

(2004) 7 Supreme Court Cases 763 : 2004 Supreme Court Cases (Cri) 2140

(BEFORE ARIJIT PASAYAT AND C.K. THAKKER, JJ.)

STATE by police inspector . . Appellant;

Versus

T. VENKATESH MURTHY . . Respondent.

Criminal Appeal No. 997 of 2004⁺, decided on September 10, 2004

Prevention of Corruption Act, 1988 — Ss. 19(3) and (4) — Offences under the Prevention of Corruption Act — Invalid sanction — Effect of — Merely because there is any omission, error or irregularity in the matter of according sanction that does not affect the validity of the proceeding unless the court records the satisfaction that such error, omission or irregularity has resulted in failure of justice — The said logic applies to the appellate or revisional court also — On facts, sanction granted by the Superintending Engineer of the Karnataka Electricity Board was not sufficient to prosecute the accused — Trial court discharging accused, but granting liberty to prosecution to obtain fresh sanction and file a fresh charge-sheet — Revision before High Court by State — Dismissal of — Held, courts below had not kept in view the requirements of sub-ss. (3) and (4) relating to “failure of justice” — Orders of the courts below set aside — Trial court directed to record findings in terms of sub-ss. (3)(b) and (4) — Service Law — Karnataka Electricity Board Employees’ (Classification, Disciplinary Control and Appeal) Regulations, 1987 — Words and phrases — “Failure of justice” — Criminal Procedure Code, 1973, Ss. 465 and 401

Allowing the appeal, the Supreme Court

Held :

A combined reading of sub-sections (3) and (4) of Section 19 of the Prevention of Corruption Act, 1988 makes the position clear that notwithstanding anything contained in the Criminal Procedure Code, 1973, no finding, sentence and order passed by a Special Judge shall be reversed or altered by a court in appeal, confirmation or revision on the ground of the absence of, or any error, omission or irregularity in the sanction required under sub-section (1), unless in the opinion of that court a failure of justice has in fact been occasioned thereby.

(Para 7)

Clause (b) of sub-section (3) shows that no court shall stay the proceedings under the Act on the ground of any error, omission or irregularity in the sanction granted by the authority, unless it is satisfied that such error, omission or irregularity has resulted in a failure of justice.

(Para 8)



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Sub-section (4) postulates that in determining under sub-section (3) whether the absence of, or any error, omission or irregularity in the sanction has occasioned or resulted in a failure of justice, the court shall have regard to the fact whether the objection could and should have been raised at any earlier stage in the proceedings.

(Para 9)

In the instant case neither the trial court nor the High Court appear to have kept in view the requirements of sub-section (3) relating to question regarding “failure of justice”. Merely because there is any omission, error or irregularity in the matter of according sanction, that does not affect the validity of the proceeding unless the court records the satisfaction that such error, omission or irregularity has resulted in failure of justice. The same logic also applies to the appellate or revisional court. The requirement of sub-section (4) about raising the issue at the earliest stage has not been also considered. Unfortunately, the High Court by a practically non-reasoned order, confirmed the

order passed by the learned trial Judge. The orders are, therefore, indefensible.

(Para 14)

Town Investments Ltd. v. Deptt. of Environment, (1977) 1 All ER 813 : 1978 AC 359 : (1977) 2 WLR 450 (HL); *Shamnsaheb M. Multtani v. State of Karnataka*, (2001) 2 SCC 577 : 2001 SCC (Cri) 358; *State of M.P. v. Bhooraji*, (2001) 7 SCC 679 : 2001 SCC (Cri) 1373, referred to

W-M/Z/30495/CR

Advocates who appeared in this case:

Sanjay R. Hegde, Advocate, for the Appellant;

G.V. Chandrashekhar and P.P. Singh, Advocates, for the Respondent.

Chronological list of cases cited

on page(s)

1. (2001) 7 SCC 679 : 2001 SCC (Cri) 1373, *State of M.P. v. Bhooraji* 767f
2. (2001) 2 SCC 577 : 2001 SCC (Cri) 358, *Shamnsaheb M. Multtani v. State of Karnataka* 767b
3. (1977) 1 All ER 813 : 1978 AC 359 : (1977) 2 WLR 450 (HL), *Town Investments Ltd. v. Deptt. of Environment* 767a-b

The Judgment of the Court was delivered by

ARIJIT PASAYAT, J. Leave granted.

2. The scope and ambit of Section 19 of the Prevention of Corruption Act, 1988 (in short "the Act") falls for consideration in this appeal. The State of Karnataka calls in question legality of the judgment rendered by a learned Single Judge of the Karnataka High Court. The High Court upheld the order of discharge passed by the trial court. The respondent-accused was discharged in a criminal trial by the said order.

3. Background facts necessary for disposal of the appeal in a nutshell are as follows:

A charge-sheet was filed against the respondent (hereinafter referred to as "the accused") for commission of offences relatable under Sections 7, 13(1)(d) read with Section 13(2) of the Act. Charges were framed by the trial court under the aforesaid provisions. Evidence of witnesses had also been recorded. At that stage the Public Prosecutor filed an application stating that in view of some earlier judgments of the High Court, question relating to validating a sanction for prosecution was to be adjudicated first. The accused had no objection to it. Undisputedly, the sanction was accorded by the



Superintending Engineer of the Karnataka Electricity Board (hereinafter referred to as "the Board"). The trial court referred to the Karnataka Electricity Board Employees' (Classification, Disciplinary Control and Appeal) Regulations, 1987 (in short "the Regulations") and held that the sanction accorded by the Superintending Engineer was not sufficient to prosecute the accused. Consequently, it was held that the accused was entitled to discharge for the time being for the grant of invalid sanction. However, liberty was given to the prosecution to obtain fresh sanction and to

file a fresh charge-sheet. The order was assailed before the Karnataka High Court on the ground that even if it is conceded that the sanction was defective, that did not entitle the accused to an order of discharge. By the impugned order the revision application filed under Section 397 read with Section 401 of the Code of Criminal Procedure, 1973 (in short "the Code"), was dismissed.

4. In support of the appeal learned counsel for the State submitted that even if it is conceded for the sake of arguments that the sanction was defective, that did not entitle the accused to an order of discharge. It was required to be shown by the accused as to how any prejudice was caused or there was failure of justice. It was also pointed out that the order of the High Court is practically non-reasoned and no reason was assigned for accepting the view of the trial court.

5. Per contra, learned counsel for the respondent-accused submitted that the sanction was sine qua non for prosecution. In the absence of a valid sanction the proceedings could not be continued and therefore the trial court was right in its conclusion.

6. Section 19 is a part of Chapter 5 of the Act which deals with "Sanction for Prosecution and Other Miscellaneous Provisions". This section has four sub-sections which read as follows:

"19. Previous sanction necessary for prosecution.—(1) No court shall take cognizance of an offence punishable under Sections 7, 10, 11, 13 and 15 alleged to have been committed by a public servant, except with the previous sanction,—

(a) in the case of a person who is employed in connection with the affairs of the Union and is not removable from his office save by or with the sanction of the Central Government, of that Government;

(b) in the case of a person who is employed in connection with the affairs of a State and is not removable from his office save by or with the sanction of the State Government, of that Government;

(c) in the case of any other person, of the authority competent to remove him from his office.

(2) Where for any reason whatsoever any doubt arises as to whether the previous sanction as required under sub-section (1) should be given by the Central Government or the State Government or any other authority, such sanction shall be given by that Government or authority which would have been competent to remove the public servant from his office at the time when the offence was alleged to have been committed.



(3) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974),—

(a) no finding, sentence or order passed by a Special Judge shall be reversed or altered by a court in appeal, confirmation or revision on the ground of the absence of, or any error, omission or irregularity in, the sanction required under sub-section (1), unless in the opinion of that court, a failure of justice has in fact been occasioned thereby;

(b) no court shall stay the proceedings under this Act on the ground of any error, omission or irregularity in the sanction granted by the authority, unless it is satisfied that such error, omission or irregularity has resulted in a failure of

justice;

(c) no court shall stay the proceedings under this Act on any other ground and no court shall exercise the powers of revision in relation to any interlocutory order passed in any inquiry, trial, appeal or other proceedings.

4. In determining under sub-section (3) whether the absence of, or any error, omission or irregularity in, such sanction has occasioned or resulted in a failure of justice the court shall have regard to the fact whether the objection could and should have been raised at any earlier stage in the proceedings.

Explanation.—For the purposes of this section,—

(a) error includes competency of the authority to grant sanction;

(b) a sanction required for prosecution includes reference to any requirement that the prosecution shall be at the instance of a specified authority or with the sanction of a specified person or any requirement of a similar nature.”

7. A combined reading of sub-sections (3) and (4) makes the position clear that notwithstanding anything contained in the Code no finding, sentence and order passed by a Special Judge shall be reversed or altered by a court in appeal, confirmation or revision on the ground of the absence of, or any error, omission or irregularity in the sanction required under sub-section (1), unless in the opinion of that court a failure of justice has in fact been occasioned thereby.

8. Clause (b) of sub-section (3) is also relevant. It shows that no court shall stay the proceedings under the Act on the ground of any error, omission or irregularity in the sanction granted by the authority, unless it is satisfied that such error, omission or irregularity has resulted in a failure of justice.

9. Sub-section (4) postulates that in determining under sub-section (3) whether the absence of, or any error, omission or irregularity in the sanction has occasioned or resulted in a failure of justice, the court shall have regard to the fact whether the objection could and should have been raised at any earlier stage in the proceedings.

10. Explanation appended to the section is also of significance. It provides, that for the purpose of Section 19, error includes competency of the authority to grant sanction.



11. The expression “failure of justice” is too pliable or facile an expression, which could be fitted in any situation of a case. The expression “failure of justice” would appear, sometimes, as an etymological chameleon (the simile is borrowed from Lord Diplock in *Town Investments Ltd. v. Deptt. of Environment*¹). The criminal court, particularly the superior court, should make a close examination to ascertain whether there was really a failure of justice or it is only a camouflage. (See *Shamnsaheb M. Multtani v. State of Karnataka*².)

12. It would also be relevant to take note of Sections 462 and 465 of the Code, which read as follows:

“462. *Proceedings in wrong place.*—No finding, sentence or order of any criminal court shall be set aside merely on the ground that the inquiry, trial or other proceedings in the course of which it was arrived at or passed, took place in a wrong sessions division, district, sub-division or other local area, unless it appears that such error has in fact occasioned a failure of justice.

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465. *Finding or sentence when reversible by reason of error, omission or irregularity.*—(1) Subject to the provisions hereinbefore contained, no finding, sentence or order passed by a court of competent jurisdiction shall be reversed or altered by a court of appeal, confirmation or revision on account of any error, omission or irregularity in the complaint, summons, warrant, proclamation, order, judgment or other proceedings before or during trial or in any inquiry or other proceedings under this Code, or any error, or irregularity in any sanction for the prosecution, unless in the opinion of that court, a failure of justice has in fact been occasioned thereby.

(2) In determining whether any error, omission or irregularity in any proceeding under this Code, or any error, or irregularity in any sanction for the prosecution has occasioned a failure of justice, the court shall have regard to the fact whether the objection could and should have been raised at an earlier stage in the proceedings."

13. In *State of M.P. v. Bhooraji*³ the true essence of the expression "failure of justice" was highlighted. Section 465 of the Code in fact deals with "finding or sentences when reversible by reason of error, omission or irregularity", in sanction.

14. In the instant case neither the trial court nor the High Court appear to have kept in view the requirements of sub-section (3) relating to question regarding "failure of justice". Merely because there is any omission, error or irregularity in the matter of according sanction, that does not affect the validity of the proceeding unless the court records the satisfaction that such error, omission or irregularity has resulted in failure of justice. The same logic also applies to the appellate or revisional court. The requirement of sub-section (4) about raising the issue at the earliest stage has not been also



considered. Unfortunately, the High Court by a practically non-reasoned order, confirmed the order passed by the learned trial Judge. The orders are, therefore, indefensible. We set aside the said orders. It would be appropriate to require the trial court to record findings in terms of clause (b) of sub-section (3) and sub-section (4) of Section 19.

15. The appeal is allowed to the aforesaid extent.

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[†] Arising out of SLP (Crl.) No. 3615 of 2003. From the Judgment and Order dated 14-11-2002 of the Karnataka High Court in Crl. RP No. 998 of 2001

¹ (1977) 1 All ER 813 : 1978 AC 359 : (1977) 2 WLR 450 (HL)

² (2001) 2 SCC 577 : 2001 SCC (Cri) 358

³ (2001) 7 SCC 679 : 2001 SCC (Cri) 1373