

HC nixes CBI FIRs on 2 telecom grp companies over bank loans

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Mumbai: In 2 separate judgments, the Bombay high court on Friday quashed 2 FIRs filed by the CBI. One was against GTL Infrastructure Ltd (GTLIL) and others, including unknown public servants, in a cheating and criminal conspiracy case over Rs 11,000 crore loans from a consortium of 19 banks and financial institutions. The other was an FIR against GTL Ltd, a telecom company, for an alleged cheating case for Rs 4,700 crore loans. GTLIL is a sister concern of GTL.

Chief Justice Shree Chandrasekar-led bench said, "The machinery of the criminal justice system cannot be put in motion for making a roving inquiry. The CBI cannot be

permitted to continue with the investigation in this matter in a hope that some day it may identify the offender where no offence is disclosed." The order, available on Saturday, said it has a "wholesome power and seeks to achieve a public purpose that a criminal proceeding ought not to be permitted where it shall amount to miscarriage of justice".

In the GTLIL judgment, after hearing CBI counsel KuldEEP Patil, the HC also disbanded the plea that banks colluded. The CJ and Justice Gautam Ankhad reasoned, "The preliminary enquiry continued for 24 months but no specific allegation of conspiracy between the bank officials and GTLIL is stated in the first information report... This is unimaginable that 18 private/

public sector banks joined hands and hatched a conspiracy with GTLIL to cover up siphoning of funds."

On the basis of July 14, 2021, information, a preliminary enquiry was initiated by the CBI into alleged financial impropriety by GTLIL in availing credit facilities. The enquiry said GTLIL was referred for corporate debt restructuring after it claimed an inability to raise equity. The CBI said GTLIL diverted loan funds through vendors which were not repaid, and goods were not supplied but written off.

GTLIL, represented by senior counsel DP Singh and advocate Sajal Yadav, argued it was incorporated in 2004 and acted within legal bounds.

The order said, "Whole case of the CBI seems to have be-

en built on the forensic audit report which did not confirm any diversion of funds. The vendor-companies were registered...and...supplied goods. The income tax settlement commission recorded a categorical finding that the purchases were genuine... there was no fabrication of documents."

In the GTL case, an FIR was filed in Jan 2023 alleging it generated Rs 1,400 crore from capital non-convertible debentures and availed credit facilities from a consortium of 24 banks to the tune of Rs 4,760 crore... for business activities". The CBI alleged the company cheated banks. GTL senior counsel Aabad Ponda said the CBI FIR was based on incomplete information as all vendor advances were repaid before the FIR was lodged.