

18th October, 2021

To,

Subodh Kumar Jaiswal

Director, Central Bureau of Investigation (CBI)

Subject: (i) Immediate arrest of mastermind accused Srinath Reddy and other accused members of Public Health Foundation of India (PHFI) who were responsible for misappropriation of around 108 crores of public money.

(ii) Conducting Narco Analysis, Brain Mapping, Lie Detector and other scientific tests of all accused to bring the complete conspiracy to the surface

Ref: (i) FIR registered by the Economic Offence Wing (EOW) against Srinath Reddy's aide Mr. Anil Pawar.

(ii) Case registered by the Intelligence Bureau and foreign division of health ministry against PHFI

(iii) Law laid down by Hon'ble Supreme Court of India in the case of Navin Singh Vs. State (2021) 6 SSC 191.

Respected sir,

1. The PHFI has been funded by the government of India.
2. That, Government of India had given an amount of more than rupees 100 crore to PHFI.
3. That, the dishonest trustees of the PHFI hatched a conspiracy to misappropriate the said amount and in furtherance of said conspiracy the mastermind Srinath Reddy, President of PHFI has shown that he had invested the said amount through a person who goes by the name of Anil Pawar.
4. Said person Mr. Anil Pawar, who is brought in picture by Mr. Srinath Reddy is a fraudster and not holding any post in any nationalized Bank. In fact he worked for siphoning of the said amount.

An amount of around rupees 82 crores was invested through the said fraud person.

5. The dishonesty and malafide intention of the PHFI members is ex-facie clear from the very fact that;

- (i) The amount was given by the Govt. of India for building two public health school campuses but the amount was misappropriated by the accused for unauthorised purposes.

In an order by Home Ministry and as published in an Article in Economic Times published on 21st April 2017, it is clear that, the members of PHFI are misusing the funds for unauthorised purposes such as :- **to lobby media, parliamentarians and government.** PHFI, according to the home ministry, has bank accounts with credits of Rs 223 crore more than what it had declared to the home ministry.



<https://economictimes.indiatimes.com/news/politics-and-nation/mha-order-revoking-license-of-phfi-lists-7-undesirable-activities/articleshow/58294627.cms?from=mdr>

- (ii) The office of the PHFI is at Delhi but surprisingly they invested the amount of Rs. 82 Crores in Mumbai, The amount is around Rs. 108 Crores, according to a whistleblower working in PHFI who revealed the same to journalist Kapil Bajaj

[-https://timesofindia.indiatimes.com/city/mumbai/mumbai-economic-offences-wing-files-four-chargesheets-in-fraud-cases/articleshow/41962416.cms](https://timesofindia.indiatimes.com/city/mumbai/mumbai-economic-offences-wing-files-four-chargesheets-in-fraud-cases/articleshow/41962416.cms)

[-https://dragada.com/kbforyou/2018/02/17/phfis-rs-100-crore-scam-and-ensnaring-of-sree-chitra-tirunal-institute-in-a-corrupt-deal-impostors-club-hurtles-from-fraud-to-fraud-updated/](https://dragada.com/kbforyou/2018/02/17/phfis-rs-100-crore-scam-and-ensnaring-of-sree-chitra-tirunal-institute-in-a-corrupt-deal-impostors-club-hurtles-from-fraud-to-fraud-updated/)

(iv) As published in above article, according to a whistleblower from PHFI, PHFI had redacted its publicly available reports in order to hide the swindle which took place through collusion between scamsters within PHFI and those claiming to represent Dena Bank and Oriental Bank of Commerce (OBC). Head-Finance Amit Chaturvedi, who is directly answerable for the stolen funds, continued to be on the payroll of PHFI while propriety demands he should have been the first to quit or be asked to step down, according to the said whistleblower. The aforementioned swindle took place when PHFI dealt with middlemen of Dena Bank and Oriental Bank of Commerce (OBC) in transferring money into fixed deposits (FDs).



“Funds were transferred to FDs with mere Reddy’s authorization, even though in any well governed organization with checks and balances that would have been the job of a committee of the governing board.” “Fake FD receipts were issued to PHFI and the money was diverted to the third parties.”

<https://dragada.com/kbforyou/2018/02/17/phfis-rs-100-crore-scam-and-ensnaring-of-sree-chitra-tirunal-institute-in-a-corrupt-deal-impostors-club-hurtles-from-fraud-to-fraud-updated/>

(v) K. Srinath Reddy also forged a document (purportedly a copy of the signed and stamped document setting out the composition of PHFI governing body as on 31 March 2006.) and sent it to journalist Kapil Bajaj as an RTI response. This is an offense under the RTI act.

<https://drive.google.com/file/d/1bRHsJbkS4XwEifnMiYtvDBZ4IBBJSC8a/view?usp=sharing>

- (vi) The accused by name Anil Pawar, through whom amount was invested is not on any responsible post but he is a known fraudster and living in a chawl. This leads to only one inference that Mr. Srinath Reddy is hand in glove with that accused.
- (vii) The founder and ex-chairman of PHFI, Rajat Gupta was sentenced to two years in prison and ordered to pay a \$5-million fine by a US judge who termed Indian-American’s **insider trading crimes** as “disgusting” and a “**terrible breach of trust**”. Gupta, 63 was also ordered by US District Judge Jed Rakoff to serve a year of supervised release after the end of his prison term.



Link: <https://www.thehindubusinessline.com/markets/rajat-gupta-gets-2-years-in-jail-for-insider-trading/article23084253.ece>

6. That, law about duty and responsibility and liability of trustees regarding investment of trust money is very clear. It can be seen from the provisions of the **section 20** of the Indian Trust Act.

The three Judge Queen's Bench in the case of **Jonathan Ingham Learoyd And William Edwin Carter And Elizabeth Whiteley [L.R.] 12 App. Cas. 727** in a similar case hold such trustee as guilty of breach of trust and ordered him to pay the amount from his own. It is ruled as under;

“The trustees had not acted with ordinary prudence, and were liable to make good by paying the money with interest at 4 per cent. From the date of the last payment.

Business men of ordinary prudence may, select investments which are more or less of a speculative character; but it is the duty of a trustee to confine himself to the class of investments which are permitted by the trust, and likewise to avoid all investments of that class which are attended with hazard.

In these circumstances, I think it has been established that, at the time of taking the security, the appellants altogether failed to exercise that ordinary amount of care which the law required of them. An improper and unauthorized investment.

Bacon V.C. held the trustees liable to make good the £3000 with interest at 4 per cent. from August 1884³, and this decision was affirmed by the Court of Appeal.



7. That, Three-Judge Bench in the case of **Chapman Vs. Browne (1902)1 Ch. 785** had ruled that, the it was case where trustee invested the trust's money in an improper way without taking proper precaution and legal advice. Case filed against said trustee. Court declared that the investment was a breach of trust. Court further ordered that the defaulting trustee should deposit the said amount in Court. The appeal filed by the defaulter trustee was dismissed with Cost.
8. That the, accused Srinath Reddy is guilty of criminal breach of trust and therefore, liable to be punished u/s 409 of IPC and other provisions of Corruption Act. As per law he is liable to pay the of swindled amount of around Rs. 108 Crore from his pocket. His all movable and immovable properties which are gained out of proceeds of crime is liable to be confiscated, seized and attached.
9. In fact, the concern authority under **Indian Trust Act** or **Members Of Ministry Health And Family Welfare** were bound to initiate proceedings against Mr. Shrinath Reddy for recovery of said amount of Rupees 108 Crores.

But they failed to act promptly. Therefore, their inaction also needs to be enquired as per provisions of Section 218 of IPC.

10. That, section 409 of Indian Penal Code is an offence punishable with life imprisonment for breach of trust. It reads thus;

“409. Criminal breach of trust by public servant, or by banker, merchant or agent.—*Whoever, being in any manner entrusted with property, or with any dominion over property in his capacity of a public servant or in the way of his business as a banker, merchant, factor, broker, attorney or agent, commits criminal breach of trust in respect of that property, shall be punished with*



1[imprisonment for life], or with imprisonment of either description for a term which may extend to ten years, and shall also be liable to fine.”

11. That, **section 52** of Indian Penal Code says that, when no care and caution is taken while doing any act, then it is to be presumed that the act is done in bad faith.

In **Noor Mohamed Mohd. Shah R. Patel Vs. Nadirshah Ismailshah Patel 2003 SCC OnLine Bom 1233**, it is ruled as under;

“It has to be kept in mind that nothing can be said to be done in good faith which is not done with due care and caution. If these ingredients are indicated by the complaint, the Magistrate is obliged to take the cognizance of the complaint so presented before him.”

12. **Criminal liability of other members of PHFI:**

- 12.1. That Hon’ble Supreme Court and various High Courts in India have ruled that, when a **body/society/trust** commits an offense of misappropriation of public money then the members in the **trust/society/body** who did not oppose the proposal or any act of unlawful siphoning of the money are also accused as that of main accused. Hon’ble Supreme Court further said that if other members were innocent then they should have opposed the unlawful act and criminal activities of main accused, here Mr. Srinanth Reddy. Hon’ble Supreme Court observed that, such accused members should not be protected from the rest they don't deserve bail. They need to be arrested and subjected to custodial interrogation.

- 12.2. In **Rajendra Ramdas Chaudhari Vs The State of Maharashtra and The Superintendent of Police MANU/MH/0111/2009**, Hon’ble High Court rejected the bail of such accused and observed as under;



“Misappropriation of public fund. - offenses under section Sections 34, 120-B, 201, 406, 408, 409, 420, 465, 468 and 471 of Indian Penal Code, 1860 (IPC).

The present applicant should have opposed such proposals during the meetings, if he was really innocent. Not only that the applicant has attended the number of meetings and signed the proceedings of the meetings. The argument of the learned A.P.P. that the present applicant is vicariously liable for all the bogus loans, sanctioned during his period, has considerable substance and said the contention cannot be rejected at outright.

The present applicant has not opposed any of the bogus loan cases during the meetings in which he attended and signed the proceedings.

If the arguments of the learned A.P.P. are carefully perused, various instances have been cited by the A.P.P. to show that how the loans are advanced illegally to the persons contrary to the Rules and Regulations of R.B.I., provisions of Maharashtra Co-operative Societies Act and Rules there under and relevant directions issued by the Government from time to time.

Nobody made any attempt to verify whether the borrowers were eligible, whether the proper procedure was followed, whether the sufficient securities were obtained and whether such huge loans were likely to be recovered.

15. The Supreme Court in the case of Narinderjit Singh Sahni and Anr. v. Union of India and Ors. reported in MANU/SC/0644/2001 : AIR2001SC3810 has observed that if accused facing a charge under Sections 406, 409, 420 and 120-B is ordinarily not entitled to invoke the provisions of



Section [438](#) of the Criminal Procedure Code unless it is established that such criminal accusation is not a bona fide one.

16. In the case of *Ram Narain Poply v. Central Bureau of Investigation with Pramod Kumar Monocha v. [Central Bureau of Investigation with Vinayak Narayan Deosthali reported in MANU/SC/0017/2003](#)* : 2003CriLJ4801 the Supreme Court has observed thus: 382. The cause of the community deserves better treatment at the hands of the Court in the discharge of its judicial functions. The Community or the State is not a persona non granta whose cause may be treated with disdain. The entire community is aggrieved if economic offenders who ruin the economy of the State are not brought to book. A murder maybe committed in the heat of moment upon passions being aroused. An economic offences is committed with cool calculation and deliberate design with an eye on personal profit regardless of the consequence to the Community. A disregard for the interest of the community can be manifested only at the cost of forfeiting the trust and faith of the community in the system to administer justice in an even handed manner without fear of criticism from the quarters which view white collar crimes with a permissive eye unmindful of the damage done to the national Economy and National Interest, as was aptly stated in *State of Gujrat v. Mahanlal Jitamalji Porwal and Anr.* A.I.R. 1987 1321.

18. The Supreme Court in the case of *Himanshu Chandravadan Desai and Ors. v. State of Gujrat* reported in 2006 Cri. L.J. 136 while considering bail application of the applicants therein has observed thus:

Accused a Director of Bank and others involved in Bank Scam - Siphoned off funds of Bank worth crores by bogus loans and



fictitious letters of credit in name of their friends, relatives etc. Offence is very serious Evidence showing their prima facie involvement in offence - Having regard to huge amounts involved there is danger of accused absconding, if released on bail, or attempting to tamper with evidence by pressurizing witnesses Refusal of bail is proper.”

12.3. That, the other members who were not present in the meeting **or** who were added as a new member **or** who were not directly concerned can also liable to be made as accused as none of them had made any complaint against the main accused i.e. Mr. Srinanth Reddy, but they tried to cover up his fraud by way of their act of commission and omission.

Therefore, as per section 201, 202, 120(B) & 34 of IPC they all are liable for prosecution.

Section 202 of The Indian Penal Code reads thus;

“202. Intentional omission to give information of offence by person bound to inform. - Whoever, knowing or having reason to believe that an offence has been committed, intentionally omits to give any information respecting that offence which he is legally bound to give, shall be punished with imprisonment of either description for a term which may extend to six months, or with fine, or with both.”

12.5. Hon’ble Supreme Court in the case of **Raman Lal 2001 Cr. L. J. 800** had ruled as under;

“Conspiracy – I.P.C. Sec. 120 (B) – Apex court made it clear that an inference of conspiracy has to be drawn on the basis of circumstantial evidence only because it becomes difficult to get direct evidence on such issue – The offence can only be proved largely from the inference drawn from acts or illegal omission



committed by them in furtherance of a common design – Once such a conspiracy is proved, act of one conspirator becomes the act of the others – A Co-conspirator who joins subsequently and commits overt acts in furtherance of the conspiracy must also be held liable – Proceeding against accused cannot be quashed.”

[Also see: CBI VS Bhupendra Champaklal Dalal 2019 SCC OnLine Bom 140.]

13. Enquiry & action against other public servant under section 218, 120(B) Etc. of IPC sitting at who are at the office of PHFI

13.1. That, many public servants of Union of India (UOI) are or were involved in the meetings at PHFI office. Those in bold are sitting as of 2020.

The details are as under;

Mr. Lav Agarwal, Joint Secretary of MOHFW

Balram Bhargava (DG – ICMR)

Prof Dr. Sunil Kumar (DGHS, MOHFW)

Dr Sanjay Tyagi (Ex Director General of Health Services, MOHFW)

Dr. Soumya Swaminathan (Ex Director General, ICMR)

Prof K Vijayraghavan (Ex Secretary, Department of Biotechnology)

Prasanna Hota (Ex Secretary MOHFW)



Nirmal Ganguly (Ex DG, ICMR)

Vishwa Katoch (Ex Director General ICMR)

TKA Nair (Former Advisor to PMO)

Dr. Montek Singh Ahluwallia (Former Deputy Chair of Planning Commission)

Mr Bhanu Pratap Sharma (Ex Secretary, MOHFW)

Dr Jagdish Prasad (Ex DGHS, MOHFW)

13.2. That, public servants and members involved in the affairs of PHFI were bound to report the frauds committed by Mr Srinath Reddy and other fraudster members of PHFI. But they failed to perform their duty and therefore they are liable for prosecution u/s 201,202, 218,120(B) & 34 Etc. of IPC. The members of PHFI are also in the category of Public Servant as they are getting their salary from funds received by the Govt.

13.3. The section 218 of IPC is concerned with bringing erring public servants to book for falsifying the public records in their charge. The essence of the offence under section 218 is intent to cause loss or injury to any public or person or thereby save any person from legal punishment or save any property from forfeiture or any other charge, **Biraja Prosad Rao Vs. Nagendra Nath, (1985) 1 Crimes 446 (Ori.)**

13.4. The law makes it clear that for punishment under sec 218 of IPC the Actual commission of offence by main accused Srinath Reddy is different and to punish the public servants doing their acts of commission and omission to save accused is sufficient to punish those public servants:-



(i) The actual guilt or innocence of the alleged offender is immaterial if the accused believes him guilty and intends to screen him. **Hurdut Surma, (1967) 8 WR (Cr.) 68.**

(ii) For the purpose of an offence punishable under section 218 the actual guilt or otherwise of the offender alleged as sought to be screened from punishment is immaterial. It is quite sufficient that the commission of a cognizable offence has been brought to the notice of the accused officially and that in order to screen the offender that accused prepared the record in a manner which he knew to be incorrect, **Moti Ram Vs. Emperor, AIR 1925 Lah 461.**

(iii) Where it was proved that the accused's intention in making a false report was to stave off the discovery of the previous fraud and save himself or the actual perpetrator of that fraud from legal punishment, it was held that he was guilty of this offence, **Girdhari Lal, (1886) 8 All 633.**

(iv) Where the accused increased the marks of particular persons for pecuniary benefits during the course of preparing final record for appointment as physical education teacher, it was held that the offence alleged is clearly made out, **Rakesh Kumar Chhabra Vs. State of H.P., 2012 CrLJ 354(HP)**

14. History of fraudster chairman of PHFI:-

14.1. That, Mr. Rajat Gupta was founder & Chairman of PHFI.

14.2. That, Mr. Rajat Gupta was arrested, prosecuted and sentenced for fraud.

Link: <https://www.thehindubusinessline.com/markets/rajat-gupta-gets-2-years-in-jail-for-insider-trading/article23084253.ece>



15. Earlier prosecution of PHFI by Home Ministry and Intelligence Bureau:-

15.1. That, PHFI were also prosecuted by the Intelligence Bureau for their frauds of foreign funds.

15.2. That, in an order by Home Ministry and as published in an Article in Economic Times published on 21st April 2017, it is clear that, the members of PHFI are misusing the funds for unauthorised purposes :

15.3. The seven violations cited by the home ministry against PHFI, which has been receiving a significant chunk of its foreign funding from Bill and Melinda Gates Foundation, include using foreign contributions to lobby media, parliamentarians and government on tobacco control policy issues, “which is prohibited under FCRA“. PHFI, according to the home ministry, has bank accounts with credits of Rs 223 crore more than what it had declared to the home ministry.

15.4. Also, it is alleged to have wrongfully declared Rs 43 crore received for anti-tobacco lobbying when foreign funding during 2009-10 and 2012-13 was received seeking permission of the home ministry for the purpose `research' and `establishment of corpus fund'.

15.5. Another charge against PHFI includes making remittances of Rs 22 crore to foreign countries from its FCRA account and Rs 10.75 crore to BBC World Services Trust, UK “for unknown purpose“.

15.6. The revision order, issued under Section 22 of FCRA, states that PHFI declared only six of its 151 bank accounts to MHA. Of the 151 accounts, 22 are saving or current accounts while 128 are FD accounts. Two bank accounts were used as `transit' accounts for unknown reasons, violating provisions of FCRA and FCRR, 2011, according to the home ministry .



15.7. PHFI was also found to be having more than one PAN identity for opening accounts and FDs, in violation of the Income Tax Act, 1961. Besides, the NGO failed to declare foreign receipts of Rs 1.19 crore from GlaxoSmithKline in 2014-

<https://economictimes.indiatimes.com/news/politics-and-nation/mha-order-revoking-license-of-phfi-lists-7-undesirable-activities/articleshow/58294627.cms?from=mdr>

15.8. The Union health ministry is also said to have taken up the matter with Gauba. His predecessor, Rajiv Mehrishi, who was part of the decision to crack down on PHFI, had refused a review after **both the Intelligence Bureau and the foreigners division of the home ministry said they had made a watertight case against PHFI. Intelligence Bureau officers said they would not buckle under pressure, for the charges hold ground.**

<https://www.theweek.in/theweek/current/foreign-bug.html>

16. That, the PHFI and their dishonest members are influencing the policy of Indian Health ministry in such a way that the ultimate benefit will go to the pharma mafia and wrongful loss will be of Govt. of India and 135 Crore citizen. A detailed article exposing the PHFI members and their modus operandi and their acts of commission and omission to play with the life of Indians to give undeserving benefits to the pharma mafia is published by renowned researcher and scientist Sh. Yohan Tengra.

Link: **India's Covid-19 Task Force & "Experts" Exposed : Conflicts of Interest in Our Public Health System** (An expose by Yohan Tengra.)

<https://awakenindiamovement.com/indias-covid-19-task-force-experts-exposed-conflicts-of-interest-in-our-public-health-system/>

17. A detailed complaint cum notice under sec 80 of CPC is already sent to Hon'ble Health Minister on 23.09.2021. In the said complaint the entire



corruption of the members of PHFI is explained in detail. A copy of said complaint cum notice dated 23.09.2021 is available at following link;

Link:

17. That, the earlier investigation against the arrested accused Anil Pawar is incomplete as the proofs and other aspects given in the present complaint were neither available nor considered by the then Investigating officer. Therefore it is necessary to conduct a thorough investigation to unearth the larger conspiracy to cause a loss of lakhs of Crores to Govt of India with sole intention of giving wrongful gain to pharma mafia and further to play with the life of 135 Crore Indians.

17. Under these circumstances it is just and necessary to;

(i) Immediately arrest Mr. Srinath Reddy and other present and ex-members of PHFI responsible for misappropriation of public money of around 108 Crores and thereby committing offences u/s 409, 201, 202, 120 (B) & 34 of Indian Penal Code and other provisions of Prevention of Corruption Act;

(ii) Recover the misappropriated amount from Mr. Srinath Reddy as per the law laid down by Hon'ble Full Bench and as mentioned in para 6 & 7 of this complaint;

(iii) Direct confiscation, seizure and attachment of all the moveable and immoveable properties and bank accounts of mastermind Srinath Reddy and other accused members of PFHI, Which is earned by them out of the proceeds of crime;

(iv) Conduct the scientific test of accused members of PHFI such as Narco Analysis Test, Lie Detector Test, Brain Mapping Test etc., to bring out the complete truth to the public and to prevent



their anti-national activities to kill Indians and to give profits to the pharma mafia and their Kingpin Bill Gates.

Sincerely



Ambar H. Koiri