

‘Probe a roving inquiry’: CBI FIR against GTLIL quashed

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In a significant relief to telecom infrastructure major GTL Infrastructure Ltd (GTLIL), the Bombay High Court has quashed a CBI FIR alleging large-scale financial irregularities and cheating in relation to bank loans exceeding Rs11,000 crore, holding that the investigation lacked material disclosing any criminal offence.

The CBI had registered the FIR on August 16, 2023, accusing GTLIL, unknown public servants and others of criminal conspiracy and cheating under the Indian Penal Code and the Prevention of Corruption Act. The case arose from a preliminary enquiry initiated by the CBI into alleged diversion of funds obtained from a consortium of 19 banks and financial institutions.

A bench of Chief Justice Shree Chandrashekhar and Justice Gautam Ankhad, on Friday, allowed the petition filed by GTLIL and noted that despite conducting a preliminary enquiry for nearly two years, the CBI failed to identify any accused or demonstrate collusion between the company and bank officials.

The court was hearing a petition filed by GTLIL, through advocates DP Singh

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High Court

and Sajal Yadav, seeking quashing of the case against it.

The bench observed that the FIR itself was lodged

against “unknown persons” and even during court proceedings the agency could not point to any specific wrongdoing. “The machinery of the criminal justice system cannot be put in motion for making a roving inquiry,” the court said.

According to the CBI, GTLIL had diverted loan funds through vendors and caused wrongful loss to lenders during restructuring and subsequent assignment of debt to an

asset reconstruction company. However, the court noted that forensic audits and independent examinations commissioned by lenders found no evidence of fraud or diversion of funds.

The court also held that ingredients of cheating were absent as there was no allegation that GTLIL had dishonest intention at the time of availing loans.

It further noted that bank

officials, being public servants, were protected under Section 17A of the Prevention of Corruption Act, which requires prior approval before investigation into decisions taken in discharge of official duties.

Holding that continuation of the investigation would amount to misuse of criminal process, the court quashed the FIR and all consequential proceedings.