

THE HON' BLE SRI JUSTICE M. SEETHARAMA MURTI

CRIMINAL REVISION CASE No.739 of 2016

ORDER:

This Criminal Revision Case, under Sections 397 and 401 of the Code of Criminal Procedure, 1973, ('the Code', for brevity) is filed by the petitioner/ Accused Officer no.4 in C.C.No.6 of 2014 on the file of the Court of the learned Special Judge for trial of SPE and ACB Cases-cum-III Additional District & Sessions Judge, Nellore, challenging the order, dated 18.12.2015, passed by the said learned Judge in CrI.M.P.No.15 of 2015 in the afore-stated Calendar Case.

2. I have heard the submissions of Sri *T. Seedhar*, learned counsel for the petitioner/ Accused Officer no.4, and of Sri *P.Udaya Bhaskara Rao*, learned Standing Counsel-cum-Special Public Prosecutor for ACB Cases, representing the respondent/ complainant. I have perused the material record.

3. The facts of the prosecution case, which are required to be stated as a preface to this order, in brief, are as follows:-

A1 is a resident of Ongole town. He is operating a liquor syndicate at Ongole. A2 was employed as an Accountant for maintaining books of accounts with systematic entries. AO3 is Excise Inspector, P & E Station, Sngarayakonda, from 21.12.2009 to 28.01.2012 and retired on 31.05.2012. He had invested huge amounts running into lakhs of rupees and developed vested interests in the Syndicate at Ongole. The petitioner/ Accused officer no.4, (hereinafter, 'Petitioner/ A4') is Inspector, P & E Station, Guntur-1. He earlier worked at Ongole, P & E Station, from 01.01.2010 to 17.07.2012 and was having jurisdiction over three shops in Ongole town and 4 shops in Tangutur of Ongole of the wine syndicate. Three more shops were located in Ponnalur Mandal. On credible information, the ACB officials conducted a surprise check in Karimnagar Town, on 13.12.2011, and intercepted a TATA

Vista Vehicle belonging to P & E officials wherein an amount of Rs.3,62,640/- was seized under the cover of a Panchanaama. As the same was suspected to be collected as bribe from owners of the wine shops for doing favours to them, a case in Crime No.15/ RCO-KNR/ 2011 was registered, on 14.12.2001, against the petitioner/ A4 and three others for the offences punishable under Sections 13(1)(a)(d) of Prevention of Corruption Act, 1988 ['the PC Act', for short] and Sections 120-B and 34 of Indian Penal Code, 1860, ('IPC', for short) and Sections 41(1)(a) and 102 of the Code. Investigation revealed that the money that was seized was collected illegally from owners of some wine shops of Karimnagar District who formed themselves as a group/ syndicate for not taking any action for violations of Excise laws, Rules and licence conditions, such as sale of liquor over and above the maximum retail price, selling cheap liquor, operation of illegal belt shops, sale of liquor beyond the stipulated business hours, sale of loose liquor for consumption at the shops without licences or permissions etcetera. On the request of the Deputy Superintendent of Police, ACB, Karimnagar, searches were conducted, on 16.12.2011, at the liquor syndicate premises located at first floor of a building at Ambedkarm Bhavan Road, Indira Colony, Ongole; and, during such search a made-up file and 2 registers were seized under the cover of a mediators report. The data in them contained details pertaining to sales and expenditures, entries of DDs drawn in favour of APBCL Limited by the syndicate office, and monthly 'mamools' paid to the Government Officials and other relevant entries for the running business for the period from 01.07.2010 to 11.12.2011. The analysis of the seized record disclosed that the members of the Ongole syndicate who are running 10 wine shops in Ongole, Tangutur and Ponnalur Mandals formed themselves into an informal group/ syndicate and A1 was designated as its leader and that A2 was appointed as an accountant maintained the accounts and seized records. The systematically made entries in the made up file and registers disclosed that mamools

received by the excise and police officials from the wine shops through the syndicate from 01.07.2010 to 11.12.2011. During the said period, the excise officials received Rs.45,32,034/- towards mamools and police officials received Rs.16,08,835/- towards their mamools. As the above seized documents disclosed collusion and corruption, the DSP, ACB, Nellore range after obtaining necessary permission registered the case in Crime No.3/ RCO-NPK/ 2012, for the offences punishable under Sections 7, 8, 12 and 13 (1)(a)(d) read with 13(2) of the PC Act and for the offences punishable under Sections 120(B), 34 and 109 of IPC and took up investigation. On 27.01.2012, the DSP, ACB, Kurnool, conducted searches in the presence of mediators. On the same day, Inspector of police ACB, Prakasam, conducted searches in the house of AO3 in the presence of mediators and seized SBI pass book, ATM card and some papers like salary certificate, GPF slips etcetera and a diary. Again, on 07.02.2012, the said Inspector of police conducted searches in the house of A2 in the presence of mediators and seized one small note book containing writings of A2. During investigation, various witnesses were examined. Investigation revealed that A1 operated the syndicate along with other members of the syndicate by engaging A2 as accountant to collectively control the law enforcing agencies. The made up files and registers disclosed that mamools were paid to the officers and they were entered in the records maintained in the office of the syndicate along with the day to day transactions of the syndicate. A2 made a confessional statement in the presence of mediators and it disclosed that mamools were given by A1 & A2 to the officers of Excise and police departments and others. Search proceedings were conducted at the office of Excise Station, Ongole, and Excise Station, Markapur, on 06.03.2012, in the presence of mediators. The said search proceedings disclosed seizure of A4 Gazette serial files and the details of ownership of the shops of the syndicate members, payments of fee to the nowkarnamas licences, and challan remittance particulars of 10 shops of the

Ongole syndicate in it. The said nowkarnama licences were found to have been filled by A2 and other members of staff of syndicate office. The seized records disclosed that liquor stocks are being lifted by Abburi Venkat Rao Syndicate for all the ten shops. Investigation also revealed that the actual owner of Sri Venkateswara Wines is not financially sound to run the business and that the business is being run by Ongole syndicate. A few number of cases are only registered for statistical purpose. Excise officials in connivance with the syndicate leader and other members over looked various omissions and commissions and violations of licence conditions etcetera by the wine shops owners and members of syndicate. A1 and the members of the syndicate collectively controlled the law enforcing agencies. A1 to A4, thus, conspired with a common intention. Under the leadership of A1, illegal bribes were paid by pooling the bribe amounts from the amounts of ten wine shops of the syndicate and public servants were induced by corrupt and illegal means to show official favours and to over look the contravention of Excise laws, Rules and licence conditions; and, all the accused are habitually committing the offences. Hence, the charge sheet is filed opining that all the accused are liable to be punished for the various offences committed by them. The Court below took cognizance of the case for the aforementioned offences and a case in C.C.No.6 of 2014 was taken on file.

3.1 In the said Calendar Case, the petitioner herein/ A4 filed the subject interlocutory application under Section 239 of the Code requesting to discharge him from the case. The respondent/ complainant/ State filed a counter and opposed his request for discharge. On merits and by the order impugned in this Criminal Revision Case, the Special Court dismissed the petition. Aggrieved thereof, the petitioner/ A4 is before this Court.

4. The case of the petitioner/ A4, in support of his petition filed before the Court below to discharge him from the Calendar Case, in brief, is as follows:-

The petitioner/ A4 is no way concerned with the alleged offences. There is no whisper or attribution of anything in particular against the petitioner/ A4 by the respondent, except a bald allegation in the charge-sheet that he, being the Prohibition and Excise Inspector at the relevant point of time, allowed irregularities in wine shops of the Syndicate in connivance with the members of the syndicate by overlooking various omissions and commissions and violation of license conditions etcetera by the wine shop owners. The respondents registered the case against him without any basis in an omnibus manner based on the case in Crime No.15/ RCO-KNR/ 2011 on which basis, the raids were conducted. There is no *prima facie* material to prove the allegations levelled against this petitioner/ A4 and to proceed against him. The alleged records/ documents said to have been seized from the alleged syndicate do not show any nexus with the alleged case registered against the petitioner/ A4. The allegation that irregularities took place during his tenure as Prohibition and Excise Inspector is only a hypothetical assumption of the respondent/ complainant. The allegations levelled against the petitioner and the averments in the charge-sheet are only invented so as to implicate him in the case. The petition for discharge is liable to be allowed and the petitioner/ A4 is entitled to be discharged from the case.

5. The case of the respondent/ complainant, as per the counter filed before the Court below and the submissions made, in brief, is as follows:-

The petition is neither maintainable under law nor on facts. The allegations of the petitioner/ A4 that except the imagination of the investigating officer there is no material and that no incriminating material is collected by the investigating officer against the petitioner/ A4 and that this petitioner had no authority over the wine shops mentioned in his application

and that he never did any official favour to anyone and that none of the witnesses spoke about his involvement in the alleged offences and that the allegations against him are all false and invented for the purpose of filing this vexatious case, are all false. The ACB officials thoroughly investigated the case against the petitioner herein/ A4 and the other accused. The charge-sheet was filed, after securing required standard of oral and documentary evidence and after scrutiny of the same and after getting sanction to prosecute the petitioner/ A4. The truth or otherwise of the prosecution case has to be appreciated after giving opportunity to both side to lead evidence. At the time of framing charges, the Court has to only look into the material produced by the prosecution to just know as to whether a *prima facie case* is made out or not, but the evidence produced need not be examined in a meticulous manner. The prosecution has got ample evidence to establish that the petitioner herein/ A4 misused his official position. The petitioner received bribes from the liquor syndicate and also advanced finances to the liquor syndicate, as is evident from the made-up files seized by the prosecution. The searches conducted by ACB officials and documents seized proved that the petitioner in collusion and in connivance with the syndicate misused his official position and allowed irregularities to be committed; and, having opted for corrupt practices showed official favour to the liquor syndicate and failed to take proper action against the wine shop owners and members of the syndicate. The petitioner failed to inspect the wine shops properly and had wantonly failed to take action against the shop owners/ licence holders who violated the Excise Laws, Rules and the licence conditions. The petitioner is liable for his misconduct and for the offences which he was stated to have committed as opined in the charge sheet. After proper investigation only, the charge-sheet was laid. The petitioner by filing the present petition to discharge has chosen a short method to escape from criminal liability. The

grounds mentioned in the petition are untenable and there are no merits in the petition. The petition is liable to be dismissed.

6. As already stated supra, on merits and by the order impugned in this Criminal Revision Case, the Court below dismissed the petition of the petitioner.

7. At the hearing, the learned counsel for the petitioner/ A4 while denying the complicity of the A4 and the allegations against the said accused in entirety, would submit as follows:-

The allegations in the charge sheet and the entire material on record even if taken on their face value do not disclose the existence of the ingredients constituting the offences alleged and that the allegations in entirety do not disclose even a *prima facie* case for framing charges; and, that the proposed charges alleged are groundless. The petitioner is erroneously charge sheeted for the alleged offences. The order of the Court below is unsustainable. The Special Court failed to appreciate the facts correctly and the legal position obtaining in proper perspective. The Special Court failed to take note that a plain consideration of the entire material before it does not disclose a *prima facie* case against the petitioner/ A4. The Special Court ought to have seen that there is no evidence *prima facie* showing the complicity of the petitioner/ A4 and that even on acceptance of the case on its face value, there is no possibility of establishing the guilt of the petitioner/ A4 for the alleged offences. There is no basis to proceed against the petitioner/ A4. The Court below misread the facts and misinterpreted the legal aspects. The Court below was not correct in drawing presumptions. The reasoning in the order of the Court below is erroneous. No precise particulars like the bribes given, the details with dates of the bribes given and the amounts of bribes given are conspicuously absent in the prosecution evidence and material produced before the Court. There is only a vague and dubious reference of payment of alleged mamools to the Excise

Officials and Police Officers etcetera, and on such baseless allegations, the petitioner is falsely implicated in the crime.

8. The learned Public Prosecutor while supporting the orders of the Court below reiterated the case of the prosecution which is stated supra. His submissions are already adverted to while stating the case of the respondent herein.

9. Before proceeding further, it is profitable to refer to the undisputed legal position obtaining. A charge can be framed against an accused in a case where the prosecution has placed on record sufficient evidence to show a prima facie case against him under a particular penal provision of law. In case the prosecution fails in its primary duty to show a prima facie case to proceed against the accused i.e., when the Court comes to the conclusion that there is no sufficient ground to proceed against the accused, he shall be discharged forthwith under Section 227 CrPC. It is a well settled principle of Criminal Jurisprudence that a Court would not require the prosecution to prove its case beyond any shadow of doubt at the time of framing of the charge as it is required to do so only at the time of conclusion of its case in order to bring home the guilt of the accused. At the stage of framing of charge or at the time of considering the request made by the accused for quashing the proceedings, the prosecution is under an obligation to place only that much material against the accused which may be sufficient enough in the circumstances of a given case to draw a presumption that the accused has committed an offence. Further, in *Niranjan Singh Karam Singh Punjabi v. Jitendra Bhimraj Bijja and others* [1990 Cri L.J. 1869], the Supreme Court held as follows: "From the above discussion it seems well settled that at the Section 227-228 stage the Court is required to evaluate the material and documents on record with a view to finding out if the facts emerging there from taken at their face value disclose the existence of all the ingredients

constituting the alleged offence. The Court may for this limited purpose sift the evidence as it cannot be expected even at that initial stage to accept all that the prosecution states as gospel truth even if it is opposed to common sense or the broad probabilities of the case." In *Union of India v. Prafulla Kumar Samal and another* [1979CriLJ154], the Supreme Court held as follows: "The Judge while considering the question of framing the charges under Section 227 of the Code has the undoubted power to sift and weigh the evidence for the limited purpose of finding out whether or not a prima facie case against the accused has been made out. Where the materials placed before the Court disclose grave suspicion against the accused, which has not been properly explained, the Court will be fully justified in framing a charge and proceeding with the trial. The test to determine a prima facie case would naturally depend upon the facts of each case and it is difficult to lay down a rule of universal application. By and large however if two views are equally possible and the Judge is satisfied that the evidence produced before him while giving rise to some suspicion but not grave suspicion against the accused, he will be fully within his right to discharge the accused. In exercising his jurisdiction under Section 227 the Judge which under the present Code is a senior and experienced Judge cannot act merely as a Post Office or a mouthpiece of the prosecution, but has to consider the broad probabilities of the case, the total effect of the evidence and the documents produced before the Court, any basic infirmities appearing in the case and so on. This however does not mean that the Judge should make a roving enquiry into the pros and cons of the matter and weigh the evidence as if he was conducting a trial."

9.1 The learned counsel for the petitioner relied upon the following undisputed propositions in the following decisions: (i) *Dilawar Balu Kurane vs. State of Maharashtra*¹, the Supreme Court held as follows: "In exercising

¹ (2002) 2 SCC 135

powers under Section 227 of the Code of Criminal Procedure, the settled position of law is that the Judge while considering the question of framing the charges under the said section has the undoubted power to sift and weigh the evidence for the limited purpose of finding out whether or not a *prima facie* case against the accused has been made out; where the materials placed before the court disclose grave suspicion against the accused which has not been properly explained the Court will be fully justified in framing a charge and proceeding with the trial; by and large if two views are equally possible and the Judge is satisfied that the evidence produced before him while giving rise to some suspicion but not grave suspicion against the accused, he will be fully justified to discharge the accused, and in exercising jurisdiction under Section 227 of the Code of Criminal Procedure, the Judge cannot act merely as a post office or a mouthpiece of the prosecution, but has to consider the broad probabilities of the case, the total effect of the evidence and the documents produced before the court but should not make a roving enquiry into the pros and cons of the matter and weigh the evidence as if he was conducting a trial [See *Union of India v. Prafulla Kumar Samal and Anr.* 1979CrLJ154].” In *Central Bureau of Investigation v. K. Narayana Rao*² it was held as follows: “if the evidence which the prosecution proposes to adduce proves the guilt of the accused even if fully accepted before it is challenged in cross-examination or rebutted by the defendant evidence, if any, cannot show that the accused committed the offence, then there will be no sufficient ground for proceeding with the trial.” *B.S. Neelakanta v. State of A.P.*³ is also relied upon in support of the same proposition, which is stated *supra*. In this cited case, this Court referred to the proposition of law stated in *CBI v. K. Narayana Rao (supra)*. In *State and Ors. vs. Bhupinder Singh Bisht and Ors.*⁴, the High Court of Delhi on consideration of the authorities

² (2012) 9 SCC 512

³ 2014(1) ALD (CrI) 611 (AP)

⁴ 220(2015)DLT266

about the scope of Section 227 and 228 of the Code, observed that the following principles emerge: (i) The Judge while considering the question of framing the charges Under Section 227 of the Code of Criminal Procedure has the undoubted power to sift and weigh the evidence for the limited purpose of finding out whether or not a *prima facie* case against the accused has been made out. The test to determine *prima facie* case would depend upon the facts of each case. (ii) Where the materials placed before the Court disclose grave suspicion against the accused which has not been properly explained, the Court will be fully justified in framing a charge and proceeding with the trial. (iii) The Court cannot act merely as a Post Office or a mouthpiece of the prosecution but has to consider the broad probabilities of the case, the total effect of the evidence and the documents produced before the Court, any basic infirmities etc. However, at this stage, there cannot be a roving enquiry into the pros and cons of the matter and weigh the evidence as if he was conducting a trial. (iv) If on the basis of the material on record, the Court could form an opinion that the accused might have committed offence, it can frame the charge, though for conviction the conclusion is required to be proved beyond reasonable doubt that the accused has committed the offence. (v) At the time of framing of the charges, the probative value of the material on record cannot be gone into but before framing a charge the Court must apply its judicial mind on the material placed on record and must be satisfied that the commission of offence by the accused was possible. (vi) At the stage of Sections 227 and 228, the Court is required to evaluate the material and documents on record with a view to find out if the facts emerging therefrom taken at their face value discloses the existence of all the ingredients constituting the alleged offence. For this limited purpose, sift the evidence as it cannot be expected even at that initial stage to accept all that the prosecution states as gospel truth even if it is opposed to common sense or the broad probabilities of the case. (vii) If two views are possible and one of

them gives rise to suspicion only, as distinguished from grave suspicion, the trial Judge will be empowered to discharge the accused and at this stage, he is not to see whether the trial will end in conviction or acquittal.

10. I have carefully gone through the material record. The case of the prosecution is already stated in paragraph no.3 of this order. The case of the prosecution as is evident from the material brought on record, when examined in the light of the legal position adverted to supra, makes out a *prima facie* case as well as a sufficient case for proceeding against the petitioner/ A4. The allegations in the charge sheet and the entire material on record when taken on their face value do disclose the existence of the ingredients constituting the offences alleged, in the considered view of this Court. Hence, the contention of the petitioner/ A4 that the allegations in entirety do not disclose even a *prima facie* case for framing charges and that the proposed charges alleged are groundless, is a contention, which needs no countenance. Further, there is no need at this stage to form an opinion that petitioner-A4 is certainly guilty of the offences alleged against him. This Court examined the issue involved, keeping in view the limited scope of interference and the restricted ambit of jurisdiction and also the afore-sated settled legal position and guidance in the decision in State of Rajasthan v. Fatehkaran Mehdu⁵. On consideration of the broad probabilities of the case, the total effect of evidence including the documents produced before the Court and in the absence of any basic infirmities in the case warranting acceptance of the request of the petitioner/ A4 and also in view of the limited scope of jurisdiction, which vests with the Court, it is noticeable that this is a case where a final adjudication of the proposed charges against the petitioner/ A4 has to be made only after oral and documentary evidence is adduced in a full-fledged trial.

⁵ 2017 (1) ALD (CrI) 842 (SC)

11. Before parting it is apt to note that the learned counsel for petitioner relied upon the decision in L.K. Advani vs. Central Bureau of Investigation⁶. In the said decision, the High Court of Delhi observed that the entries in the books of account by themselves are not sufficient enough to fasten the liability on the head of a person against whom they are produced and that they are not a substantive piece of evidence and that the said entries in the books of account can be used only by way of corroboration to other pieces of evidence which is led by a party. Placing reliance on the above observations it is contended by the learned counsel for the petitioner/ A4 that based on entries in made up file or a register or an account book of a third party no liability can be fastened against the petitioner/ A4 herein and hence, the alleged entries in the books of account and registers by themselves are of no avail to the prosecution. In reply, the learned special Public Prosecutor contended that in the case on hand the seized books of accounts or registers are regularly maintained and that the entries therein are regularly made in the course of businesses of the group of shops/ syndicate shops and that books of accounts are not the only pieces of evidences and that there are other evidences collected during searches and seizures conducted, and that such evidences include evidences like seizures of made up file, registers and cash, and confessional statements of the accused and statements of the witnesses examined during the course of investigation besides information secured from other departments etcetera and that, therefore, the observation in the cited decision do not advance the case of the petitioner/ A4. Be it noted that Section 10 of the Evidence Act reads as under:- "Where there is reasonable ground to believe that two or more persons have conspired together to commit an offence or an actionable wrong, anything said, done or written by any one of such persons in reference to their common intention, after the time when such intention was first entertained by any one of them, is a relevant fact as against each of the

⁶ 66(1997)DLT618

persons believed to be so conspiring, as well for the purpose of proving the existence of the conspiracy as for the purpose of showing that any such person was a party to it.” Be it also noted that Section 10 of the Evidence Act is an exception to the rule of hearsay as is Section 21 of the Evidence Act. The said section is based on the principle of agency. However, to make a piece of evidence admissible under the said section it must be prima facie shown that: (a) there was a conspiracy; (b) if the conspiracy is shown to be in existence in that, eventuality anything said, done or written by any of the persons who are members of the said conspiracy would be admissible against any one of the co-conspirators; (c) the said thing done or written by any of such co-conspirators must be in reference to their common intention in order to be made admissible in evidence; and (d) the said piece of evidence would also be relevant for the said purpose against any other co- conspirator who entered the conspiracy irrespective of the fact whether the said thing was done or written before he entered the conspiracy or after he left it. Further, if this Court is to consider the contentions of the petitioner/ A3, in detail, at this stage, this Court would be clutching at the jurisdiction of the Special Court. It is also apt to note infra, the following ratio in *Suresh Chandra Bahri v. State of Bihar* with *Gurbachan Singh* [1995 (Supp) 1 SCC 80].

‘In other words, where the conspiracy alleged is with regard to commission of a serious crime of the nature as contemplated in Section 120-B read with the proviso to sub-section (2) of Section 120-A of the IPC, then in that event mere proof of an agreement between the accused for commission of such a crime alone is enough to bring about a conviction under Section 120-B and the proof of any overt act by the accused or by any one of them would not be necessary. The provisions in such a situation do not require that each and every person who is a party to the conspiracy must do some overt act towards the fulfilment of the object of conspiracy, the essential ingredient being an agreement between the conspirators to commit the crime and if these requirements and ingredients are established the act would fall within the trapping of the provisions contained in Section 120-B since from its very nature

a conspiracy must be conceived and hatched in complete secrecy, because otherwise the whole purpose may be frustrated and it is common experience and goes without saying that only in very rare cases one may come across direct evidence of a criminal conspiracy to commit any crime and in most of the cases it is only the circumstantial evidence which is available from which an inference giving rise to the conclusion of an agreement between two or more persons to commit an offence may be legitimately drawn.'

Therefore, it is premature for this Court to record any finding on the existence of or otherwise of criminal conspiracy and connivance amongst the accused including the petitioner/ A4 who is also said to be a party to such conspiracy and connivance and suffice it to say that the present case is not a fit case to invoke the jurisdiction at this stage and discharge the petitioner-accused herein.

12. On the above analysis and for the reasons assigned supra, this Court finds that the request of the petitioner/ A4 to discharge him from the calendar case does not merit consideration and that the Special Court is justified in dismissing the petition of the petitioner/ A4 and that this revision case is liable for dismissal. However, it is needless to state that this Court did not express any opinion on the merits of the matter and it is always open to the petitioner/ A4 to raise before the trial Court all the defences, which the facts and law permit.

13. In the result, the Criminal Revision Case is dismissed.

Miscellaneous petitions pending, if any, shall stand closed.

21.09.2017
BVV

M. SEETHARAMA MURTI, J