



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 18TH DAY OF JUNE, 2026

BEFORE

THE HON'BLE MR. JUSTICE VENKATESH NAIK T

CRIMINAL REVISION PETITION NO.168 OF 2019

BETWEEN:

CENTRAL BUREAU OF INVESTIGATION
(ANTI-CORRUPTION BRANCH)
NO.36, BELLARY ROAD
GANGANAGAR
BENGALURU-560 032
REPRESENTED BY INSPECTOR OF POLICE.

...PETITIONER

(BY SRI P. PRASANNA KUMAR, ADVOCATE)

AND:

1. M/S. ARB TRADING INC.
1ST CROSS, TARIKERE ROAD
SADATH COLONY, NEHRUNAGAR
BHADRAVATHI
SHIMOGA DISTRICT-577 201.
2. SRI RAHAT @ RAHAT HASSAN
S/O. ABDUL RASHEED
PROPRIETOR
M/S. ABB TRADING INC.
1ST CROSS, TARIKERE ROAD
SADATH COLONY, NEHRUNAGAR
BHADRAVATHI
SHIMOGA DISTRICT-577 201.

...RESPONDENTS

(BY SRI RAVINDRA B. DESHPANDE, ADVOCATE)

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THIS CRIMINAL REVISION PETITION IS FILED UNDER SECTION 397 READ WITH SECTION 401 OF THE CR.P.C., PRAYING TO SET ASIDE THAT ORDER DATED 28-4-2018 PASSED BY THE LEARNED XXXII ADDITIONAL CITY CIVIL AND SESSIONS JUDGE AND SPECIAL JUDGE FOR CBI CASES AT BENGALURU (CCH-34) IN SPECIAL CRIMINAL CASE NO.381 OF 2015, THEREBY ALLOWING THE APPLICATION FILED BY THE RESPONDENTS/ACCUSED NOS.8 AND 9 UNDER SECTION 239 OF CR.P.C. AND DISCHARGE THEM FROM THE ABOVE CASE, AND CONSEQUENTLY, ALLOW THE REVISION PETITION.

THIS CRIMINAL REVISION PETITION IS COMING ON FOR HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE VENKATESH NAIK T

ORAL ORDER

The petitioner-Central Bureau of Investigation has filed this petition under Section 397 read with Section 401 of the Code of Criminal Procedure, 1973, (for short, 'Cr.P.C.') praying to set aside the order dated 28.04.2018 passed by the learned XXXII Additional City Civil and Sessions Judge and Special Judge for CBI Cases, Bengaluru, (CCH No.34), in Special Criminal Case No.381 of 2015 in respect of respondent Nos.1 and 2-accused Nos.8 and 9 for discharge.



2. For the sake of convenience, the parties herein are referred to as per their rankings before the trial Court. The petitioner is the *de facto* complainant and respondent Nos.1 and 2 are accused Nos.8 and 9, respectively.

3. The brief facts of the case of the prosecution are that accused No.1 was working as Assistant Manager (Marketing) at M/s. Visveshwaraya Iron & Steel Limited, Bhadravathi, Shivamogga (for short, 'VISL'). Accused No.1 was in-charge of sale of secondary material of the Company, such as pig iron scrap material, etc. Accused Nos.2 to 7 have purchased the secondary material from the VISL. As per guidelines of the VISL, for sale of secondary material, a Committee was constituted for fixing of the prices depending upon the availability of the material. Thereafter, the said price fixed by the Committee has to be informed to the customers and the said customers shall register in the VISL. The secondary material shall be sold to the said registered customers on receiving full value of the material in advance. Accused



No.1 during 31.12.2012 to September, 2013 sold pig iron to accused Nos.2 to 7 on various dates, without receiving full amount of the sale price in advance as per the rules. He manipulated the records and falsely mentioned in the records that entire amount from the said customers were received and issued 'Dispatch Advices' to the said customers to enable them to transport the pig iron.

4. In so far as allegations against accused Nos.8 and 9 are concerned, as per the charge-sheet, they purchased the pig iron and secondary material from accused No.3-M/s. Narayan Steels, loaded it in the lorries and thereafter, created false invoices and sold it to different customers as it was scrap material. Thus, accused Nos.1 to 9 conspired and caused financial loss to the VISL to the tune of Rs.2.70 crore. Hence, they committed the offences punishable under Sections 120B, 420, 409, 468, 471 and 477A of the Indian Penal Code, 1860 (for short, 'IPC'), and Sections 7, 8, 11 and 13(1)(c)



and (e) read with Section 13(2) of the Prevention of Corruption Act, 1988.

5. Heard Sri P. Prasanna Kumar, learned counsel for the petitioner-Central Bureau of Investigation, Sri Ravindra B. Deshpande, learned counsel for respondent Nos.1 and 2-accused Nos.8 and 9, and perused the material available on record.

6. Learned counsel for the petitioner-Central Bureau of Investigation has vehemently contended that accused No.1 in collusion with accused Nos.2 to 7 has sold pig iron, ignoring all the guidelines prescribed for sale of secondary products. Accused No.1 has deliberately not collected full value of pig iron sold to accused Nos.2 to 7 and without sending the records in the normal course, he issued 'Dispatch Advices' and caused loss to tune of Rs.2.70 crore to the VISL. For the said illegal transactions, accused No.1 collected illegal gratification of Rs.7,14,000/- from accused Nos.2 to 6, which is supported by Bank account of accused



No.1 and also reflected in the Bank account of accused No.2. He further contended that accused No.9 is the Proprietor of accused No.8-M/s. A.R.B. Trading Inc. The lorries loaded with pig iron, which were procured in the name of accused Nos.2 to 5 and on coming of the VISL premise, were sent for reporting before accused No.9. Accused No.9 raised fresh invoices in the name of accused No.8 and sent the lorries to different parties, mainly to M/s. Apex Steels, Mysuru, by showing lesser quantity and by mentioning pig iron as scrap. Thus, all the accused in conspiracy with each other, dishonestly misappropriated the property of the VISL and the sold the same by violating the laid down guidelines and causing loss to the tune of Rs.2.70 crore. The learned Special Judge, after appreciating the material on record though was pleased to reject the prayer made by accused Nos.1 to 7 seeking discharge by holding that there are sufficient grounds available as against accused Nos.1 to 7 to frame charge, by taking erroneous view of the facts and circumstances of



the case, allowed the application filed by the respondents-accused Nos.8 and 9 and discharged them of the charges. Hence, he prayed to allow the revision petition.

7. On the other hand, the learned counsel for respondent Nos.1 and 2-accused Nos.8 and 9 has contended that if material produced by the prosecution are taken on its face value, no offences are made out against accused Nos.8 and 9. The material does not disclose that at any point of time, accused Nos.8 and 9 contacted accused No.1 for transportation of pig iron to accused Nos.3 and 4. Further, as per the charge-sheet material, there is no allegation against accused Nos.8 and 9 that they conspired with other accused persons. Therefore, accused Nos.8 and 9 have been falsely implicated in the case without sufficient material evidence in order to frame charge against them. Thus, he justified the order passed by the trial Court. Hence, he prayed to dismiss the revision petition.



8. A perusal of the entire charge-sheet material, more particularly, the statements of CWs.37, 54, 55, 56, 59, 60, 61, 62, 63, 64 and 70, none of the witnesses has stated that accused Nos.8 and 9 hatched a criminal conspiracy with accused Nos.1 to 7 in order to commit the aforesaid offences. As per the case of the prosecution, accused Nos.8 and 9 are involved in offences punishable under Sections 120B and 420 of IPC.

9. Section 120B of IPC reads as under:

"120B. Punishment of criminal conspiracy.--

(1) Whoever is a party to a criminal conspiracy to commit an offence punishable with death, imprisonment for life or rigorous imprisonment for a term of two years or upwards, shall, where no express provision is made in this Code for the punishment of such a conspiracy, be punished in the same manner as if he had abetted such offence.

(2) Whoever is a party to a criminal conspiracy other than a criminal conspiracy to commit an offence punishable as aforesaid shall be punished with imprisonment of either description for a term not exceeding six months, or with fine or with both."



10. Section 420 of IPC reads as under:

"420. Cheating and dishonestly inducing delivery of property.—

Whoever cheats and thereby dishonestly induces the person deceived to deliver any property to any person, or to make, alter or destroy the whole or any part of a valuable security, or anything which is signed or sealed, and which is capable of being converted into a valuable security, shall be punished with imprisonment of either description for a term which may extend to seven years, and shall also be liable to fine."

11. In order to bring home the charge of conspiracy within the ambit of Section 120B of IPC, it is necessary to establish that there was an agreement between the parties for doing an unlawful act. Further, perusal of the entire charge-sheet and the circumstances in the case when taken together on its face value, it does not indicate any meeting of minds between the conspirators, more particularly, accused Nos.8 and 9 for the intended object of committing an illegal act. Merely because accused No.9 transported scrap material, he issued invoices and the



same cannot be held to be adequate for connecting accused Nos.8 and 9 with the commission of the crime of criminal conspiracy. It has to be shown that all means adopted and illegal act done were in furtherance of the object of conspiracy hatched. At this stage, the prosecution material failed to establish that accused Nos.8 and 9 are the beneficiary under the entire plan. None of the above witnesses has stated that the amount was credited to the account of accused Nos.8 and 9 for the transportation of pig iron or scrap material from the account of accused Nos.1 to 7. The charge-sheet material clearly reveals that the lorries loaded with pig iron, which were procured in the names of M/s. Narayan Steels, M/s. Shreya Marketing, M/s. Bhuvan Industries and M/s. Kamrur Traders and on coming out of the VISL premises, were sent for reporting before accused No.9, Proprietor of accused No.8-M/s. A.R.B. Trading Inc., in front of Barandru Petrol Pump, T.K. Road, Bhadravathi. In furtherance of the said conspiracy, accused No.9 has



raised fresh invoices in the name of M/s. A.R.B. Trading Inc., as if he is the owner instead of the VISL and sent the lorries for different parties and mainly to M/s. Apex Steels, Mysuru, by showing lesser quantity and also mentioning the pig iron as scrap.

12. The investigation report further reveals that accused No.9 has arranged lorries from M/s. J.P. Transport and other transporters situated in Bhadravathi and Shivamogga for the purpose of loading of pig iron from the premises of the VISL in the names of M/s. Narayan Steels, M/s. Shreya Marketing, M/s. Bhuvan Industries and M/s. Kamrur Traders and for transportation of the same to the premises of M/s. Apex steels, Mysuru, which clearly establishes that accused No.9 knew that the material is pig iron.

13. Admittedly, accused No.9 is the Proprietor of accused No.8-M/s. A.R.B. Trading Inc. and they are not the registered purchasers of the pig iron. Further, accused



No.9 is said to have provided lorries for transport of pig iron from the premises of the VISL and after the material were taken out of the VISL premises, they were taken to Office of accused No.9, he raised fresh invoices in the name of accused No.8 and sold it to M/s. Apex Steels, Mysuru, as scrap.

14. The charge-sheet material does not indicate that accused No.9 had any conspiracy with accused No.1 or accused No.9 created the records or purchased pig iron himself in the name of accused Nos.2 to 7. There is no material against accused Nos.8 and 9 that they created false and fabricated document and used it as genuine documents. Accused Nos.8 and 9 neither committed criminal breach of trust, nor any misappropriation as defined under Sections 420 and 409 of IPC. Once accused Nos.2 to 7 purchased and brought the goods loaded in the lorries out of premises of the VISL, the Company had no right over the said goods and purchasers have an opportunity and every right to deal with same. Therefore,



accused Nos.1 to 7 have sold the material to accused No.9 and accordingly, accused No.9 issued fresh invoices for transportation of said goods and therefore, it is alleged to be mentioned the invoice as scrap.

15. There is no sufficient material against accused Nos.8 and 9 to frame charges for the offences under Sections 120B and 420 of IPC and they are totally unconnected with the present transactions. If any invoices have been issued in the name of accused No.8, i.e. different aspect and it is not a part of the alleged offences with accused Nos.1 to 7. Therefore, the trial Court has rightly discharged accused Nos.8 and 9 under Section 239 of Cr.P.C. The reasoning assigned by the trial Court is well-founded and no interference is called for. Accordingly, the revision petition filed by the petitioner-Central Bureau of Investigation is ***dismissed***.

16. The observation made herein is only for disposal of this revision petition and the trial Court shall not be



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influenced by this order and it shall decide the matter independently.

Registry is directed to send the trial Court records along with a copy of this order, forthwith.

**Sd/-
(VENKATESH NAIK T)
JUDGE**

KVK
List No.: 1 Sl No.: 15