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**IN THE SUPREME COURT OF INDIA
CRIMINAL APPELLATE JURISDICTION
PRASHANT KUMAR MISHRA; J., JOYMALYA BAGCHI; J.
CRIMINAL APPEAL NO. 1770 OF 2014; OCTOBER 28, 2025
P. SOMARAJU *versus* STATE OF ANDHRA PRADESH**

Prevention of Corruption Act, 1988 – Sections 7, 13(1)(d), 13(2), and 20 – Demand and acceptance of illegal gratification – Statutory presumption – Failure of prosecution to prove foundational facts – Held, an appellate Court has full power to review, reappreciate, and reconsider the evidence - However, due to the reinforced or 'double' presumption of innocence after acquittal, interference must be limited - If two reasonable views are possible on the basis of the record, the acquittal should not be disturbed. Judicial intervention is only warranted where the Trial Court's view is perverse, based on misreading or ignoring material evidence, or results in manifest miscarriage of justice - The Appellate Court must address the reasons given by the Trial Court for acquittal before reversing it and assigning its own. [Relied on Chandrappa & Ors. vs. State of Karnataka, (2007) 4 SCC 415 (Para 11); Mallappa & Ors. vs. State of Karnataka, 2024 INSC 104; Ballu @ Balram @ Balmukund & Anr. vs. The State of Madhya Pradesh, 2024 INSC 258; Paras 11-14].

Proof of demand and acceptance of bribe – Held, for an offence under Section 7 of the PC Act, the demand of illegal gratification is a *sine qua non* to prove the guilt - Mere recovery of currency notes cannot constitute an offence unless it is proved beyond reasonable doubt that the accused voluntarily accepted the money, knowing it to be a bribe - The proof of acceptance can follow only if there is proof of demand - Sole testimony of the complainant, who is an interested witness, cannot be relied upon without corroboration with independent evidence - Statutory presumption under Section 20 of the PC Act is not automatic and arises only once the foundational facts of demand and acceptance are proved - Suspicion, however strong, cannot take the place of proof - Appeal allowed. [Relied on Rajesh Gupta vs. State through Central Bureau of Investigation, 2022 INSC 359; Panna Damodar Rathi vs. State of Maharashtra, (1979) 4 SCC 526; Ayyasami vs. State of Tamil Nadu, (1992) 1 SCC 304; Paras 18, 19, 33].

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For Respondent(s): Mr. Kumar Vaibhaw, Adv. Ms. Devina Sehgal, AOR Mr. Srikanth Varma Mudunuru, Adv. Mr. Ishaan Ojha, Adv.

J U D G M E N T

PRASHANT KUMAR MISHRA, J.

1. This Appeal arises out of the judgment and order dated 08.07.2011 passed by the High Court of Judicature of Andhra Pradesh at Hyderabad in Criminal Appeal No. 1540 of 2004. By way of the impugned judgment, the High Court reversed the order of acquittal dated 28.11.2003 passed by the Court of Principal Special Judge for SPE and ACB Cases, Hyderabad in Calendar Case No. 13 of 1999. The appellant, who was the accused before the Trial Court, was thereby convicted for offences under Sections 7 and 13(1)(d) read with Section 13(2) of the Prevention of Corruption Act, 1988¹ and was sentenced to undergo rigorous imprisonment for one year with a fine of ₹10,000/- on each count.

¹ For short, 'the PC Act'

2. The facts leading to the instant Appeal may be described briefly. The appellant was an Assistant Commissioner of Labour, Circle I, at Anjaiah Karmica Bhavan, Ashoknagar, Hyderabad from 01.01.1996 to 26.09.1996. The complainant, S. Venkat Reddy (PW-1) was a licensed Labour Contractor who had been operating two establishments, Swetha Enterprises and Sindhu Enterprises, for many years. In June 1997, the complainant made an application to the appellant in connection with the renewal of contract labour licenses for the aforementioned establishments for the year 1997-1998 and also paid the necessary fees, including a late application fee for one of the establishments, of total ₹250/-. The appellant allegedly verified and signed the registers produced by the complainant but he kept postponing the renewal of the licenses on some pretext or the other. The nephew of the complainant, S. Prabhakar Reddy (PW3), had also sought renewal of license for his firm, Tirumala Enterprises, and similarly states that he met the appellant twice or thrice along with the complainant to renew his license, but after some delay, entrusted the matter to the complainant.

3. The case of the prosecution is that on 25.09.1997, the complainant went to meet the appellant in the evening. At that meeting, the appellant demanded a sum of ₹9,000/- as bribe for renewing the three licenses, failing which he would keep the renewals pending. Allegedly, a part payment of ₹3,000/- was made by the complainant on that day itself by placing the money in the appellant's table drawer and the remaining amount of ₹6,000/- was demanded to be paid within one to two days. The complainant approached the Anti-Corruption Bureau² around 11:00 AM the next day and presented a written complaint against the appellant (Ex. P1) to the Deputy Superintendent of Police³ of ACB, U.V.S. Raju (PW-7). The DSP asked the complainant to bring the balance bribe amount in ₹100/- denominations by 2:00-2:30 PM.

4. The DSP allegedly made some enquiries and found out that the reputation of the appellant was not good. An FIR was registered around 1:00 PM. The DSP also sent a requisition for two mediators. When the complainant returned with the money, he was introduced to two Government employees: (i) P. N. Rajender (PW-2), Office Superintendent in the Directorate of Insurance and Medical Services, Hyderabad; and (ii) B. Balaji Rao, Junior Assistant, Directorate of Insurance and Medical Services, Hyderabad. They were to be the mediators in the trap proceedings. The complaint was handed over to them with instructions to verify their contents. The mediators did so and further noted down the numbers of the notes brought by the complainant in Annexure I to the pre-trap mediators' report (Ex. P2). A constable (PC 490, Sri Kistappa) applied phenolphthalein powder to the notes and then kept them in the complainant's shirt-pocket. The DSP instructed the complainant not to touch the notes and only hand it over to the appellant in case a demand for money was made. Demonstration of the sodium carbonate solution or 'hand-wash' test was also done. It was explained to the complainant that in case the tainted amount was handed over to the appellant, the complainant was to give a signal to the trap party by wiping his face with a handkerchief. Lastly, everyone in the trap party then used sodium carbonate test to ensure they were free of phenolphthalein powder.

5. The trap-party left the ACB office around 5:00 PM in two vehicles: the complainant's Maruti car and a Government jeep. The complainant and Rajender went to the office of the accused, while the others took up vantage points around the office. The complainant entered the appellant's office while Rajender sat on the stool meant for the office attendant

² For short, 'ACB'

³ For short, 'DSP'

outside, near the office doorway. Allegedly, during the trap proceedings, the complainant enquired about the status of his licenses, in response to which the appellant asked if the complainant had brought the amount demanded by him earlier. When the complainant answered in the affirmative and extracted the tainted amount from his shirt-pocket, the appellant indicated that he should place the same in his left table-drawer. Having thus received the money, the appellant called an attendant named Mohd. Abbas (PW-4) and instructed him to bring the licenses which were lying with Y. Gopal Rao, a Senior Assistant (PW-5), and then signed them. The appellant instructed Abbas to give the signed licenses to Gopal Rao, and told the complainant to go to Gopal Rao and take them. Thereafter, around 5:30 PM, the complainant stepped out and gave the pre-arranged signal. The trap-party proceeded into the office of the appellant while the complainant waited outside.

6. Inside the office, after ascertaining the identity of the appellant, the sodium carbonate solution was prepared on the spot in two glass tumblers. The appellant rinsed his hands in the same; however, there was no change of color in either tumbler. On questioning, the appellant spontaneously denied having demanded or accepted any amount from the complainant and also mentioned that he was in his office between 5:00 PM and 5:30PM. The complainant was called into the office, where he said he had placed the amount in the table drawer. The mediator Balaji searched the drawer, recovered the tainted amount, and matched the numbers of the notes with those noted down in the pre-trap mediators' report. Swab of the white paper on which the money was kept yielded positive result in sodium carbonate solution. The DSP took statements of the attendant Mohd. Abbas and Senior Assistant Y. Gopal Rao. All of this was incorporated in the post-trap mediators' report, which was prepared in the office of the appellant itself.

7. Later on, on 26.06.1999, sanction order G.O.Ms. No. 30 was obtained for prosecution of the appellant from Special Chief Secretary to the Government of Andhra Pradesh, Labour, Employment Training and Factories (LAB. IV) Department, Sri K. Swamy Nadhan, under Sections 7, 11 and 13(1)(d) read with 13(2) of the PC Act. The chargesheet was filed on 16.08.1999.

8. On 11.07.2000, charges for the offences punishable under Sections 7 and 13(1)(d) read with 13(2) of the PC Act for demanding and accepting illegal gratification worth ₹3,000/- on or about 5:30PM on 26.09.1997 were framed by the Court of Principal Special Judge for SPE & ACB Cases, Hyderabad in Calendar Case No. 13 of 1999 against the appellant, and the same were denied.

9. The Trial Court after examining the evidence on record, acquitted the appellant on 28.11.2003, holding that the prosecution had failed to prove demand and acceptance of bribe beyond reasonable doubt. Aggrieved by such order of acquittal, the State of Andhra Pradesh preferred an appeal before the High Court. The High Court, *vide* its impugned judgment dated 08.07.2011, reversed the acquittal and convicted the appellant for the offences under Sections 7 and 13(1)(d) read with Section 13(2) of the PC Act. Hence, the instant appeal.

ANALYSIS AND FINDINGS

10. We have carefully perused the record and heard the learned counsel for both parties. The principal question that arises for our consideration is whether the High Court was justified in reversing the order of acquittal passed by the Trial Court i.e., whether the High Court correctly reappreciated the evidence and reached a conclusion that the Trial Court's conclusion was perverse, unreasonable or unsupportable by the materials on record.

11. Before proceeding, it would be appropriate to recapitulate the well-settled principles governing interference with an order of acquittal by an Appellate Court, which were also discussed by the High Court in the impugned judgment. At the outset, we rely upon the seminal case of **Chandrappa & Ors. vs. State of Karnataka**,⁴ wherein this Court had laid down the five-point canonical test as follows:

“**42.** From the above decisions, in our considered view, the following general principles regarding powers of the appellate court while dealing with an appeal against an order of acquittal emerge:

(1) An appellate court has full power to review, reappraise and reconsider the evidence upon which the order of acquittal is founded.

(2) The Code of Criminal Procedure, 1973 puts no limitation, restriction or condition on exercise of such power and an appellate court on the evidence before it may reach its own conclusion, both on questions of fact and of law.

(3) Various expressions, such as, “substantial and compelling reasons”, “good and sufficient grounds”, “very strong circumstances”, “distorted conclusions”, “glaring mistakes”, etc. are not intended to curtail extensive powers of an appellate court in an appeal against acquittal. Such phraseologies are more in the nature of “flourishes of language” to emphasise the reluctance of an appellate court to interfere with acquittal than to curtail the power of the court to review the evidence and to come to its own conclusion.

(4) An appellate court, however, must bear in mind that in case of acquittal, there is double presumption in favour of the accused. Firstly, the presumption of innocence is available to him under the fundamental principle of criminal jurisprudence that every person shall be presumed to be innocent unless he is proved guilty by a competent court of law. Secondly, the accused having secured his acquittal, the presumption of his innocence is further reinforced, reaffirmed and strengthened by the trial court.

(5) If two reasonable conclusions are possible on the basis of the evidence on record, the appellate court should not disturb the finding of acquittal recorded by the trial court.”

12. To summarize, an Appellate Court undoubtedly has full power to review and reappraise evidence in an appeal against acquittal under Sections 378 and 386 of the Code of Criminal Procedure, 1973. However, due to the reinforced or ‘double’ presumption of innocence after acquittal, interference must be limited. If two reasonable views are possible on the basis of the record, the acquittal should not be disturbed. Judicial intervention is only warranted where the Trial Court’s view is perverse, based on misreading or ignoring material evidence, or results in manifest miscarriage of justice. Moreover, the Appellate Court must address the reasons given by the Trial Court for acquittal before reversing it and assigning its own. A catena of the recent judgements of this Court has more firmly entrenched this position, including, *inter alia*, **Mallappa & Ors. vs. State of Karnataka**,⁵ **Ballu @ Balram @ Balmukund & Anr. vs. The State of Madhya Pradesh**,⁶ **Babu Sahebagouda Rudragoudar and Ors. vs. State of Karnataka**,⁷ and **Constable 907 Surendra Singh & Anr. vs. State of Uttarakhand**.⁸

13. Having laid down the most essential principles, we now examine whether the High Court was justified in interfering with the order of acquittal passed by the Trial Court in the instant case. The Trial Court, after a detailed analysis of the evidence, had acquitted the appellant on the following grounds:

⁴ (2007) 4 SCC 415.

⁵ 2024 INSC 104

⁶ 2024 INSC 258

⁷ 2024 INSC 320

⁸ 2025 INSC 114

(a) Both Senior Assistant Gopal Rao and the complainant's nephew testified that contractors typically remitted a renewal fee of ₹65/- along with their applications. Gopal Rao further stated that licenses were deemed to be renewed (under Rule 29(2) of the Contract Labour (Regulation and Abolition) Central Rules, 1971) if not renewed or rejected within a month, on account of which the prevailing practice was that contractors would rarely visit the office to collect renewed licenses and the same could even remain uncollected for years. Per Gopal Rao, the complainant, too, had never visited the office to collect the license before 26.09.1997. Given the same, as well as the complainant's many years of experience operating his establishments and his admitted awareness of the extant rules and regulations, his claim that the appellant demanded ₹9,000/- for renewal was doubtful.

(b) The complaint itself contained a number of inconsistencies. The complainant alternately referred to the appellant as both "*Soma Raju*" and "*Rama Raju*". On being instructed by the DSP, when the mediators reviewed the complaint during pre-trap proceedings, the complainant confirmed its contents were correct without mentioning any error in the name.

(c) During cross-examination, the complainant clearly testified that he wrote his complaint on the morning of 25.09.1997, but had also stated the bribe demand occurred that same evening.

(d) It was deposed by the complainant that during the trap operation, the DSP had explicitly instructed the mediator Rajender to accompany him to the appellant's office and observe the transaction. However, the complainant asked Rajender to wait outside the office while he went in alone. Rajender confirmed the same and admitted he did not know what transpired inside the room.

(e) Furthermore, Rajender in his deposition stated that the DSP had asked him to draft the mediator's report and he did so, but could not answer whether the DSP or the Inspector (PW-8) questioned the attendant Abbas and Senior Assistant Y. Gopal Rao and which language the questioning took place in.

(f) During cross-examination, Abbas stated that ACB officials threatened him with job loss if he did not support the prosecution case. He stated that he had given and signed a truthful written statement (Ex. D1) on 27.09.1997 describing what actually transpired, but under pressure, gave contrary testimony in his examination-in-chief. He was declared as hostile to the prosecution.

(g) The defense presented an alternative explanation. The appellant claimed he briefly left his office to go to the toilet, and that the complainant took advantage of his absence to plant the money in the table drawer. This was supported by the testimony of S. Ramulu Naik (DW-1), who testified that when he pulled the curtain aside, he found the complainant sitting alone in the chamber to the left of the appellant's table, and Advocate Y. Veeranna Babu (DW-2) who also corroborated that the appellant was standing and about to leave the chamber, heading towards the toilet, as the complainant was entering. The appellant further explained that he had issued notices to the complainant (Ex. P8), requesting production of proper registers and records. It was file clearance week, and the appellant had given instructions that the pending licenses should only be delivered after registers were produced, suggesting a motive for the false complaint.

(h) Furthermore, other evidence also contradicted the prosecution's case, as when the appellant's fingers were tested with sodium carbonate solution, it showed no change in color. He also spontaneously denied demanding or accepting any money. Only after the

complainant was called in and questioned did he indicate that he had placed the money in the left table drawer of the appellant's desk, where it was subsequently found.

14. Resultantly, the Trial Court held that the prosecution failed to prove beyond reasonable doubt that the appellant had demanded and accepted a bribe, and acquitted him of charges under Section 7 and Section 13(1)(d) read with Section 13(2) of the PC Act, ordering the return of seized cash to the complainant and destruction of other seized materials after the appeal period expired. This acquittal was set aside by the High Court *vide* the impugned judgement.

15. At the outset, it bears emphasis that the charge framed by the Trial Court was confined to an alleged demand and acceptance of ₹3,000/- from PW-1 on 26.09.1997 at 5:30 PM, and no charge was framed for any demand or acceptance of ₹6,000/-, nor was there any allegation in the charge-sheet to that effect. Therefore, there is merit in the appellant's contention that the High Court has convicted him for something which he was not asked to meet.

16. We firstly note that the High Court has returned an erroneous finding that the negative 'hand-wash test' was "*the first circumstance relied upon by the lower Court in favour of the accused.*" The High Court further stated that:

"6) ...In order to avoid the same, some public servants adopt several methods of collection of bribe amount instead of receiving the bribe amount with their hands and keeping the same in their pockets. One such method is directing the victim/decoy witness to drop the tainted currency into table drawer or into brief case or into any other place to which the accused alone has got accessibility so that he can pick up the said dropped amount conveniently at a later point of time. If such methods are adopted by clever public servants, then the routine method of phenolphthalein powder and sodium carbonate solution and turning hand fingers as well as pockets of the accused into pink, becomes not possible. From the fact that hand finger rinses of the accused not turning pink in sodium carbonate solution, it cannot be taken as a circumstance which disproves the prosecution case. Though investigating agency may be unsuccessful in nabbing the culprit by adopting such method in certain cases, the prosecution is not precluded from proving that the accused demanded and accepted bribe amount by leading other evidence."

17. We are unable to appreciate the reasoning adopted by the High Court in this regard. In the first place, the negative result of the 'hand-wash' test was only one of several suspicious circumstances considered by the Trial Court, not the first or most determinative one. More importantly, it is not the case of either side that the appellant physically handled the tainted notes, and the same has been accepted by the High Court. The prosecution maintains that the notes were dropped into the drawer at the appellant's instance, while the defence asserts that they were placed there without his knowledge. For either side, the 'handwash' test and the negative result thereof is of no consequence as it cannot advance the case one way or the other. What is troubling is that the High Court has nevertheless seized upon this circumstance and gone on to attribute wrongful intent to the appellant. We take this opportunity to reiterate that suspicion, however strong, cannot take the place of proof.

18. The statutory presumption under Section 20 of the PC Act is **not** automatic and arises only once the foundational facts of demand and acceptance are proved. The same has been reiterated time and again by this Court; in the recent decision of **Rajesh Gupta vs. State through Central Bureau of Investigation**,⁹ it was held:

⁹ 2022 INSC 359

“17. For an offence under Section 7 of PC Act, the demand of illegal gratification is a sine qua non to prove the guilt. Mere recovery of currency notes cannot constitute an offence under Section 7 of PC Act, unless it is proved beyond reasonable doubt that accused voluntarily accepted the money, knowing it to be a bribe. The proof of acceptance of illegal gratification can follow only if there is proof of demand.”

19. It is therefore vital to examine these elements before the circumstance of recovery can assume any significance. We once again rely on the observation of this Court in **Rajesh Gupta (supra)**:

“16.The law is well-settled by the judgments of this Court in Panna Damodar Rathi vs. State of Maharashtra (1979) 4 SCC 526 and Ayyasami vs. State of Tamil Nadu (1992) 1 SCC 304, whereby it has been clarified that the sole testimony of the complainant, who is the interested witness, cannot be relied upon without having corroboration with the independent evidence.”

20. In the instant case, too, the sole basis of the prosecution to prove demand and acceptance is the narration of the complainant, a close scrutiny of which reveals serious infirmities. At the outset, the complainant has no proof other than his own oral statement that he visited the appellant on 25.09.1997, wherein the appellant allegedly made his first demand for a bribe. His nephew also admits he does not know when the complainant first informed him that the appellant had demanded a bribe. Moreover, as the Trial Court has already noted:

(a) There is a material discrepancy as to when the complaint was written, as the complainant claims it was drafted on the morning of 25.09.1997. Yet, the alleged demand is said to have occurred in the evening of that very day. The High Court has dismissed this inconsistency as “*innocuous*” by reasoning that it may be attributed to the lapse of five years between incident and deposition;

(b) The complaint itself refers to “*Rama Raju*” rather than the appellant, a mistake not corrected at the pre-trap stage on 26.09.1997. On this point, the High Court has said:

“14) ...Criminal law does not attach importance on names of the accused, but gives importance to identity of the accused. One person may be called with many names, but all those names refer to one and the same person and not different persons. It cannot be a circumstance either to disbelieve the prosecution case or to discredit P.W-1's evidence.”

21. Needless to say, the above observations are not tenable in law. Moreover, what we find particularly troubling is the complainant's conduct in directing Rajender, the mediator and accompanying independent witness, to remain outside the appellant's office during the crucial half-hour in which the alleged demand and acceptance occurred. This was contrary to the explicit instructions of the DSP. Rajender could consequently make no positive statement on whether the appellant demanded or accepted any bribe, and this gap is candidly admitted by the prosecution itself.

22. Both, the DSP and the Inspector of ACB, admit they did not question the complainant on this point, and till date no explanation has ever been offered for keeping Rajender out of the room. They also admit that they did not question any of the other office staff or visitors. We note that the other mediator Balaji was not examined by the prosecution at all. These circumstances are nowhere addressed by the High Court. Such omissions cannot be brushed aside lightly, as they strike at the root of the prosecution version and cast serious doubt on whether demand and acceptance were proved beyond reasonable doubt.

23. In contrast, the defence has consistently maintained that the alleged demand and acceptance of bribe never took place. According to the appellant, the complainant entered

his office alone and during the appellant's brief absence, placed the tainted amount in the left-drawer of the table. Accordingly, when the trap-party entered, the appellant immediately denied having received any money, and the phenolphthalein test on both hands yielded negative results.

24. We opine that the High Court has placed undue weight on the fact that, in his statement recorded on the spot, the appellant did not mention going to the bathroom between 5:00 PM and 5:30 PM, and the same has clinching value as the evidence recorded at the "*earliest point of time*." We disagree. The post-trap report and several depositions themselves note that the appellant was perplexed and confused when the trap-party burst into his chambers. If the defense version is believed and he first saw the money in the drawer only after it was opened in the course of the trap proceedings, it is more consistent that he would not have thought to refer to a routine detail such as a brief bathroom break at all.

25. The circumstances on record support this version. As discussed above, the complainant did not take Rajender into the chamber. Even in his version, the complainant acknowledges that he himself placed the money in the left-hand drawer of the appellant's desk. The defense attempted to establish that this was planted, not placed at the instance of the appellant, by examining two witnesses: S. Ramulu Naik, President of Bakelite Hylam Limited Contract Workers Union (DW-1) and Y. Veeranna Babu, a practicing Advocate (DW-2).

26. Both the DWs support the defense version. DW-1 explained that he had official reasons to visit the appellant's office on 25.09.1997 and again on 26.09.1997. On that day, around 5:15 PM, he came to the appellant's office after finishing work at the neighbouring Ranga Reddy Labour Office, and the attendant Abbas told him the appellant was in the bathroom. Importantly, DW1 states that pulling aside the curtain of the chamber, he saw the complainant sitting on the left side of the table with the appellant's chair vacant. He then stepped back into the verandah, where he encountered DW-2.

27. DW-2 has independently corroborated this sequence. He testified that he had gone to the appellant's chamber at about 5:10 PM in connection with two workers' compensation cases. By the time he was leaving, he saw the appellant walking towards the toilet attached to the chamber, and simultaneously observed the complainant entering the chamber. As he stepped into the verandah, DW-2 encountered DW-1, and both exchanged greetings. His account matches up with DW-1's, as each locates the other at the scene, each describes the appellant leaving for the toilet, and both place the complainant, alone, inside the chamber at that time.

28. We note that both DWs were cross-examined on possible bias but did not waver. They frankly admitted knowing one another, but gave independent reasons for being at the office. Their testimony cannot be brushed aside as manufactured. It directly supports the appellant's explanation that the complainant took advantage of his brief absence to place the tainted notes in the drawer without any demand or acceptance by the appellant.

29. This is pertinent as the High Court has completely discounted the testimony of DW-1 and DW-2 by stating that they would have appeared before the appellant in official capacity and thus might be inclined to oblige him. We find no merit in this reasoning. A witness's evidence is not to be rejected merely because he appeared before or dealt with the accused in an official or professional capacity, particularly when it was in course of their business that they visited the spot i.e., they are 'natural' witnesses.

30. In the instant case, DW-1 gave a full account of his visits on 25.09.1997 and 26.09.1997 linked to bonus disputes of his union, and DW-2 explained his visit in connection with pending Workers' Compensation Case Nos. 11/1997 and 13/1997. We find that these are legitimate reasons rather than manufactured pretexts. Moreover, with respect to the quality of the evidence, both DWs provided mutually consistent accounts. This convergence on material details is not easily explained away as a product of bias. Both were cross-examined, both admitted acquaintance with the appellant and one another (and DW-1 with the complainant), and both denied suggestions of fabrication. They have also stated that the suggestion that no one could enter or leave the office without the appellant's permission is incorrect, which directly contradicts the High Court's finding to this effect. Unless the DWs' evidence is shown to be inherently improbable or contradicted by the record, it cannot be discarded solely because they were professionals who had cause to interact with the appellant's office.

31. On the point of the testimony of the attendant Abbas, we note that he wrote a letter to the appellant on 27.09.1997 supporting the defence version, even stating that while the appellant was in the toilet, he heard the sound of a drawer being opened. He states therein that when he entered the chamber, he found the complainant sitting alone, and the complainant said that he had merely closed the drawer which had been left half open. Abbas also described that in his presence, the appellant told the complainant the licences were ready but would be issued after submission of certain registers, to which the complainant agreed and left. The High Court has strongly castigated the appellant for the same, holding that he could not "*enquire into his own affair*" and the letter amounted to an attempt to influence Abbas and interfere with the investigation.

32. We further note that the record shows that the appellant on 28.01.1998 complained in writing that his statement had not been properly recorded in the post-trap report, that portions were distorted, and that he was made to sign a copy without being allowed to read it. It is admitted that this written explanation was not placed on record by the prosecution, only being marked by the defense as Ex. D-1. Abbas ultimately turned hostile and alleged that he had been threatened by ACB officials to support the prosecution version. In the end, his evidence did not clearly support either side and remained internally inconsistent.

33. In light of the foregoing discussion, and applying the principles laid down in **Chandrappa** (*supra*), we hold that the Trial Court's view was both reasonable and firmly rooted in the evidence on record. The acquittal was based on careful evaluation of this evidence, including the above-discussed material contradictions, unreliable testimonies, and serious procedural lapses, and cannot be termed perverse or unsustainable. The High Court, on the other hand, did not demonstrate any compelling reason to depart from that view. It failed to engage with the Trial Court's detailed reasoning and instead substituted its own inferences without addressing the evidentiary gaps identified above. The strength of the criminal process lies in restraint as much as in scrutiny. The appellant's acquittal, having stood on reasonable grounds, deserves to stand restored.

34. Lastly, though we will not undertake a detailed examination of the Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation & Abolition) Central Rules, 1971 framed thereunder, as they are not directly in issue before us, certain findings recorded by the High Court merit comment. As elaborated below, the High Court's discussion of Rule 29 of the abovementioned Act is wholly inconsistent with the statutory scheme, while the Trial Court's view, by contrast, appears consistent. *First*, where an application for renewal is made within the prescribed time, the licence stands deemed

renewed during the pendency of the application. Therefore, the considerable evidence on record that there was no obligation on and no practice of contractors making repeated visits to the office to enquire about the licence appears quite sound. Senior Assistant Gopal Rao has also made a statement to the effect that in four years (1995-1997), the complainant never visited the office for taking the renewed license before 26.09.1997. *Second*, the High Court travels into an unrelated tangent by stating that the appellant had no right to demand inspection of registers and the same was a “*creative procedure*” devised by him to keep contractors under his control. This reasoning is unsustainable. An Assistant Commissioner of Labour is statutorily empowered to call for and inspect registers and other documentation to satisfy himself as to compliance, and the record shows that the appellant in fact issued written notices dated 20.09.1997 requiring such inspection in respect of Shweta and Tirumala Enterprises. Where the application was made within time and no notice was issued (i.e., in the case of Sindhu Enterprises), the High Court itself notes that the file was cleared. To describe inspection as an exploitative device and then conjecture that a file was cleared only because ₹3,000/- was paid as a bribe, as the High Court has done, is totally unwarranted. Contract labour regulation is necessarily precarious, and an officer cannot be faulted and aspersed for requiring documentary proof of compliance, especially when the request is recorded in writing.

35. Accordingly, the Appeal is allowed. The impugned judgment and order dated 08.07.2011 passed by the High Court of Judicature of Andhra Pradesh at Hyderabad in Criminal Appeal No.1540 of 2004 is set aside, and the order of acquittal dated 28.11.2003 passed by the Court of Principal Special Judge for SPE & ACB Cases, Hyderabad in Calendar Case No. 13 of 1999 is restored. The appellant is on bail, his bail bonds are discharged.

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