2025:DHC:9367

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% ***Pronounced on: 27th October, 2025***

\+ **CRL.M.C. 4964/2017 & CRL.M.A. 19694/2017 & 27856/2023**

GURBACHAN SINGH MATTA
S/o Late Sh. Sain Dass,
R/o H-332, Vikas Puri,
NewDelhi-110018. .....Petitioner

Through: Mr. Sewa Ram and Mr. C.S. Walia, Advocates.

versus

CENTRAL BAUREAU OF INVESTIGATION
Bank Securities & Fraud Cell
5th Floor, New CBI Building
Plot No. 5-B, CGO Complex,
New Delhi .....Respondent

Through: Mr. Ripudaman Bhardwaj, SPP with Mr. Kushagra Kumar, Mr. Abhinav Bhardwaj and Mr. Amit Kumar Rana, Advocates.

\+ **CRL.REV.P. 366/2017 & CRL.M.A. 8286/2017 (for interim relief)**

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CORAM:
HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

J U D G M E N T

NEENA BANSAL KRISHNA, J.

1. The aforesaid two Petitions shall be considered together as they arise from the same FIR/RC. No. BDI/2012/E/0003.

2. The Criminal Revision Petition No. 366/2017 has been filed by the **Petitioner/Gurbachan Singh Matta** challenging the **framing of the Charge** under Section 120B read with Section 420/467/468/471 of the Indian Penal Code, 1860 *(hereinafter referred to as "IPC")* and Section 13(2) read with 13(1)(d) Prevention of Corruption Act, 1988 *(hereinafter referred to as "PC Act")* **against the Petitioner *vide* Order dated 25.03.2017**.

3. The Criminal Miscellaneous Case No. 4964/2017 has been filed by the **Petitioner/Gurbachan Singh Matta** for **quashing of FIR bearing RC. No. BDI/2012/E/0003**, registered against him.

4. **Facts in brief** are that on 23.02.2012, one G. Ravindra Kumar Gandhi gave a written Complaint against M/s Century Communication Limited *(hereinafter referred to as "M/s CCL")*, its Promoters, Directors, and Officers of Indian Overseas Bank (IOB); S. Raghavan, Senior Chief Manager; Jyothi Sreekumaran, Chief Manager; Ajay J. Merchant, Chief Manager. The *allegations made in the Complaint* were that the M/s CCL Company was engaged in the business of the Media Industry and was providing production and post-production facilities like shooting of films

and graphic facilities, etc. M/s CCL *(the Accused No. 1)* was having banking with IOB Industrial Branch, New Delhi since 2000, but the account was subsequently shifted to Defence Colony Branch on 30.04.2003. Pursuant to the request of M/s CCL, a consortium of 10 Banks led by IOB as leader, was created to sanction various credit facilities.

5. On 06.03.2004, a *term loan* of Rs.60 crore, including Rs.15 crore, was sanctioned by Consortium of Banks and IOB for setting up of digital studio at Mumbai. Also, *Cash Credit Limit* was enhanced from Rs.8.10 crore to Rs.12.60 crore, LC limit from Rs.1.8 crore to Rs.3 crore and fresh LG limit of Rs.0.60 crore was sanctioned. Various Term Loans were sanctioned in favour of M/s CCL from 2005 till 2009, and the Cash Credit Limit was enhanced further in 2010.

6. After availing different loan facilities on behalf of M/s CCL, fake and false Invoices from various supplier Companies were submitted and the borrowers diverted funds for unauthorized purposes and creation of assets out of Term Loan, and therefore, the borrowers cheated the Banks. The account of *M/s Avitel Electronics Private Limited, M/s Amarjyothi Vyapar Limited, M/s ANA Designs* were opened by the promoters of M/s CCL, namely, Sh. Prabodh Kumar Tewari (P.K. Tiwari) and Sh. Anand Tewari, and their close Associates and members. The Demand Drafts were issued in favour of these Companies and substantial amounts were paid. It was also found that due to negligence of various officials of the Banks, the borrowers were able to divert huge funds without creating assets. These disbursements by Banks were without obtaining copies of quotations, invoices, copies of accepted delivery challans from the suppliers, etc. The banks assessed the loss to Rs.16,319.81 lacs.

7. On the basis of written Complaint, *FIR under sections 120B/420/467/468/471 IPC and Section 13(2) read with Section 13(1)(d) PC Act, was registered on 23.02.2012.* After due investigation, the Chargesheets were filed against all the Accused persons.

8. The allegations against the petitioner, as stated in the Chargesheet emanates from the Letter dated 29.11.2004 along with false CA Certificate dated 30.10.2004, allegedly issued by Sh. T.R. Arya CA, written by Sh. P.K. Tewari confirming utilization of funds for setting up Digital Studio in Mumbai. Further, IOB, Defence Colony Branch officials relied upon the CA Certificate without matching it with the transaction details from the account.

9. Further, on 19.01.2005, Mr. Raghavan, Senior Manager in IOB Defence Colony, had conducted the Inspection of the Unit and gave his Report of even date i.e., a day prior to the Petitioner's visit to the Unit of M/s CCL at Mumbai on 20.01.2005. Petitioner along with Branch Incharge Mr. Vidyanathan, AGM and Senior Manager Mr. Raghavan had visited the Unit and given his Report confirming utilization of funds for setting up Digital Studio in Mumbai.

10. Petitioner has asserted that being the General Manager, he was directed to see the working of Unit at Company's address at Mumbai. He had gone to Mumbai as per the instructions and directions of the superior and not his own. The Petitioner has placed reliance on Letter dated 19.01.2005 addressed by Petitioner to GM, IOB, Chennai bearing remarks of the then CMD, directing the visit by some Executive in terms of MCB directions.

11. The Petitioner further states that Report dated 20.01.2005 is a comprehensive Report of Joint Inspection of the Unit, conducted by the Petitioner along with Branch Incharge Mr. Vidyanathan, AGM and Senior Manager Mr. Raghavan. It gives details of the premises occupied by the Unit, its functioning, activities going on there and *inter alia* includes the details of machinery installed, which is based on the Report dated 19 .01.2005 submitted by Mr. Raghavan.

12. The Petitioner further asserts that during investigations, GM (Vigilance) of the Bank informed R.K. Singh, IO *vide* Letter dated 27.11.2012 that the responsibility of doing Asset verification is of the Credit Officer of the Branch, who in the present case, was Mr. Raghavan.

13. It is submitted that the Petitioner as General Manager, was to oversee the working of the Unit, which he discharged properly. As per the Chargesheet, the conspiracy of Term Loan 2004 started on or before 19.01.2004 when Directors of M/s CCL dishonestly requested the Officers of IOB to sanction Term Loan of Rs.20 crores for setting up a Digital Studio in Mumbai. This conspiracy continued till 16.08.2004 when M/s CCL availed the loan of Rs.44,61,50,845/-. Moreover, Letter dated 29.11.2004 of Sh. P.K. Tewari confirmed that he had utilized the funds for setting up of digital studio in Mumbai.

14. The role assigned to the Petitioner in regard to inspection of Unit of M/s CCL, Mumbai on 20.01.2005 was much after the completion of the conspiracy, disbursal and utilization of the Term Loan and the inspection was not conducted during the pendency of the conspiracy.

15. It is submitted that the ***Chargesheet*** was filed on 29.11.2013 under Section 120B read with Section 420/467/468/471 IPC and 13(2) read with 13(1)(d) PC Act.

16. The learned Special Judge has framed the ***Charges*** against the Petitioner on 25.03.2017 under Section 120B read with Section 420/467/468/471 IPC and 13(2) read with 13(1)(d) PC Act.

17. The **quashing of the Chargesheet and Order on Charge has been sought on the grounds** that there was no role assigned to the Petitioner in the accomplishment of the conspiracy, which came to an end on 16.08.2004.

18. The responsibility of Asset Verification was of Credit Officer of the Branch i.e. Sh. Raghavan, which establishes that the role of the Petitioner started much after the accomplishment of the conspiracy.

19. There was no *mens rea* attributable to the Petitioner. Mere failure on the part of Petitioner to match the equipments with the Invoices or to observe the roles enshrined in Credit Administrative Circular may be a case of breach of performance of duty, but cannot be equated with dishonest intention.

20. Reliance is placed on *Anil Kumar Bose vs. State of Bihar*, (1974) 4 SCC 818; *L. Chandriya vs. State of A.P.*, AIR 2004, Supreme Court 252; *Kali Ram v. State*, 2010 (2) JGG 1578; *State (NCT of Delhi) vs. Navjot Sandhu*, 2005 (3) JCC 1404; *CBI vs. S. Rangarappa*, 2001 CrI. L.J 111; *UOI vs. Prafulla Kumar*, 1979 Crl. L. J 154; *Century Spinning and Manufacturing Co. Ltd. & Ors. vs. State of Maharashtra*, AIR 1972 SC 545; *Neeraj Gupta vs. CBI*, 2007 VI AD DHC 286.

21. It is further submitted that after 02 years of filing of the Chargesheet in the Trial Court, CBI pressurized IOB to initiate Departmental Disciplinary Inquiry against the Petitioner. The Departmental Inquiry proceedings were initiated *vide* Memorandum of Allegation and Articles of Charge dated 09.02.2015, on identical allegations. After some inquiry, it was concluded that there no charges made out against the Petitioner.

22. It is further asserted that on the same allegations, Inquiry was conducted against him by CVC, New Delhi which gave the Report in which he was exonerated.

23. Reference is made to the case of *Radhey Shyam Kejriwal vs. State of West Bengal,* (2011) 3 SCC 581, wherein the Apex Court reiterated the Full Bench Judgment in *Ashoo Surendranath Tewari vs. Deputy Superintendent of Police,* 2020 (9) SCC 66 and *J. Sekar vs. Directorate of Enforcement*, 2022 (7) SCC 370 and observed that where on merits, allegations are found to be not sustainable at all and the person is held innocent, *criminal prosecution on the same set of facts and circumstances cannot be allowed to continue, underline principle being the higher standard of proof in criminal cases.*

24. Similarly, in the case of *Lokesh Kumar Jain vs. State of Rajasthan,* (2013) 11 SCC 130 wherein reference was made to *PS Razia vs. State of Bihar,* (1996) 9 SCC 1 wherein, it was held that where the Appellant was exonerated in the Departmental proceedings in the light of the Report of CVC which was concurred by Union Public Service Commission, the criminal case pending since long despite the exoneration of the Appellant in the Departmental proceedings for the same charge, needs to be quashed.

25. In the end, it is submitted that case began in 2014 and Prosecution evidence began on 07.06.2017. However, the Prosecution has examined only 33 out of 175 Prosecution Witnesses. Petitioner is a senior citizen of 75 years of age and with the speed at which the trial is proceeding, the Prosecution evidence shall not get concluded during his life time. He is an innocent and respectable citizen having deep roots in Society, but is compelled to live the life of an accused and is suffering deep mental agony and physical deterioration of health aside from social stigma due to the case.

26. *The Prayer is made that the Charge Sheet filed in FIR / RC.No.BDI/2012/E/0003 and the Charges framed thereunder vis-à-vis the Petitioner, along with all the proceedings emanating therefrom*, including the Order on Charge *be quashed.*

27. The **Respondent/Central Bureau of Investigation (CBI) has given Reply** wherein all the averments made in the Chargesheet, has been reiterated. The role of the Petitioner has also been explained, as has already been mentioned earlier.

28. It is submitted that the matter is pending at the stage of Prosecution evidence. The Petitioner has incorrectly asserted that no role has been attributed to him for sanctioning and disbursal of the funds by IOB to M/s Century Communication Limited. His role was not only confined to sanction and disbursal, but also included angle of processing, appraisal, sanction, disbursal, monitoring, compliance of sanction terms and conditions and due diligence, etc. It is evident that the claim of the Petitioner of innocence by picking and choosing a few points from the whole gamut of the financial fraud, is incorrect.

29. All the averments made in the Petition are denied and it is claimed that there is no case made out either for quashing of the Chargesheet against him or for quashing of the Charge.

30. *Hence, the present Petition is liable to be dismissed.*

Submission heard and records perused.

31. The **brief factual matrix** is that M/s CCL had availed Credit facilities i.e. Term Loan, Working Capital and LC/LG by the Consortium of 10 Banks led by the Indian Overseas Bank (IOB) for availing the Credit facilities of huge amounts as had already detailed above. A *'No Lien Current Account'* was opened at IOB, Defence Colony.

32. According to the Prosecution, the borrowers submitted false and fake Invoices to the IOB for availing the Term Loan sanctioned by the Consortium Banks. The funds were diverted for unauthorised purposes and the creation of the assets from this Term Loan, instead of utilizing it for the purpose it was sanctioned. The borrowers, therefore, cheated the Banks.

33. According to the Prosecution, Sh. S. Raghavan, Mr. C.K. Johnson, Manager/Senior Manager were looking after the Accounts of M/s CCL Limited. Smt. Jyoti Sreekumaran, Ajay J. Merchant, S. Raghavan and V.J. Jarka, were working as Chief Manager (Advances). They all were associated with monitoring the Accounts of the Company including Branch Head, who were responsible for ensuring compliance with the terms of Sanction, Credit Administration, Circulars and Monitoring the Term Loan Accounts and Cash Credit Accounts of the Company, so as to ensure that the funds were utilised for the purpose for which it is sanctioned. Essentially, the case of the Prosecution is that even though the amounts were being released by IOB on the Invoices and documents being submitted

by the Accused persons, but the same were being cleared without due verification.

Prima facie allegations against the Petitioner:

34. The only allegations made in the entire Charge-Sheet against the Petitioner is in Para 18, which reads as under:-

> *"Investigation revealed that S/Sh. S. Raghavan, Senior Manager, Mr. R. Vaidyanathan, AGM, IOB Defence Colony and* ***Sh. G.S. Mata, GM****, IOB, Regional Office New Delhi vide their* ***report dated 20.01.2005 informed Central Office and confirmed the installation of equipments without matching with the invoices*** *as required vide Credit Administration Circular No. 14 dated 31.03.1997-Under Case Study II- Term Loan-point No.5.* ***The said confirmation was also made the basis for subsequent sanction of 2005****."*

35. Thus, the only allegation against the Petitioner in the Chargesheet was that there was *dereliction of duty* in conducting the Inspection along with the other Team members on 20.01.2005, without confirming the installation of equipment and verifying the cost of equipment with Invoices in violation of the Credit Administration Circular No. 14 dated 31.03.1997.

36. Pertinently, an Inspection was carried out by Sh. S. Raghavan on 19.01.2005 of the Mumbai Unit and had given a Report confirming that the equipments were found in place and also confirmed that the Unit had commenced the commercial production operation on 14.12.2004 and the Unit was full of activities, at the time of Inspection.

37. Significantly, the Petitioner being the General Manager, was not the Officer responsible for the site inspection. However, he, on the instructions of superiors, had visited the Mumbai on 20.01.2005 and had made the spot

Inspection where he found the working of the Unit to be in order. He consequently, gave a Joint Report dated 20.01.2005 along with Branch In-charge, Sh. R. Vaidyanathan, AGM and Senior Manager, Sh. S. Raghavan.

38. It has been rightly contended by the Petitioner that as General Manager, he was merely to oversee the working of the Unit and that it was being discharged properly. He was not responsible for the verification of the Invoices or the loan amounts to be disbursed to the Accused, which was exclusively in the domain of Sh. S. Raghavan and other Senior Managers, who indeed had conducted an Inspection a day prior i.e. on 19.01.2005 and had done the actual verifications. His Report was merely confined to the working of the Unit and the details had been taken from the Report dated 19.01.2005 that was prepared by Sh. S. Raghavan. There is no criminality in the acts of the Petitioner disclosed from the above facts. He has discharged his duties correctly.

39. However, first and foremost, there is nothing to substantiate these allegations of dereliction, especially when his Report was only to do a Site Inspection to ensure that the work was being done. The detailed Report was prepared a day prior i.e. on 19.01.2005 by Sh. S. Raghavan, the Senior Manager, who was responsible to verify the installations and that the Invoices were according to the installations. Nothing in the Report dated 20.01.2005, prepared by the Petitioner, which was based on the Report of Mr. S. Raghavan, has been found to be out of line. This fact is fully corroborated by the Department Enquiry conducted by CVC which *vide* its Report dated 27.09.2017, has given a clean chit and exonerated the Petitioner.

40. Furthermore, the allegations against the Petitioner fail to establish the essential ingredient of *mens rea* required for offences under Sections 420, 467, 468, 471 IPC and Section 13(2) read with 13(1)(d) of the PC Act. Moreover, the alleged conspiracy regarding Term Loan 2004 was complete by 16.08.2004, whereas the Petitioner's involvement was limited to an Inspection on 20.01.2005 i.e. nearly five months after the conspiracy had culminated. The absence of any material to show that the Petitioner had knowledge of the alleged fraud or that he intentionally facilitated the same, leads to inevitable conclusion of innocence of the Petitioner.

Vigilance Enquiry by CVC:

41. The ***second*** most significant aspect is that on these very same allegations, a Vigilance Enquiry was also conducted against the Petitioner. He had been Charge-Sheeted by CVC and the Article of Charge framed against him by the CVC, reads as under:-

> *"It is charged that Mr. G.S. Matta had submitted a descriptive Report dated 20.01.2005 to Central Office and confirmed that the installation of all equipments without proper verification by matching them with the invoices submitted as the borrower was stated to be importing the equipments against the sanction of LC and LG facilities, thus you had failed to discharge your duties with utmost devotion and diligence."*

42. The Preliminary hearing was held on 18.08.2015, wherein the Charged Officer *(the Petitioner herein)* denied the Charges. The copies of 09 Prosecution documents, including the CBI Investigation Report Ex.P9 and the Inspection Note Ex.P6, were provided. One Prosecution Witness PW1was examined by the Department.

43. The Charged Officer produced *11 defence documents* including the prior Inspection Report by Senior Manager dated 19.01.2005 Ex.D6, the Joint Inspection Report with Oriental Bank of Commerce dated 20.10.2005 Ex.D7, the letter from GM (Vigilance) dated 27.11.2012 clarifying responsibility for Asset Verification Ex.D5, and the Central Office Inspection Report dated 09.03.2006 (Ex.D4).

44. The Prosecution Officer (PO) conducted a regular hearing on 05.05.2017, examined the Charged Officer, heard written briefs from both sides, and after comprehensive and thorough detailed analysis, gave findings on 27.09.2017, which are as follows:-

> ***"7. IO's EVALUATION:***
>
> ***7.1 Article of charge 1:*** *There is only charge against Shri Matta that he did not submit the correct report after his inspection of the unit on 20.01.2005. The PO and CO briefs have been perused. After going through the records, the arguments of the charged officer seems appropriate. This is because of following reasons:*
>
> *PO has mainly relief on* ***Ex P6 which is the inspection note of the charged officer.*** *From the inspection note* ***itself it appears that only macro level issues have been mentioned in the inspection note as the detail had already been checked only a day before by his subordinate officer.*** *From this documents, it cannot be said that there is any lacunae in the inspection note of the charged officer.*
>
> ***Ex D6 shows that complete inspection of the equipments were done by one Sr Manager of the Bank. The inspection by the charged officer who was GM was to see the unit on macro basis. The verification of all the equipments with their invoices cannot be expected to be***

carried out by the General Manager level officer. *PO should have cited circular which says that such verification of the equipments was the job of the General Manager.*

Further the Joint inspection was carried out along with one of the consortium members Oriental Bank of Commerce and nothing adverse was pointed out in the Joint Inspection report. Refer Ex.D7, ***there is no evidence on record to show that the inspection carried out by the charged officer was inadequate and was not as per the norm.*** *The joint inspection was done much after the inspection carried out by the charged officer. This also proves that the inspection carried out by the charged officer in the capacity of General Manager was adequate.*

*In view of the documents available on records, I hold the single article of charge against the charged officer as "****not proved****".*

8. CONCLUSION:

After examining and careful consideration of Charge Sheets, the Prosecution & Defence documents, the PO's brief, and the CO's brief and assessing other evidences available on record of the Inquiry and in view of the detailed analysis of the evidence brought on record during the course of the inquiry as in Para 7 above. ***I conclude that the inspection carried out by the charged officer was as per the norms of the bank and there is nothing on record to show that the charged officer failed in his duty on account of this inspection.***

Further the investigation report (Ex.P9) has also not brought out any lapse on the part of the charged officer.

In view of the assessments made, my findings are as under:-

Article -I: Article-I is held as: "Not Proved."

45. What emerges against the Petitioner from the entire Chargesheet, is the allegation that the Descriptive Report dated 20.01.2005 was not conducted properly by the Petitioner. However, the CVC after detailed enquiry, found the allegations to be unfounded. The exoneration of the Petitioner by the CVC is on identical allegations made in the Charge Sheet.

46. A critical question that thus, arises is *whether the criminal prosecution can continue when the departmental proceedings, which require a lower standard of proof, have found no merit in the allegations.*

47. In the case of *Videocon Industries Limited vs. State of Maharashtra*, 2016 (12) SCC 315 while considering the evidentiary value of the enquiry proceedings in a trial against the Petitioner on identical allegations, the following principles were culled out from the discussions and the Judgments referred therein.

> *"18. The majority has put it thus:*
>
> *"The ration which can be culled out from these decisions can broadly be stated as follows:*
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> *(i) Adjudication proceedings and criminal prosecution can be launched simultaneously:*
>
> *(ii) Decision in adjudication proceeding is not necessary before initiating criminal prosecution;*
>
> *(iii) Adjudication proceedings and criminal proceedings are independent in nature to each other;*

(iv) *The finding against the person facing prosecution in the adjudication proceedings is not binding on the proceeding for criminal prosecution;*

(v) *Adjudication proceedings by the Enforcement Directorate is not prosecution by a competent court of law to attract the provisions of Article 20(2) of the Constitution of section 300 of the Code of Criminal Procedure;*

(vi) *The finding in the adjudication proceedings in favour of the person facing trial for identical violation will depend upon the nature of finding. If the exoneration in adjudication proceedings is on technical ground and not on merit, prosecution may continue; and*

(vii) *In case of exoneration, however, on merits where the allegation is found to be not substantiate at all and the person held innocent, criminal prosecution on the same set of facts and circumstances cannot be allowed to continue, the underlying principle being the higher standard of proof in criminal cases."*

48. It was further clarified that the yardstick would be to judge whether the allegation in the adjudication proceedings as well as the proceeding for prosecution, is identical and the exoneration of the person concerned in the adjudication proceedings is on merits. In case it is found on merit that there was no contravention of the provision of the Act in the adjudication proceedings, the trial of such a person would be an *abuse of the process of the Court.*

49. Similar observations were made by the Apex Court in the Case of *P S Rajya vs. State of Bihar*, (1996) 9 SCC 1 wherein it was noted that where Charges were identical in the Departmental Proceedings conducted by CVC and in the criminal prosecution, continuation of the criminal prosecution would be an abuse of process of law and that the High Court must exercise its powers under Section 482 Cr.PC to quash the criminal prosecution. It was also observed that the standard of proof required to establish the guilt is far higher in criminal prosecution as compared to the Departmental proceedings.

50. Likewise in the Case of *Radheshyam Kejriwal vs. State of West Bengal & Anr.*, (2011) 3 SCC 581, it was observed similarly that the standard of proof in criminal cases much higher than in the adjudication proceedings. The determination of facts and adjudication proceedings, cannot be said to be irrelevant in the criminal cases.

51. Similar observations have been made by the Apex Court in the Cases of *Lokesh Kumar Jain vs. State of Rajasthan*, (2013) 11 SCC 130 and *Ashoo Surendranath Tewari vs. Deputy Superintendent of Police, EOW, CBI and Anr.*, (2020) 9 SCC 636 in which a consistent view has been taken that the standard of proof in criminal cases is '*beyond reasonable doubt'*, which is far higher than *'preponderance of availability'* required to prove the allegations in disciplinary proceedings if the lower threshold could not be met in the disciplinary proceedings, no purpose would be served in prosecuting the criminal proceedings where the standard of proof is much higher.

52. The Co-ordinate Bench of this Court in the Case of *Ajit Kumar vs. State of NCT of Delhi and Anr.*, Crl. M.C. 2184/2021, *decided on*

05.12.2024 also referred to the aforesaid Judgments and concluded that exoneration in Disciplinary proceedings on identical facts, merits the quashing of the criminal prosecution arising from the identical facts.

53. Furthermore, in the case of *Rajiv Ranjan Singh vs. Securities & Exchange Board of India*, Criminal Revision Application No. 370 of 2024, decided on 11.09.2025, the Bombay High Court relied on the case of *Radheshyam Kejriwal,* (supra) and observed as under:-

> *" 19. The same issue came up again before a three-Judge Bench in Radheshyam Kejriwal (Supra). The majority held that adjudication proceedings and criminal prosecution are independent of each other. A finding in adjudication does not bind the criminal court. However, the Court drew an important distinction. Where a person is exonerated in adjudication on technical grounds, or because no penalty was imposed, criminal prosecution can continue.* ***But, if in adjudication proceedings a clear finding is recorded that the allegations were wholly unsustainable and the person is innocent, then criminal prosecution on the same set of facts cannot be allowed to continue.***
>
> *20. It is thus clear that exoneration in departmental or regulatory proceedings will bind criminal prosecution only in very limited situations.* ***Three conditions must be satisfied. First****, the adjudicating authority must have examined all the facts and evidence in detail and given a clear finding. An order passed only on technicalities like limitation or jurisdiction cannot bar prosecution.* ***Second****, there must be a clear conclusion that the allegations were wholly baseless or not proved at all.* ***Third****, the order must contain a clean declaration of innocence, holding the person not guilty of the misconduct. A mere absence*

of penalty or grant of benefit of doubt does not amount to exoneration on merits."

54. Applying the aforesaid test in the present case, ***it emerges that firstly,*** the CVC Inquiry examined all the facts and evidence in detail. The Inquiry Officer meticulously analysed the Prosecution documents *including Ex.P6 - the Inspection Note, and Ex.P9 - the CBI Investigation Report itself); as well as the* Defence documents *(including Ex.D6 - the detailed inspection by Senior Manager, and Ex.D7 - the joint inspection with consortium Member Oriental Bank of Commerce)*, the PO's brief, and the CO's brief. It was found that the Petitioner's Inspection was as per Bank Norms; that verification of invoices was not expected from a General Manager; that subsequent joint inspection found nothing adverse and that even the CBI Investigation Report did not establish any lapse. After this comprehensive examination, the Inquiry Officer held that *"I conclude that the inspection carried out by the charged officer was as per the norms of the bank and there is nothing on record to show that the charged officer failed in his duty on account of this inspection."* The final finding "Article-I is held as *'Not Proved'* " is a categorical determination of innocence, not a mere absence of penalty.

55. The aforesaid conclusion of the Inquiry Officer reflects that the findings were not based on benefit of doubt or technicalities, but on substantive evaluation of the allegations against the Petitioner and the evidence against him. The CVC Order affirmatively holds that the Petitioner acted as per norms and the Invoice verification was not his responsibility.

56. It is also significant that the allegations in the CVC Inquiry and the criminal prosecution are identical. Both proceedings relate to the same conduct - the Inspection Report dated 20.01.2005 and the allegation of confirming installation of equipment without proper verification by matching with Invoices. *Thus, it is quite clear that the CVC Order is unequivocally an exoneration of the Petitioner, on merits.*

Conclusion:-

57. In view of the aforesaid, there is nothing more which can be brought on record by the Prosecution in support of their allegations against the Petitioner and he on identical Charge stands exonerated by CVC. The continuation of the criminal prosecution would be an abuse of process of the Court and not in the interest of justice.

58. Therefore, the present FIR / RC.No.BDI/2012/E/0003 along with all the proceedings emanating therefrom including the Order on Charge dated 25.02.2017, is hereby quashed against the Petitioner.

59. The observations made herein are confined only to the Petitioner and are not an expression on merits, against the other accused persons facing the trial in the Chargesheet.

60. The Petitions are allowed and disposed of in the above terms. The pending Applications, if any, also stand disposed of.

(NEENA BANSAL KRISHNA)
JUDGE

OCTOBER 27, 2025/*N/RS*