(d) of the PC Act and Section 409 and Section 13(2) read with Section 13(1)(d) of the PC Act	Sentenced to undergo 3 years rigorous imprisonment and to pay a fine of Rs.10,000/-, in default to undergo 6 months rigorous imprisonment.

4. The appellant and his wife Indirakumari (A-1) preferred a joint Criminal Appeal No. 545 of 2021 before the High Court to challenge their conviction and sentences as awarded by the trial Court. During the pendency of the appeal, Indirakumari (A-1) passed away and thus, her appeal stood abated. The appeal preferred by the appellant (A-4) has been rejected by the High Court *vide* judgment dated 5th September, 2024, and hence, this appeal by special leave.

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5. On 14th February, 2025, Shri S. Nagamuthu, learned senior counsel for the appellant, confined his submissions to the question of sentence only and urged that, while reducing the sentence, the fine amount may be enhanced, which may be directed to be utilised for the benefit of the specially-abled children. Accordingly, limited notice was issued on the aspect of sentence and the prayer for grant of bail. Further, on the submissions/offer made by Shri S. Nagamuthu on 14th February, 2025, as an interim measure, an amount of Rs. 50 lakhs was directed to be deposited with the Registry of this Court. The same has been complied with.

6. Today, the matter has been taken up for consideration of the application for bail/suspension of sentence filed on behalf of the appellant.

7. On a perusal of the record, it transpires that the charges against the appellant (A-4) and the other co-accused persons[5] were of misappropriating the funds, for their own benefits, which were meant to be used for institutions for specially-abled children. Indirakumari (A-1), being the wife of the appellant herein (A-4) was the Minister for Social Welfare and Nutritious Meals Scheme, who registered two trusts, namely M/s. Mercy Mother India Charitable Trust and M/s Bharani Swathi Educational Trust, wherein the appellant (A-4) and

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5*Supra* Note 2.

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the mother of Indirakumari (A-1) were appointed as trustees. The appellant (A-4) was appointed as a lifelong managing trustee vested with all the powers and functions of the trusts. A sum of Rs. 15,45,000/- was sanctioned by way of grant-in-aid to these trusts by the social welfare department. On a complaint being filed, the matter was investigated, and it came to light that the grant-in-aid was sanctioned without conducting proper audit and inspection. A huge sum of money was bestowed by way of grant-in-aid to schools for handicapped children which were not even in existence.

8. Shri S. Nagamuthu, learned senior counsel, tried to urge that the appellant was implicated in this case only on the ground of him being a managing trustee of the above-mentioned two trusts and that he had no active role to play in the alleged criminal misconduct and/or misappropriation. However, he was not in a position to dispute that the grant-in-aid to the tune of Rs. 15,45,000/- was extended without entitlement, audit or inspection and that several of the beneficiary schools purportedly established by the respective trusts were not even in existence.

9. We find that so far as the findings of the trial Court and the appellate Court regarding the charges of criminal misconduct and criminal breach of trust and misappropriation attributed to Indirakumari (A-1) are concerned, the same have attained finality

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because the appeal against conviction filed on behalf of the said accused has abated.

10. Shri S. Nagamuthu has not challenged the conviction of the appellant (A-4). His submission was that the appellant (A-4), who is now about 68 years old, is repenting and in order to show his *bona fides*, he is ready to pay an enhanced amount of fine which may be used for restoration/rehabilitation of children in need of care and protection/children in conflict with law as per the mandate of the Juvenile Justice Act, 2015.

11. Shri S. Nagamuthu submitted on instructions that the appellant (A-4) is ready to unconditionally deposit a sum of Rs. 5 crores, including the amount of Rs. 50 lakhs already deposited for this purpose. However, his fervent plea was that the appellant (A-4) may be released on bail during the pendency of the appeal.

12. Learned counsel representing the State opposed the submissions advanced by the appellant's counsel.

13. Having heard and considered the submissions raised at Bar and after going through the material available on record, while affirming the findings of guilt recorded by the Courts below *qua* the appellant, we deem it fit to entertain this appeal limited to the extent of quantum of sentence only.

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14. The appellant is about 68 years of age as on date. The incident took place between the years 1990-1996 and the trial was drawn out over more than two decades. In the facts and circumstances noted above and considering the fact that the appellant by way of repentance has volunteered to deposit an enhanced fine of Rs. 5 crores, we hereby direct that the appellant shall be released on bail subject to such terms and conditions as may be imposed by the trial Court.

15. Shri S. Nagamuthu prays that the accused appellant may be granted three months' time to deposit the balance amount of Rs. 4 crores and 50 lakhs. Thus, it is directed that the appellant shall immediately and not later than two weeks from today, file an undertaking in this Court that he shall deposit the balance amount of Rs. 4 crores and 50 lakhs with the Registry of this Court on or before 18th June, 2025.

16. In case the appellant (A-4) fails to furnish the undertaking and deposit the amount in the above terms, the bail granted to him shall stand cancelled automatically and he shall be taken back into custody to serve the remaining sentence. However, if the compliance is made, the entire amount of Rs. 5 crores including the sum of Rs. 50 lakhs deposited earlier shall be transmitted to the account of the Tamil

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Nadu State Legal Services Authority to be invested in an interest-bearing fixed deposit account in a Nationalised bank.

17. The Juvenile Justice Committee of the High Court of Tamil Nadu shall, in its own wisdom, be authorised to utilise the interest generated from this amount for the benefit of the Government established/operated childcare institutions in the State of Tamil Nadu.

18. List on 14th July, 2025 for reporting compliance.

.....J.
(VIKRAM NATH)

.....J.
(SANDEEP MEHTA)

NEW DELHI;
March 18, 2025.