

IN THE HIGH COURT OF KARNATAKA, BENGALURU

THE HON'BLE MR.JUSTICE K.N. PHANEENDRA

CRIMINAL PETITION NO. 899/2017 DATED:15-06-2017

DR. H. C. SATHYAN, S/ O LATE H. V. CHENNAKESHAVIAH VS. THE STATE OF KARNATAKA, BY POLICE INSPECTOR, POLICE WING, KARNATAKA LOKAYUKTA, MYSURU-570 001

ORDER

The present petition is filed seeking quashing of the order dated 9.1.2017 passed by the III Addl.Sessions and Special Judge, Mysuru, in Special Case No.74/2012 wherein the trial Court has passed an order regarding the " validity of the sanction " issued against the petitioner to prosecute him for the offence under section 13 ( 1) ( e) punishable under Section 13 ( 2) of the Prevention of Corruption Act, by the Government of Karnataka.

2. The undisputed facts are that:

The petitioner is a public servant (Government servant) working as Motor Vehicles Inspector, RTO Office, Sakleshpur. The respondent Karnataka Lokayukta Police, Mysuru, after thorough investigation submitted a charge sheet on 22.09.2012 against the petitioner for the above said offences before the Special Court. The petitioner at the initial stages called in question the proceedings of the trial Court questioning the cognizance taken by the court on the ground that the sanction accorded to prosecute the accused is invalid. He challenged the said sanction Order under section 19 ( 4) of the P.C.Act by filing an application before the trial court. The trial Court rejected the said application. In turn, petitioner has challenged the said order before this court in Criminal Petition No.7554/2015.This court vide order dated 3.2.2016 quashed the trial court's order and made certain observations and remitted the matter to the trial Court. At paragraph 5 of its order, this court has made the following observation:

" Xxxxx It is required for the court to frame charges and record the evidence.It is desirable that the prosecution may be called upon to adduce evidence about the validity of sanction firstly and thereafter proceed with other witnesses. After recording of the evidence of the disciplinary authority or other witnesses who are responsible to accord sanction, if so required the learned special judge may give finding about the validity of sanction in accordance with law. "

3. After the said direction issued by this court, the prosecution has led evidence, examined one Ramachandra, working as Under Secretary, Transport Department, Government of Karnataka as PW1. After hearing both the parties and perusing the relevant materials on record, the Special Court has passed the impugned order again holding that the sanction accorded to prosecute the petitioner is by the competent authority i.e., State Government and there is due application of mind by the appropriate authority before passing the sanction order. Aggrieved by the said order, the petitioner is again before this court calling in question the said order before this court on various grounds.

4. Arguing in support of the grounds urged before this court, the learned counsel Sri S.G. Bhagavan, submitted that, though he has taken up the contention with regard to the competency of Government of Karnataka in issuing the sanction order, he does not press that ground because he has no objection so far as the order passed by the Government.

5. It is the State Government which is the competent authority to remove the petitioner from his post. Therefore, the Government is the competent authority for issue of sanction order. But, whether the matter has to be placed before the Governor for issuance of the sanction order or before the cabinet is the question raised by the learned counsel before this court. He contends that all sanction matters should be placed before the cabinet and ' Cabinet of Ministers ' which only falls under the definition of Government, has to take a decision for issue of such an order. In this case, neither the cabinet has taken any decision nor the Governor has looked into the materials on record before according sanction. Though the learned counsel initially pressed into service the above said ground, ultimately he argued before this court seriously, sofar as the second important point is concerned, the Minister for Transport has accorded sanction without applying his mind and verifying the documents and after satisfying himself with regard to the necessity of issuing sanction order against the petitioner.

6. Though the learned counsel has not seriously stressed upon the Government's competency that too concerned Minister's competency in issuing the Sanction Order, the trial Court has very seriously taken note of the same and considered in detail at paragraphs 10 to 12 by giving proper reasons and considering all the relevant provisions under the Karnataka Government (Transaction of Business) Rules, 1977, came to the conclusion that the concerned Minister is the competent authority for issue of sanction order.

7. I have also carefully perused the above said provisions Article 166 of the Constitution of India provides that all State Government orders shall be made in the name of the Governor. Therefore, whenever any order has to be issued in the name of the Government, it should be in the name of the Governor under Article 166 of the Constitution of India. It does not mean to say that all orders of the Government shall be perused and issued by the Governor.

8. There are three schedules in the Karnataka Government (Transaction of Business Business) Rules, 1977, wherein the First Schedule contains certain rules, specifically categorizing the subjects, which are required to be placed before the cabinet for decision. The second Schedule refers to the subject matters, which are to be placed before the Chief Minister. Lastly i.e., the third Schedule, which refers to the subject matters which are to be submitted to the Governor for decision. The trial Court has observed that after careful perusal of the above Schedules, in none of the schedules, the subject of according sanction to prosecute a public servant falls. The trial court has also perused the Schedules which are referable to the Cabinet and to the Chief Minister and to the Governor and ultimately came to the conclusion that, according of sanction does not fall within the scope of the above said three Schedules. Even before this court also, the learned counsel has not brought to my notice any of the rules under the above said three Schedules attracting the jurisdiction to

accord sanction to the public servants. Therefore, I do not find any strong reason to differ from the opinion expressed by the trial Judge in this regard.

9. Particularly Rule 30 ( 1) of the Karnataka Government (Transaction of Business) Rules, 1977, is considered by the trial Court. I have also perused the same, which clarifies, that the Secretary of a particular department would always submit a case for orders to the Minister-in-charge or to the Minister of the State or the Deputy Minister of the concerned Department. Rule 30 ( 2) of the said Rules, deals with the cases which may be disposed of by the Secretary of the Department on his own responsibility without placing the matter before the Minister. Therefore, it goes without saying that the matters which are not covered under Schedules 1 to 3, the concerned Secretaries, Principal Secretaries and the Ministers are the competent authorities to deal with the matters pertaining to their department depending upon the nature and gravity of the subject matter.

10. In this particular case, the petitioner/accused was working as a Senior Motor Vehicle Inspector. Therefore, the subject matter pertains to the Transport Department. Under the above said provision, the Transport Minister who is the top most authority of the department, is the competent authority who can accord sanction to prosecute the petitioner. In this particular case, admittedly, the Transport Minister has approved the sanction order and thereafter it was issued by the Under Secretary in the name of the Governor of Karnataka. PW 1, Under Secretary to Government himself cannot be called as a sanctioning authority.

It is ultimately the Minister who accords the approval to issue the Sanction Order is the competent authority to accord sanction to prosecute the accused. It would suffice to say sofar as this point is concerned that the Transport Minister is the competent authority to accord sanction on behalf of the State Government to prosecute the accused. Therefore, I do not find any strong reasons to interfere with the orders of the trial Court in coming to the conclusion that the Transport Minister was the competent authority to accord sanction on behalf of the Government.

11. Sri. S.G. Bhagavan, learned counsel for the petitioner has very seriously and vociferously argued before the court, meticulously meticulously contending that the Sanctioning Authority has mechanically issued the Sanction Order without application of mind and without considering the materials and evidence collected by the Investigating agency during the course of investigation. The trial Court has not much concentrated on this point and not given any sufficient finding sofar as this aspect is concerned and brushed aside all the arguments submitted before it. Therefore, it is just and necessary for this court to apply its mind and consider, whether the Sanction Order is in accordance with law and the Sanctioning Authority after applying its mind to the facts of the case and also material and evidence collected during investigation, and after satisfying itself regarding the existence of a prima facie case, has passed such an order.

12. In this background, the learned counsel for the petitioner to substantiate the above arguments, cited various rulings as mentioned herein below:

In a decision reported in AIR 1997 SC 3400 between Mansukhlal Vithaldas Chauhan Vs. State of Gujarat, the Hon'ble Apex Court has observed thus:

" Since the validity of " sanction " depends on the applicability of mind by the Sanctioning Authority to the facts of the case as also the material and evidence collected during investigation, it necessarily follows that the Sanctioning Authority has to apply its own independent mind for the generation of the genuine satisfaction whether prosecution has to be sanctioned or not. The mind of the Sanctioning Authority should not be under pressure, from any quarter nor should any external force be acting upon it to take a decision one way or the other. Since the discretion to grant or not to grant sanction vests absolutely in the Sanctioning Authority, its discretion should be shown to have not been affected by any extraneous consideration. If it is shown that the Sanctioning Authority was unable to apply its independent mind for any reason whatsoever or was under an obligation or compulsion or constraint to grant the sanction, the order will be bad for the reason that the discretion of the authority " not to sanction " was taken away and it was compelled to act mechanically to sanction the prosecution. "

In another ruling reported in 2015 AIR SCW 4432 between Nanjappa Vs. State of Karnataka, the Hon'ble Apex Court has observed that,

" ..... The High Court or Revisional or Appellate Court shall while examining the Sanctioning Order should bear in mind Section 19 of the P.C. Act. Section 19 ( 1 ) ( 3 ) postulates the prohibition against a higher court reversing an order passed by the Special Judge on the ground of any defect, omission or irregularity in the order of sanction. This is sufficiently evident from the language employed in sub-section ( 3 ) and ( 4 ), according to which, the appellate or the revisional court shall while examining whether the error or omission or irregularity in the sanction had an occasion in failure of justice to have regard to the fact whether the objection could and should have been raised at an early stage. Suffice it to say, that a conjoint reading of sub-Sections ( 3 ) and ( 4 ) leaves no manner of doubt that the said provisions envisage a challenge to the validity of the order of sanction or the validity of the proceedings including finding, sentence or order passed by the special judge.

It is clear from these decisions that, if the Appellate Court or the Revisional Court or the Higher Courts if at all wants to interfere with an order of the trial Court with reference to sanction order, it must give its finding that there was failure of justice, and therefore, it can interfere with the order, in order to administer proper justice.

13. In another ruling reported in 2014 AIR SCW 472 between CBI Vs. Ashok Kumar Agarwal relied upon by the both the parties, it is observed that, under Section 19 of the PC Act, the Sanctioning Authority has to complete and conscious scrutiny of the whole record placed before it. The Sanction Order should show that the authority has considered all relevant facts and applied its mind. The prosecution is under an obligation to place entire record before the Sanctioning Authority and satisfy the court that the authority has applied its mind. Such power cannot be delegated to any person.

14. In another ruling reported in 2016 ( 1) KCCR 645 between B.S. Yeddyurappa Vs. Principal Secretary to His Excellency of Governor of Karnataka, a Division Bench of this court has held that-

" though the Validity of the sanction to prosecute, can be challenged at any stage, but it is desirable to do so at an early stage. The question is not as to the nature of the offence committed to be considered, but whether it was committed by a public servant acting, or purporting to act as such in discharge of his official duties as per the provision under Section 19 of the PC Act or 197 of Cr.PC. It must be shown that the official concerned was accused of the offence alleged to have been committed by him. By not keeping relevant considerations in mind on the basis of the material on record, if the Sanction Order is issued, it is not in accordance with settled principles of law. "

15. Countering the above said arguments, learned counsel for the respondent Sri. Venkatesh S. Arabatti has strenuously argued before the court that all the above said principles laid down in the above said cases are strictly followed in this particular case. The Sanctioning authority, after perusing all the investigation papers, and after satisfaction, has accorded sanction to prosecute the accused.

16. Learned counsel for the Respondent, has relied upon various rulings with regard to failure of justice as contemplated under the provisions under Section 19 ( 3) and ( 4) of the PC Act. He relied upon a ruling reported in AIR 2000 SC 870 between State of Madhya Pradesh Vs. Shri Ram Singh and in another ruling reported in AIR 2014 SC 1674 between the State of Bihar Vs. Rajmangal Ram, wherein the Hon'ble Apex Court has observed as follows:

" Even assuming that the Law Department was not competent, it was still necessary for the High Court to reach the conclusion that a failure of justice has been occasioned. Therefore, it is necessary to plead and prove that there is failure of justice due to the error or irregularity in grant of sanction. The criminal proceedings cannot be interdicted by the High Court invoking Section 482 of Cr.P.C., unless failure of justice has occasioned. "

17. The learned counsel has also relied upon another ruling reported in 2005 ( 4) SCC 81 between C.S. Krishnamurthy Vs. State of Karnataka, wherein it is observed that-

" The Sanction Order should speak for itself and in case the facts do not appear, it should be proved by leading evidence that all the papers were placed before the Sanctioning Authority for due application of mind. In case, the sanction speaks for itself, then the satisfaction of the Sanctioning Authority is apparent by reading the order ".

18. The learned counsel contends that in this particular case, the Sanction Order passed by the Government itself is sufficient to establish that the Sanctioning Authority has applied its mind and thereafter accorded sanction.

19. Other two rulings of the Hon'ble Apex Court were also relied upon reported in AIR 2010 SC 1451 between State of M.P and P.V. Jiyalal and in AIR 2011 SC 1363 between Ashok Tshering Bhutia v/ s State of Sikkim. The sum and substance of the observation in those two decisions are that-

" the sanctioning Authority who passes Sanctioning Order need not be examined as a witness by the prosecution since the sanction Order was clearly passed in discharge of the routine official functions. There is a presumption that the same was done in genuine manner. The defect in investigation and sanction does not make any difference to the case of the prosecution unless it has resulted in serious miscarriage of justice. "

20. On overall understanding of the above said rulings, the following principles can be deduced:

i) Whenever the Sanctioning Authority wants to accord sanction or refuse sanction to prosecute a public servant, it should bear in mind that, it is incumbent upon the Investigating Agency to furnish all the papers collected during the investigation for perusal and to the satisfaction of the Sanctioning Authority.

ii) It is incumbent upon the Sanctioning Authority to examine the materials furnished by the Investigating agency including FIR, statement of witnesses, mahazars, etc. in order to satisfy itself. If prima facie materials are available to prosecute the public servant, then after satisfying itself, the competent authority has to accord sanction.

iii) If the Sanction order itself discloses, production of the materials collected by the Investigating Officer and application of mind by the Sanctioning Authority and the decision of the Sanctioning Authority and thereafter, the Sanction Order has been issued, then there is no need for calling upon any oral evidence to prove such Sanction Order, if the said order has been issued while discharging official duties or official functions of the Sanctioning Authority. Therefore, the contents of the Sanction Order always be seriously taken note of by the courts.

iv) If the Sanction Order does not disclose the above said acts of the Sanctioning Authority, then the Sanctioning Authority can adduce evidence aliunde to satisfy the court that, it has complied with all the above requirements as per Section 19 of the PC Act or Under Section 197 of Cr.P.C.

v) The appellate court or revisional Court shall not interfere with the proceedings of the trial court, unless it is pleaded and proved, that miscarriage of justice, or prejudice is caused to the accused by the act or omission of the sanctioning authority, by showing virtually there is no sanction order in the eye of law.

21. In the light of the above said rulings, now this court has to consider on facts whether the Sanctioning Authority had been provided with with all the materials collected by the Investigating Officer and the Sanctioning Authority has applied its mind to satisfy itself and thereafter accorded sanction to prosecute the petitioner. Therefore, it is just and necessary to have the brief factual aspects of this case.

22. The records disclose that, after the directions were issued by this court as noted supra, the trial Court has recorded the evidence of PW.1, who was the Under Secretary to Government by name Ramachandra, who has reiterated most of the contents of the Sanction Order. The Sanction Order is also produced before the court marked at Ex.P1. The entire notes of the proceedings of the Government is marked at Ex.D1. PW.1 has categorically stated that the ADGP, Lokayuktha Police, Bengaluru, has sent a request letter dated 14.09.2011 to the Transport Commissioner seeking for Sanction Order to prosecute H.C. Satyan, (the petitioner) along with various documents like FIR, Final Report, Mahazars, Statement of Witnesses, the details regarding sources of income, properties of the accused and details of the additional properties of the accused etc. Thereafter, he put-up the file with his note, to the Principal Secretary to the Government, Transport Department, along with the above said documents. After perusing all the documents and facts, government, prima facie found that there are assets disproportionate to known sources of income to the extent of 55.15% of the accused. Therefore, in the name of the Governor the Sanction Order has been issued. During the course of cross-examination, he has admitted the Government proceedings as per Ex.D1. In the course of cross-examination it is elicited that there is no need to send the file to the Governor, according to the Karnataka Government, allocation of Business Rules 1977.

23. On a plain reading of Ex.P1, which is the Sanction Order, it clearly goes to show that, in the preamble the allegations made against the accused in the charge sheet papers are set out. In the 2nd page, what are all the documents which have been furnished by the prosecuting agency and in the 3rd page what are all the materials that have been considered by the Government and at page 4, the satisfaction of the Government and at pages 5 & 6 specific issuance of the Sanction Order permitting the prosecuting Agency to prosecute the accused before the competent court of law for the offence under Section 13 ( 1 ) ( c ) r/w. 13 ( 2 ) and 19 ( c ) of the P.C. Act, are stated. Later a corrigendum was also issued for correction of typographical error correcting the provision as 19 ( 1 ) ( c ) instead of 19 ( 1 ) ( b ).

24. On careful perusal of the above said Sanction Order, without even referring to the evidence of PW.1, it is noticed that, the said Sanction Order makes reference to the allegations made against the accused, the documents furnished by the Investigating Agency, perusal by the Government and its satisfaction with regard to the commission of the offences by the accused and then issuance of the Sanction Order to prosecute the accused. Therefore, it complies with all the requirements as per the decisions cited by the learned counsel for the petitioner herein.

25. But the question raised by the learned counsel is that, person should apply his mind and then accord sanction in this case, is the Minister. According to P.W.1, he himself is the competent authority, who has perused the entire record and satisfied himself with regard to the prima facie case made-out against the accused for issuance of Sanction Order. In this background, it is helpful to look into Ex.D1 which is marked by the accused himself by confronting the same to PW.1. The case note sheet maintained by the Government shows that the concerned officer of the department, after receipt of the report and as well as documents

referred to above, along with the charge sheet papers from the commissioner of Transport, noted down the details in the note sheet. The said note sheet also contains as to what has been stated in the report of the ADGP, Lokayukta. Along with the entire charge sheet papers with said report had been sent for the consideration of the Government. Even, the note sheet also discloses (vide para-18) that accused has requested in writing the Principal Secretary, Government of Karnataka, Transport Department, to provide an opportunity to explain about the sources of his income, which is alleged by Lokayukta Police to be disproportionate. This application was put-up by the Desk Officer noting at para-24 about placing the matter before the Principal Secretary and in turn the said letter along with the report and other materials were placed for consideration of the Transport Minister. It is also worth to note here that, Para-30 of the note sheet discloses that, after going through the materials, the then Transport Minister was of the opinion that the said letter of the accused has to be sent to the Lokayukta for their opinion. It is very crucial to note here that, though the Principal Secretary, has recommended for approval of the Sanction Order, put up the matter before the Transport Minister, but the Transport Minister was of the opinion that, he has to take opinion of the Lokayukta with reference to the letter of the accused. Therefore, it goes without saying that, without looking into the materials on record the Transport Minister could not have passed such an order. Therefore, that is an indication that the Transport Minister has applied his mind even to the materials produced before the Lokayukta and the letter written by the accused seeking an opportunity to him to explain, and thereafter passed the order as noted above seeking the opinion of the Lokayukta with reference to the letter of the accused. Subsequently, the said letter of the petitioner, had been sent to the Lokayukta office and opinion has been taken and thereafter, again the matter was put-up before the Deputy Secretary for forwarding of the entire file to the Minister for approval for issuance of Sanction Order. In fact, the Deputy Secretary discussed with the Under Secretary and put up the matter before the Principal Secretary and in turn before the Minister for Transport. The Transport Minister has put his signature approving the entire note put up by the Desk Officer for issuance of the Sanction Order and thereafter draft has been approved and the Sanction Order appears to have been issued.

26. On over all reading and understanding of the entire materials on record, it clearly discloses that all the materials submitted by the Lokayukta police along with their report and notes put-up by the Desk Officer, under Secretary, Deputy Secretary and Principal Secretary, were placed for consideration before the Transport Minister and thereafter the approval was given by the Transport Minister. Though in so many words the Minister has not stated about the perusal of the materials on record, but, as I have already noted, without perusing the records he could not have returned the papers to Lokayukta seeking explanation with regard to the letter given by the accused to the department. Even otherwise, once the approval is given by the Minister when entire records are sent to him, it can also be inferred by the court that after going through the materials on record, he was satisfied and issued such an order. As I have already noted, the order issued by the Government, prima facie shows the application of mind by the Government and issuance of such Sanction Order. Therefore, on facts I do not find any strong reason to interfere with the order passed by the trial Court.



27. Before concluding, it is relevant to have in mind the object of granting the sanction. The object of granting sanction is only to protect the innocent person, who has been falsely implicated in crime or when prima facie offence is not all made-out on the basis of the materials on record and in spite of that prosecution was sought. This is not the only fact that should be looked into by the courts. If any semblance of materials are available against the accused and about the satisfaction of the sanctioning authority, then in order to curb the corruption disease, the courts have to magnanimously deal with the procedure contemplated in law for issue of Sanction Order.

28. It is worth to note here that, the Anti Corruption laws are intended to make effective provision for the prevention of bribe and corruption which is rampant among the public servants. It is undisputedly a social legislation in order to curb the illegal activities of the public servants and it is designed to be liberally construed so as to advance its objects, otherwise, if the court goes too meticulously with reference to each and every word or sentence of the Sanction Order or the evidence led by the prosecution, it would create a deadlock and no case can conclude protecting the object of P.C. Act. When a social legislation is designed to combat an evil like bribe to the society, courts should be alive, very careful and mindful of the object of the legislation while interpreting the facts and legal aspects involved in such cases in order to maintain the public health, and safety of the society. The Courts have to strive to interpret, protect and advance the real object and purpose of the enactment. Any narrow or too hyper-technical analysis of facts and interpretation of the provisions would defeat the very legislative policy. It should also be borne in mind that we may reach a stage of total destruction of public health and reconstruction may become an impossible task.

29. Therefore what the courts have to do is, on overall looking into the materials on record placed before the court, even though some small doubts or confusions are here and there, which are not sufficient to totally uproot the Sanction Order, such order has to be accepted. The court has to look into the overall circumstances and find out that, really the Sanctioning Authority had occasion to peruse and has perused the materials against the accused and then applied its mind and thereafter accorded sanction. It is too much to expect from the sanctioning authority to use any specific words like, " I have perused the entire records and satisfied myself and then accorded sanction ", but, if the circumstances, are sufficient to show that in fact the records were seen and after satisfaction, the order is passed mere non-mentioning some specific words, is not sufficient to hold that such Sanction Order is an invalid order. In my opinion, in this case on looking to the legality, competency and application of mind by the Sanctioning Authority, it can be inferred that, he has issued the Order after due compliance of all legal requirements, which is amply established by the prosecution. Hence no interference is called for.

30. Though the learned counsel for the respondent has taken up some legal grounds with regard to maintainability of the petition on the ground that the petition is not maintainable as barred under section 397 of Cr.P.C. and further there is no plea and proof to establish that there was any miscarriage of justice or injustice caused to the accused in the petition, and therefore, on those grounds also, the petition is liable to be

dismissed, I would reserve to consider these legal questions in some other case, as I am of the opinion that this petition is maintainable on facts of this particular case. Hence, I proceed to pass the following order:

ORDER

The petition is dismissed.