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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Judgment reserved on: 14.09.2026*
Judgment pronounced on: 26.11.2026
Judgment uploaded on: 26.11.2026

\# **CNR No. DLHC011076762025**

\+ **CRL.REV.P. 4/2026 & CRL.M.A. 155/2026**

SHRI LALU PRASAD YADAV .....Petitioner

Through: Mr. Maninder Singh, Sr. Adv. with Mr. Varun Jain, Mr. Navin Kumar, Mr. Satish Kumar, Ms. Janvi Narang, Mr. Sagar Priyadarshi and Ms. Geetanjali Reddy, Advs.

versus

CENTRAL BUREAU OF INVESTIGATION .....Respondent

Through: Mr. D.P Singh, ASG, Mr. Manu Mishra, SPP with Mr Imaan Khera, Ms. Garima Saxena and Ms. Shreya Dutt, Advs.

\# **CNR No. DLHC011083542025**

\+ **CRL.REV.P. 12/2026 & CRL.M.A. 640-41/2026**

SH. PREM CHAND GUPTA .....Petitioner

Through: Mr. R. K. Handoo, Mr. Yoginder Handoo, Mr. Aditya Chaudhary, Mr. Ashwin Kataria, Ms. Khushboo Mittal, Mr. Garvit Solanki, Mr. Gaurav Vishwakarma and Mr. Aditya Aggarwal, Advs.

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versus

CENTRAL BUREAU OF INVESTIGATION
(CBI) .....Respondent

Through: Mr. D.P Singh, ASG, Mr. Manu Mishra, SPP with Mr Imaan Khera, Ms. Garima Saxena and Ms. Shreya Dutt, Advs.

CNR No. DLHC010003382026

\+ **CRL.REV.P. 14/2026 & CRL.M.A. 677/2026**

RAKESH SAKSENA .....Petitioner

Through: Mr. Sanjay Abbot, Mr. Samarth K. Luthra, Ms. Sanjana Mishra, Ms. Tishya Sekhar and Mr. Manoviraj Singh, Advs.

versus

CENTRAL BUREAU OF INVESTIGATION .....Respondent

Through: Mr. D.P Singh, ASG, Mr. Manu Mishra, SPP with Mr Imaan Khera, Ms. Garima Saxena and Ms. Shreya Dutt, Advs.

CNR No. DLHC010003462026

\+ **CRL.REV.P. 15/2026 & CRL.M.A. 726/2026**

VINOD KUMAR ASTHANA .....Petitioner

Through: Mr. Abhir Datt, Mr. Debayan Gangopadhyay, Ms. Varnika Singh and Mr. Surya Ketu Tomar, Advs.

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versus

CENTRAL BUREAU OF INVESTIGATION .....Respondent

Through: Mr. D.P Singh, ASG, Mr. Manu Mishra, SPP with Mr Imaan Khera, Ms. Garima Saxena and Ms. Shreya Dutt, Advs.

CNR No. DLHC010134012026

\+ **CRL.REV.P. 200/2026 & CRL.M.A. 10216/2026**

BHUPENDRA KUMAR AGARWAL .....Petitioner

Through: Mr. Mathew M Philip and Mr. Priyansh Raj Singh, Advs.

versus

CENTRAL BUREAU OF INVESTIGATION THROUGH ITS DIRECTOR .....Respondent

Through: Mr. D.P Singh, ASG, Mr. Manu Mishra, SPP with Mr Imaan Khera, Ms. Garima Saxena and Ms. Shreya Dutt, Advs.

CNR No. DLHC010009622026

\+ **CRL.REV.P. 32/2026 & CRL.M.A. 1534/2026**

SARLA GUPTA .....Petitioner

Through: Mr. R. K. Handoo, Mr. Yoginder Handoo, Mr. Aditya Chaudhary, Mr. Ashwin Kataria, Ms. Khushboo Mittal, Mr. Garvit Solanki, Mr. Gaurav Vishwakarma and Mr. Aditya Aggarwal, Advs.

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versus

CENTRAL BUREAU OF INVESTIGATION
(CBI) .....Respondent

Through: Mr. D.P Singh, ASG, Mr. Manu Mishra, SPP with Mr Imaan Khera, Ms. Garima Saxena and Ms. Shreya Dutt, Advs.

CNR No. DLHC010009572026

\+ **CRL.REV.P. 33/2026 & CRL.M.A. 1576/2026**

RABRI DEVI .....Petitioner

Through: Mr. Maninder Singh, Sr. Adv. with Mr. Varun Jain, Mr. Navin Kumar, Mr. Satish Kumar, Ms. Janvi Narang, Mr. Sagar Priyadarshi and Ms. Geetanjali Reddy, Advs.

versus

CENTRAL BUREAU OF INVESTIGATION .....Respondent

Through: Mr. D.P Singh, ASG, Mr. Manu Mishra, SPP with Mr Imaan Khera, Ms. Garima Saxena and Ms. Shreya Dutt, Advs.

CNR No. DLHC010013072026

\+ **CRL.REV.P. 38/2026 & CRL.M.A. 1757/2026**

LARA PROJECTS LLP .....Petitioner

Through: Mr. Maninder Singh, Sr. Adv. with Mr. Varun Jain, Mr.

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Navin Kumar, Mr. Satish Kumar, Ms. Janvi Narang, Mr. Sagar Priyadarshi and Ms. Geetanjali Reddy, Advs.

versus

CENTRAL BUREAU OF INVESTIGATION .....Respondent

Through: Mr. D.P Singh, ASG, Mr. Manu Mishra, SPP with Mr Imaan Khera, Ms. Garima Saxena and Ms. Shreya Dutt, Advs.

CNR No. DLHC010013522026

\+ **CRL.REV.P. 39/2026 & CRL.M.A. 1760-61/2026**

PRADEEP KUMAR GOEL .....Petitioner

Through: Mr. Neeraj Kumar Gupta, Mr. Ranjeet Kumar Singh, Mr. Deval N. Modi, Mr. Rahul Kumar Verma and Mr. Akshyay Agarwal, Advs.

versus

CENTRAL BUREAU OF INVESTIGATION .....Respondent

Through: Mr. D.P Singh, ASG, Mr. Manu Mishra, SPP with Mr Imaan Khera, Ms. Garima Saxena and Ms. Shreya Dutt, Advs.

CNR No. DLHC010328172026

\+ **CRL.REV.P. 40/2026 & CRL.M.A. 1792/2026**

RAKESH KUMAR GOGIA .....Petitioner

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Through: Mr. Bijender Singh, Ms. Sarita Sharma and Ms. Isha Singh, Advs.

versus

CENTRAL BUREAU OF INVESTIGATION .....Respondent

Through: Mr. D.P Singh, ASG, Mr. Manu Mishra, SPP with Mr Imaan Khera, Ms. Garima Saxena and Ms. Shreya Dutt, Advs.

CNR No. DLHC010013202026

\+ **CRL.REV.P. 46/2026 & CRL.M.A. 1882-83/2026**

SUJATA HOTEL PVT LTD & ORS. .....Petitioners

Through: Mr. Shadan Farasat, Sr. Adv. with Ms. Varisha Sharma and Mr. Kaustubh Chaturvedi, Advs.

versus

CENTRAL BUREAU OF INVESTIGATION .....Respondent

Through: Mr. D.P Singh, ASG, Mr. Manu Mishra, SPP with Mr Imaan Khera, Ms. Garima Saxena and Ms. Shreya Dutt, Advs.

CNR No. DLHC010000412026

\+ **CRL.REV.P. 6/2026 & CRL.M.A. 209/2026**

TEJASHWI PRASAD YADAV .....Petitioner

Through: Mr. Maninder Singh, Sr. Adv. with Mr. Varun Jain, Mr.

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Navin Kumar, Mr. Satish Kumar, Ms. Janvi Narang, Mr. Sagar Priyadarshi and Ms. Geetanjali Reddy, Advs.

versus

CENTRAL BUREAU OF INVESTIGATION .....Respondent

Through: Mr. D.P Singh, ASG, Mr. Manu Mishra, SPP with Mr Imaan Khera, Ms. Garima Saxena and Ms. Shreya Dutt, Advs.

CORAM:
HON'BLE DR. JUSTICE SWARANA KANTA SHARMA

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DR. SWARANA KANTA SHARMA, J.

1. The present batch of revision petitions assails the order dated 13.10.2025 [hereafter '**impugned order**'] passed by the learned Special Judge (PC Act) (CBI)-24 (MP/MLA Cases), Rouse Avenue

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Courts, Delhi [hereafter '**Special Court**'] in CC No. 01/2020, titled *CBI v. Lalu Prasad Yadav*, arising out of RC No. 220 E 0013/2017, registered at Police Station CBI/EO-II/ND. By way of the impugned order, the learned Special Court has framed charges against the petitioners for offences punishable under Section 120B read with Section 420 of the Indian Penal Code, 1860, and Section 13(2) read with Section 13(1)(d) of the Prevention of Corruption Act, 1988.

2. Since all the 14 petitioners are accused in the same FIR and have challenged the common order dated 13.10.2025 framing charges against them, the above-captioned revision petitions are being taken up together and are being decided by way of the present common judgment, with the consent of the parties and for the sake of convenience.

FACTUAL BACKGROUND

3. The case of the respondent-Central Bureau of Investigation (**CBI**), in a nutshell, is that Sh. Lalu Prasad Yadav (**A-1**), while serving as Minister of Railways, Government of India, had entered into a criminal conspiracy with the Kochhar brothers of M/s Sujata Hotel Pvt. Ltd. [hereafter '**M/s Sujata Hotel**'] and others. In pursuance of the alleged conspiracy, A-1 had abused his official position and extended undue favour to M/s Sujata Hotel, through officers of the Indian Railway Catering and Tourism Corporation Limited, New Delhi [hereafter '**IRCTC**'], in the award of contracts for sub-leasing the existing Railway Hotels, known as BNR Hotels,

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at Ranchi, Jharkhand, and Puri, Orissa. The CBI alleges that, in consideration for the said favour, the Kochhar brothers had sold prime land situated in Patna, Bihar, to M/s Delight Marketing Company Pvt. Ltd. [hereafter '**M/s DMCPL**'], a company run by a close associate of A-1, namely, Sh. Prem Chand Gupta (**A-9**), and his associates. The said company was subsequently taken over by members of A-1's family. It is thus alleged that the prime land situated in Patna ultimately came into the hands of A-1's family for a nominal consideration. After completion of investigation, the CBI filed a detailed chargesheet. The facts and the results of the investigation, as mentioned in the chargesheet, are set out in the succeeding discussion.

4. As stated in the chargesheet, IRCTC, incorporated on 27.09.1999 as a public sector enterprise under the Ministry of Railways, was established to upgrade, professionalise and manage railway catering and hospitality services and promote domestic and international tourism through budget hotels, tour packages, commercial publicity and reservation systems. Under the first Memorandum of Understanding (**MoU**), executed between the Ministry of Railways and IRCTC on 12.04.2001, paragraph 2.1 ('Transfer of land and building') provided for leasing or licensing mutually identified railway land and buildings to IRCTC on nominal charges, with permission to sub-lease or sub-license them to third parties for passenger amenities and essential services. These included food and beverage outlets, pantry cars, passenger information

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services, retiring rooms and budget hotels, pre-departure and post-arrival services, and passenger terminals. IRCTC was to continue providing these services, encourage investment in their upgradation and professionalisation, and manage them with private entrepreneurs, thereby reducing the corresponding liabilities of the Indian Railways. By letters dated 18.09.2001 and 04.02.2003, the Railway Board communicated its decisions to transfer catering services, Rail Yatri Niwas and Railway Hotels to IRCTC. The latter letter, addressed to all General Managers and the Managing Director of IRCTC, specified that all catering and vending activities managed departmentally or through licensees on zonal railways, along with Rail Yatri Niwas and Railway Hotels not yet taken over, would be transferred to IRCTC on an '*as is where is basis*'.

5. A second MoU between IRCTC and the Railway Board was executed on 19.03.2004, with paragraph 2.1 containing provisions on the transfer of land and buildings similar to those in the MoU dated 12.04.2001. Sh. Lalu Prasad Yadav (A-1), a member of the Rashtriya Janata Dal, served as Minister of Railways from 22.05.2004 to 22.05.2009. The CBI alleges that he was aware of the Railway Board's decision to transfer the management of the BNR Hotels at Ranchi and Puri to IRCTC for possible sub-leasing to private entrepreneurs. In this regard, the chargesheet refers to a letter dated 18.08.2004, issued by Sh. Kamal Kant, ED (T&C), Railway Board, to the General Managers (Catering) of all zones and the Managing Director of IRCTC, communicating approval for the immediate

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transfer of departmental catering services, including Rail Yatri Niwas at New Delhi and Howrah, and the Railway Hotels at Puri and Ranchi, to IRCTC on an '*as is where is basis*'. The CBI particularly relies on two notes recorded by the Chairman, Railway Board.

6. The first note, dated 31.08.2004, was issued by Sh. R.K. Singh, the then Chairman, Railway Board, to the Member (Engineering), Member (Traffic), Financial Commissioner, Additional Member (Catering & Tourism), Additional Member (IT) and Additional Member (CE), for information and necessary action. A copy was marked to the Personal Secretary to the Minister of Railways. Titled '*Record Note of discussion held with Hon'ble MR on telephone on 31.08.2004*', paragraph 1 stated:

> "Hon'ble MR has desired that only catering managed by private contractors pertaining to Pantry, Refreshment Room etc. should be transferred to IRCTC and departmental catering should continue to remain with the Railways at present."

7. According to the CBI, this direction was acted upon by the Railways. The then Member (Traffic), in a note on Railway Board File No. 2001TG-II/600/9, recorded that departmental catering was not to be transferred to IRCTC at that stage. The chargesheet states that no other Railway official made a further noting on the issue. Statements of officials dealing with the matter at the highest level allegedly established that the BNR Hotels formed part of departmental catering, being existing railway properties managed by departmental staff. At its meeting dated 25.11.2004, the Railway

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Board decided that ownership of Rail Yatri Niwas and the Railway Hotels at Puri and Ranchi would remain with the Indian Railways, while their transfer to IRCTC would be on an '*as is where is basis*'. Revenue sharing would be governed by the MoU, along with a nominal annual licence fee of Rs. 1,000/-. The minutes were also sent to A-1. A letter dated 25.02.2005, addressed to the Managing Director of IRCTC and the General Managers (Catering) of all zones, subsequently communicated the lease charges for budget hotels and reiterated in paragraph 3 that ownership of the BNR Hotels would remain with the Indian Railways.

8. *Simultaneously*, the CBI also relies on some land transactions undertaken on 25.02.2005. It is alleged that on that date, 11 sale deeds were executed, through which 358 decimals of prime land in Patna were transferred by the Kochhar brothers, Vinay Kochhar (**A-6**), Vijay Kochhar (**A-5**) and Arvind Kochhar, through a power of attorney in favour of Harsh Kochhar, to M/s DMCPL for a total consideration of Rs. 1.61 crores.

9. At a further meeting on 24.08.2005, the Railway Board decided that the market should be tested before determining the lease period and that the Directorate should submit a fresh proposal. The minutes were also sent to A-1. The CBI alleges that there is no material on record showing that any market study was conducted pursuant to this decision. The chargesheet refers to a letter dated 16.11.2005, issued by Sh. P.K. Goel (**A-8**), the then Executive Director (T&C), Railway Board, to the General Managers of all

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Zonal Railways, with a copy to the Managing Director of IRCTC. Sh. P.K. Goel subsequently became MD, IRCTC, on 27.06.2006. The letter prescribed licence fees and land lease charges for budget hotels, food plazas, Rail Yatri Niwas (**RYN**) and BNR Hotels at Puri and Ranchi. It specified that ownership would remain with the Railways, while maintenance would be taken over by IRCTC on an '*as is where is basis*'. The lease period was fixed at 30 years, or such revised period as the Railway Board might prescribe from time to time, subject to the terms of the MoU with IRCTC.

10. The CBI also relies on a second note of the Chairman, Railway Board, which allegedly reflected the involvement of A-1 in decisions concerning the BNR Hotels at Ranchi and Puri. According to the chargesheet, on 26.09.2006, Sh. J.P. Batra, the then Chairman, Railway Board, issued a note to the Member (Traffic), who marked it to the Additional Member (Tourism & Catering) and the MD, IRCTC. The note recorded:

> "OSD to MR rang up and informed that MR has desired that the proposal for more budget hotels including the ones for which the advertisement has been given in paper be withdrawn till the policy in this regard is finalized."

11. The CBI alleges that the policy concerning budget hotels was intertwined with that governing the BNR Hotels. It is its case that A-1's direction to withdraw proposals for additional budget hotels must be viewed in the context of subsequent changes to the policy governing the BNR Hotels, allegedly using the budget-hotel policy as

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a cover for making those changes. The chargesheet further points out that the budget hotels and BNR Hotels formed part of a broader public-private partnership policy, and that IRCTC officials were taking steps in relation to both, including issuing common advertisements dated 03.11.2006 and 15.11.2006. The omission of the BNR Hotels from the direction dated 26.09.2006 is alleged to be significant in this context.

12. According to the CBI, the two notes of the Chairman, Railway Board, and the fact that copies of Railway Board decisions concerning the BNR Hotels were sent to A-1 establish that he was aware of their proposed transfer to IRCTC. The first note, dated 31.08.2004, allegedly directed that departmental catering should continue to remain with the Railways. The CBI alleges that departmental catering included the BNR Hotels at Ranchi and Puri, as they were existing railway properties operated and maintained by departmental staff. Their subsequent transfer to IRCTC is alleged to have been pursuant to the conspiracy. The CBI further alleges that A-1's directions, as reflected in the notes dated 31.08.2004 and 26.09.2006, read with the Railway Board's decisions dated 25.11.2004 concerning transfer on an '*as is where is basis*' and 24.08.2005 concerning market testing before deciding the lease period, establish his knowledge of the proposed management, development and operation of budget hotels and BNR Hotels at Ranchi and Puri, including the participation of private parties through sub-leasing. The BNR Hotel at Ranchi was handed over by the South

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Eastern Railway to IRCTC on 19.01.2006, while the BNR Hotel at Puri was handed over by the East Coast Railway on 10.02.2006.

13. The charge-sheet further alleges that the tender process for the BNR Hotels at Ranchi and Puri was manipulated to favour M/s Sujata Hotel (**A-14**), in conspiracy with Vijay Kochhar (A-5), Vinay Kochhar (A-6), and certain IRCTC officials. The alleged sequence began after Sh. P.K. Goel (A-8) joined IRCTC as its MD on 27.06.2006. On 10.07.2006, Sh. Rakesh Saksena (**A-10**), then Director (T&M), initiated Note No. 2006/IRCTC/RYN/General proposing that RYN and BNR Hotels be developed, maintained and operated through the PPP model adopted for Budget Hotels, using the same technical specifications. Sh. P.K. Goel (A-8) approved the proposal, which prescribed a licence tenure of 15 years.

14. IRCTC also decided to classify RYN and BNR Hotels according to whether they were situated in metropolitan or non-metropolitan cities, as in the case of Budget Hotels, and accordingly revise their minimum eligibility criteria. The stated objective was to attract reputed hotel operators to non-metropolitan stations such as Ranchi and Puri; however, the CBI alleges that no justification or supporting record for the proposal existed. On 06.10.2006, L. Ravi Kumar, then Assistant Manager (Tourism), initiated a note titled *"Revision of Minimum Eligibility Criteria for RYN & BNR Hotels"*, on the instructions of senior officers. It was routed through Sh. B.K. Agarwal (**A-11**), GGM (Tourism), Sh. Rakesh Saksena (A-10), Director (T&M), and Sh. R.K. Gogia (**A-12**), JGM (Finance), and

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was approved by Sh. P.K. Goel (A-8) on the same day. The revised criteria for BNR Hotels at Ranchi and Puri required bidders to have — minimum annual turnover of ₹3 crore; net worth of ₹1 crore as on 31.03.2006; positive net profit in at least two of the three financial years 2003–04, 2004–05 and 2005–06; at least five years' experience in operating and maintaining a hotel of at least two-star category; no past default in loans from banks or financial institutions; no statutory dues or undisputed liabilities; and status as an income-tax and/or sales-tax payer.

15. On 09.10.2006, following the approval dated 06.10.2006, IRCTC issued a Notice Inviting Tender (**NIT**) for RYN and BNR Hotels. For RYN, tender documents were to be sold from 18.10.2006 to 09.11.2006, with bids due by 1200 hours on 10.11.2006 and opening at 1215 hours that day. For BNR Hotels, the corresponding dates were 23.10.2006 to 16.11.2006, with bids due by 1200 hours on 17.11.2006 and opening at 1215 hours. However, the NIT incorrectly specified three years' experience in operating and maintaining a hotel of at least two-star category, instead of the five years approved by Sh. P.K. Goel (A-8) and also reflected in the advertisement dated 03.11.2006.

16. It is alleged that on 01.11.2006, Sh. Rakesh Saksena (A-10) proposed extending the sale of tender documents for Budget Hotels and four IRCTC properties, including BNR Hotels, until 30.11.2006, with bids to be submitted by 01.12.2006. Sh. P.K. Goel (A-8) approved the proposal that day. An advertisement published on

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03.11.2006 in leading newspapers specified the requirement of experience in operating and maintaining a hotel of at least two-star category for the preceding five financial years. The note also referred to road shows and participation in the FHRAI conference to garner support for Budget Hotels, but made no mention of RYN or BNR Hotels. The CBI relies on this distinction to contend that BNR Hotels were existing properties, unlike Budget Hotels, which were a proposed development concept.

17. The CBI alleges that, pursuant to the conspiracy to favour M/s Sujata Hotel (A-14), Sh. Rakesh Saksena (A-10) initiated a note on 13.11.2006 proposing further relaxation of the eligibility criteria for BNR Hotels in three respects:

(i) The minimum turnover of ₹3 crore was retained, but the requirement was reduced from the three financial years 2003-04, 2004-05 and 2005-06 to only the two years 2004-05 and 2005-06;

(ii) The requirement of operating and maintaining a two-star hotel, or equivalent property with food facilities, was reduced from five financial years to the two years 2004-05 and 2005-06; and

(iii) The requirement for a certificate of star classification or reclassification issued by the competent authority was relaxed to permit either such certificate or a bidder's self-certification that the property was equivalent to at least a two-star hotel,

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where official classification had not been obtained or an application for it was pending.

18. According to the CBI, these relaxations were deliberately introduced to suit M/s Sujata Hotel (A-14), which would otherwise have been ineligible under the criteria approved by Sh. P.K. Goel (A-8) on 06.10.2006 and published in the advertisement dated 03.11.2006. M/s Sujata Hotel (A-14) submitted its bid only after the corrigendum relaxing the conditions was issued. The CBI further alleges that no road show concerning BNR Hotels had been conducted and no feedback regarding those hotels had been obtained at the FHRAI conference held at Chandigarh from 10.11.2006 to 12.11.2006. It points out that Sh. Rakesh Saksena's (A-10) note dated 01.11.2006 referred to road shows and the FHRAI conference only in relation to Budget Hotels. The CBI therefore alleges that the stated justification for changing the BNR tender conditions was false and that the changes were made with the dishonest intention of favouring M/s Sujata Hotel (A-14). It further relies on the fact that the proposals to extend the bid-submission date and amend the eligibility conditions were initiated directly by Sh. Rakesh Saksena (A-10), whereas most proposals at IRCTC were ordinarily initiated by subordinate officers.

19. The CBI alleges that, apart from M/s Sujata Hotel (A-14), which bid for both BNR Hotels, Ranchi and Puri, only one other bidder participated in each tender. The other bidder for BNR Hotel, Ranchi, allegedly submitted his bid under pressure from an RJD party

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leader, who threatened him to quote a licence fee of ₹4-5 crore. Fearing for his safety, he submitted the tender at the rates dictated to him. Further, although the bids were scheduled to be opened on 01.12.2006 at 1215 hours at IRCTC's office in the presence of the bidders, the two bidders other than M/s Sujata Hotel (A-14) were allegedly made to sign certain papers before the scheduled time and informed that, on the directions of IRCTC's highest official, the tenders would not be opened that day. They were asked to leave and told that the opening date would be communicated later. As alleged, no IRCTC officer had been formally nominated to open the bids. Nevertheless, the bids were shown as opened on 01.12.2006 by two subordinate officials acting on the verbal instructions of Sh. B.K. Agarwal (A-11) and Sh. R.K. Gogia (A-12), without written orders or approval on file. Their names were considered for initial screening only in notings dated 05.12.2006. Separately, Sh. P.K. Goel (A-8) initiated a note dated 01.12.2006 constituting a Tender Committee comprising Vinod Asthana (**A-13**), then GGM (Operations), Sh. B.K. Agarwal (A-11), then GGM (Tourism Services), and Sh. R.K. Gogia (A-12), then JGM (Finance) and Company Secretary. It is alleged that Sh. P.K. Goel (A-8) did not date his signature; the Committee members acknowledged the note on 02.12.2006. The CBI relies on the placement of the notings dated 05.12.2006 below those dated 02.12.2006, but before the noting dated 04.12.2006 on the following page, as indicating that the records were ante-dated.

20. The CBI alleges that the Tender Committee departed from the

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evaluation criteria specified in the tender documents and introduced a revised, threshold-based system, contrary to CVC Circular No. 33/7/03 dated 09.07.2003. The circular cautioned that evaluation criteria not disclosed in the bid documents undermine the sanctity of the tender process and that all criteria must be specified when inviting tenders to ensure transparency, equity and fairness. No record identified when or by whom the revised threshold was introduced or approved. Further, the proforma used for the initial screening of technical bids allegedly concealed the star-category status of the property operated by M/s Sujata Hotel (A-14) during 2004–05 and 2005–06, despite this being an eligibility requirement. Applying the newly introduced criteria, the Committee awarded marks arbitrarily, resulting in the rejection of the other bidder for BNR Hotel, Puri, who scored 53 out of 100 against the qualifying threshold of 60. The CBI further alleges that, despite M/s Sujata Hotel (A-14) having submitted neither documents establishing its star-category status for the preceding two years nor the prescribed self-certification, the Committee deliberately overlooked this mandatory requirement without deliberation.

21. On 23.12.2006, Sh. P.K. Goel (A-8) accepted the Tender Committee's recommendations in favour of M/s Sujata Hotel (A-14), and IRCTC issued letters of award for the leases of BNR Hotels at Ranchi and Puri in its favour on 27.12.2006. The CBI alleges that the tender process was rigged and manipulated to favour M/s Sujata Hotel (A-14), with the bids allegedly opened in the absence of the

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other two participants.

22. The investigation further revealed that the Kochhar brothers had sold 358 decimals of land to M/s DMCPL (A-4) for ₹1,61,67,000/- through 11 sale deeds executed on 25.02.2005. The sale deeds described the land as agricultural, attracting stamp duty at the lowest applicable circle rate of ₹45,000/- per decimal for residential land inside a road. However, the plots were situated on Bailey Road, Patna, where the applicable circle rate for residential land on the main road was ₹55,000/- per decimal. The CBI states that no land in Mauja Jalalpur, Patna, was categorised as agricultural land at the relevant time. Accordingly, the minimum value of the land was ₹1,96,90,000/- (358 decimals × ₹55,000), resulting in a difference of ₹35,23,000/- from the sale consideration of ₹1,61,67,000/-. Additional duty of ₹6,13,002/-, calculated at 17.4% of the difference, was therefore payable. The CBI alleges that the land was registered at a value below the applicable government circle rate. The land was considered prime property in 2005-06 because it was situated on 286-foot-wide Bailey Road, Patna, where commercial development was rapidly increasing. The circle rate for land on Bailey Road in Jalalpur Mouza in 2005 ranged from ₹55,000/- to ₹65,000/- per decimal. By 2014, the circle rates for properties on the main road had risen to ₹24,00,000/- and ₹21,60,000/- per decimal, while the prevailing rate was stated to be ₹26,00,000/- per decimal, with the land categorised as commercial. On that basis, the CBI assessed the total value of the land at ₹85.92 crore as of 09.10.2014 and ₹93.08 crore at the time of

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filing chargesheet.

23. As stated in the chargesheet, M/s DMCPL was incorporated on 10.06.1981 by Late Harish Chander Bhasin and Sh. Prem Chand Gupta (A-9), who were its first directors. On 09.06.1981, Prem Chand Gupta (A-9) had opened the company's current account with the State Bank of India, Main Branch, Parliament Street, New Delhi, signing the account-opening form as its Secretary/Managing Agent. He was also the authorised signatory and, according to the CBI, initially managed the company's operations. Prem Chand Gupta (A-9), a close associate of Sh. Lalu Prasad Yadav (A-1), had been elected to the Rajya Sabha since 1997 on an RJD nomination. Although he resigned from the company after entering politics, the CBI alleges that he and his wife, Smt. Sarla Gupta (**A-7**), continued to exercise indirect control over its affairs and those of group companies. In support, the CBI relies on the allotment, during 1994–95, of 4,000 equity shares of ₹100 each, aggregating ₹4 lakh and increasing the company's paid-up capital to ₹4,00,200/- to persons who were largely employees of Sh. P.C. Gupta's group companies or members of his family. The CBI alleges that, pursuant to the conspiracy, Smt. Sarla Gupta (A-7) acquired approximately 71% of M/s DMCPL's shares, either in her own name or through companies under her control, shortly before the purchase of the Patna land on 25.02.2005. Most transfers took place on 10.02.2005 and 14.02.2005, i.e. about 11–15 days before the purchase, allegedly to place control of the company with her.

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24. The CBI further alleges that, in 2005, Sh. Prem Chand Gupta (A-9) arranged a loan/advance of ₹2 crore from M/s Abhishek Finance Company Ltd. and used it to facilitate M/s DMCPL's purchase of the aforesaid land from the Kochhar brothers for approximately ₹1.61 crore. The sale deed was executed on behalf of the company by Late M.L. Rustagi, then a director and employee of M/s DMCPL. The CBI points out that Sh. Prem Chand Gupta (A-9), a Rajya Sabha MP from Jharkhand for approximately 15 years, resided in New Delhi, as did his family. No other land was subsequently purchased at Patna by companies owned or controlled by him or his family, nor was the land used by M/s DMCPL for any purpose. The CBI relies on these circumstances to allege that Sh. Prem Chand Gupta (A-9) and Smt. Sarla Gupta (A-7) arranged the purchase through a company under their control pursuant to the conspiracy.

25. The CBI alleges that, after the land purchase, M/s DMCPL's shares were transferred to close associates of Sh. Prem Chand Gupta (A-9) and Smt. Sarla Gupta (A-7), allegedly to retain their control over the company's assets, including the land. The company also issued 1,90,000 preference shares to persons known to them or introduced through their associates, purportedly promising business diversification and attractive returns. Through these issues, the company raised approximately ₹1.9 crore, but allegedly paid no returns to the investors even after two to three years, when the preference shares were bought back. The CBI contends that the funds

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were raised to repay the loan from M/s Abhishek Finance Company Ltd., as no business was undertaken or expanded by M/s DMCPL during this period. The CBI further alleges that M/s DMCPL subsequently obtained a loan of ₹50 lakh from M/s Lubetec India Pvt. Ltd. and invested the amount in equity shares of M/s Ahluwalia Contracts India Ltd. on 02.12.2008. The shares were sold on 21.12.2009 and 23.12.2009, generating a profit of approximately ₹2.68 crore, recorded as long-term capital gains. The CBI notes that the share price had risen by approximately 627% when the shares were sold. Following this profit, the company bought back its optionally convertible preference shares; however, no dividend or profit was allegedly paid to the investors.

26. It is alleged that during 2004, all 4,002 shares of M/s DMCPL (A-4) were held by employees of the group companies of Sh. Prem Chand Gupta (A-9). Following the acquisition of the Patna property, the shareholding pattern changed: the number of shareholders decreased, while the majority shareholding consolidated in Smt. Sarla Gupta (A-7) and two companies under her control. One share of M/s DMCPL (A-4), originally held by its founding director, Late Harish Chander Bhasin, was transferred to Sh. Tejashwi Prasad Yadav (**A-3**) in 2011, although no record of the transfer was available. In 2010, Smt. Sarla Gupta (A-7) transferred 1,500 shares of the company to Smt. Rabri Devi (**A-2**) for ₹75 lakh. The CBI alleges that Smt. Rabri Devi (A-2) financed the purchase using money received from Amrendra Kumar Sinha, proprietor of M/s Shreya Construction,

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under a development agreement concerning plots owned by her. In respect of one such plot, although the transfer deed was dated 09.12.2005, the consideration had allegedly been paid in 1980, 25 years before registration of the deed. In 2014, Smt. Rabri Devi (A-2) acquired a further 1,101 shares of M/s DMCPL (A-4) from Smt. Sarla Gupta (A-7) for ₹63.30 lakh, at approximately ₹5,750/- per share, and 750 shares from M/s 1ST Technology & Infrastructure Pvt. Ltd. for approximately ₹43.12 lakh. For these purchases, she received ₹1 crore on 06.02.2014 from the joint account of her daughter and son-in-law. During the same period, Sh. Tejashwi Prasad Yadav (A-3) acquired 650 shares from shareholders of M/s DMCPL (A-4), all stated to be employees of Sh. Prem Chand Gupta (A-9) or his group companies, for ₹1.30 lakh in cash, at ₹200/- per share. The chargesheet further states that Vijay Pal Tripathi, Deoki Nandan Tulshyan, N.M. Kakrania and Gokul Singh, shareholders of M/s DMCPL (A-4), claimed to be employees of companies belonging to Sh. Prem Chand Gupta (A-9). They professed ignorance of the financial transactions and admitted signing financial documents on his instructions. The CBI also highlights the disparity between the price paid by Smt. Rabri Devi (A-2), approximately ₹5,750/- per share, and that paid by Sh. Tejashwi Prasad Yadav (A-3), ₹200/- per share.

27. According to the CBI, the transfer of M/s DMCPL's (A-4) shares to family members of Sh. Lalu Prasad Yadav (A-1) began on 31.05.2010 and concluded in February 2014, when Smt. Rabri Devi

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(A-2) and Sh. Tejashwi Prasad Yadav (A-3) came to hold all 4,002 shares. Control of the company was further consolidated through the appointment of Tej Pratap Yadav and Chanda Yadav as directors on 29.09.2014. The company was renamed M/s Lara Projects Pvt. Ltd. on 22.11.2016 and converted into M/s Lara Projects LLP (A-4) in January 2017. Its designated partners were Smt. Rabri Devi (A-2), with a 60% obligation, and Tej Pratap Yadav and Sh. Tejashwi Prasad Yadav (A-3), each with a 20% obligation.

28. On the basis of the alleged manipulation of the tender process for redevelopment and operation of the BNR Hotels at Ranchi and Puri in favour of M/s Sujata Hotel (A-14), the sale of land by its promoters to M/s DMCPL (A-4) at a price allegedly below the applicable circle rate, and the subsequent transfer of the company's ownership to members of the family of the then Railway Minister at an allegedly nominal price, the CBI alleges that Sh. Lalu Prasad Yadav (A-1), with knowledge of the transfer of the BNR Hotels to IRCTC, conspired with IRCTC officials, the promoters of M/s Sujata Hotel (A-14), and the directors of M/s DMCPL (A-4) to obtain undue pecuniary advantage through Smt. Rabri Devi (A-2) and Sh. Tejashwi Prasad Yadav (A-3). The CBI's case is thus that the Patna property was acquired in the name of M/s DMCPL (A-4), which was controlled by Sh. Prem Chand Gupta (A-9), for the ultimate benefit of Sh. Lalu Prasad Yadav (A-1) and his family.

29. The charge-sheet alleges commission of offences punishable under Section 120-B read with Section 420 of the Indian Penal Code,

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1860 [hereafter '**IPC**'] and Section 13(2) read with Section 13(1)(d) of the Prevention of Corruption Act, 1988 [hereafter '**PC Act, 1988**'], along with the substantive offences, against the following accused:

- Lalu Prasad Yadav (A-1);
- Rabri Devi (A-2);
- Tejashwi Prasad Yadav (A-3);
- M/s Lara Projects LLP, formerly M/s Lara Projects Pvt. Ltd. and M/s DMCPL (A-4);
- Vijay Kochhar (A-5);
- Vinay Kochhar (A-6);
- Sarla Gupta (A-7);
- P.K. Goel (A-8), then MD, IRCTC, since retired;
- Prem Chand Gupta (A-9), Rajya Sabha MP;
- Rakesh Saksena (A-10), then Director (T&M), IRCTC, since retired;
- B.K. Agarwal (A-11), then GGM (Tourism Services), IRCTC, subsequently Additional Member, Railway Board;
- R.K. Gogia (A-12), then JGM and Company Secretary, IRCTC;
- V.K. Asthana (A-13), then GGM (Operations), IRCTC; and
- M/s Sujata Hotel, through its directors (A-14).

30. The CBI accordingly sought summoning and trial of these accused persons for the aforesaid offences. The charge-sheet further states that sanction for prosecution under Section 19 of the PC Act, 1988 in respect of Sh. B.K. Agarwal (A-11), then GGM (Tourism

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Services), IRCTC and subsequently Additional Member, Railway Board, was being obtained. It also states that no sanction was required for the other accused public servants, as they had retired from service. Such chargesheet was filed in April, 2018.

31. Vide order dated 30.07.2018, the learned Special Court took cognizance of offences against the accused persons under Section 120B read with Section 420 of the IPC, and also under Section 13(2) read with Section 13(1)(d) of the PC Act, 1988.

32. By way of the impugned order dated 13.10.2025, the learned Special Court framed charges against the accused persons.

SUBMISSIONS ON BEHALF OF THE PETITIONERS

33. Mr. Maninder Singh, the learned senior counsel appearing for the petitioner, **Sh. Lalu Prasad Yadav** (A-1), contended that the impugned order on charge suffers from legal infirmities and that the material on record does not establish his involvement in the alleged criminal conspiracy. His submissions, in brief, are as under:

(i) The charges against the petitioner rest primarily on two notes dated 31.08.2004 and 26.09.2006, allegedly issued by the then Chairman of the Railway Board, Shri R.K. Singh (PW-2) and Shri J.P. Batra (PW-3), respectively, on his oral instructions. Despite filing a charge-sheet running into approximately 18,033 pages, the CBI has produced no other incriminating oral or documentary evidence establishing his involvement in the alleged conspiracy. The

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two notes, by themselves, do not establish that he directed or influenced the tender process to confer an undue advantage upon M/s Sujata Hotel (A-14).

(ii) The transfer of railway land and buildings to IRCTC was part of a policy formulated by the Cabinet in 1999, before the petitioner assumed office as Railway Minister. MoUs dated 12.04.2001 and 19.03.2004 provided for the transfer of railway properties to IRCTC on a nominal licence fee, with permission to sub-lease or sub-license them to third parties. No fresh policy decision concerning the subject properties was taken during his tenure.

(iii) The transfer of railway properties to IRCTC commenced in 2001 and was substantially completed by March 2006. The decision to transfer the properties on an "*as is where is*" basis was reflected in notes dated 12.03.2002 and 04.02.2003. The BNR Hotel, Ranchi, was transferred to IRCTC *vide* note dated 26.12.2005, while the BNR Hotel, Puri, was transferred *vide* note dated 10.02.2006. The allegation that the Kochhar brothers sold the Patna land to M/s DMCPL on 25.02.2005 in response to a Railway Board communication issued that day was, therefore, unsupported, as the decision concerning the transfer of railway properties had already been taken.

(iv) The note dated 31.08.2004 was initiated following a meeting with Sh. J.P. Chaubey, General Secretary of the All India Railwaymen's Federation, who opposed the transfer of departmental

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catering on the ground that it was profitable. After examination of the accounts by railway and IRCTC officials revealed that the relevant units were operating at a loss, the transfer process proceeded through the letter dated 23.09.2004. The note formed part of the administrative process concerning catering activities and did not establish any direction by the petitioner to facilitate the alleged conspiracy.

(v) The note dated 26.09.2006 concerned advertisements for 100 budget hotels and did not direct the withdrawal of advertisements for the BNR Hotels at Ranchi and Puri. Although both projects formed part of the broader policy of developing railway properties through public-private partnerships, they were distinct. The BNR Hotel tender process continued, with a note dated 06.10.2006 followed by publication of the notice inviting tenders on 09.10.2006. Further, on 19.10.2006, railway officials informed the MD of IRCTC that the Railway Minister had approved the setting up of 100 budget hotels. Although the learned Special Court has observed that the note dated 26.09.2006 was not incriminating by itself, it nevertheless considered it relevant to the alleged conspiracy when read with other circumstances.

(vi) The letter dated 26.12.2005 issued by Sh. P.K. Goel (A-8), referring to the Railway Minister's request for weekly updates, concerned the status of general minor units at A, B and C category railway stations and had no connection with the BNR Hotels at Ranchi and Puri. Neither the CBI relied upon it as incriminating

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material in the charge-sheet nor did the learned Special Court treat it as such. The letter could not, therefore, establish a link between the petitioner and the alleged manipulation of the hotel tenders.

(vii) The learned Special Court relied upon the statement of PW-13, Sh. Ashwani Kumar Bhatia, who alleged that an unidentified person claiming to be associated with the RJD compelled him to participate in the tender process and submit a financial bid between ₹4 crore and ₹5 crore. This allegation was contradicted by the record, which showed that the witness had prepared a demand draft for obtaining tender documents on 30.10.2006 and proposed an investment of ₹7.23 crore. The witness had not attributed the alleged telephone call or instructions to the petitioner, and his statement could not establish the petitioner's involvement in the conspiracy.

(viii) The CBI sought to connect three distinct transactions: the purchase of land by M/s DMCPL from the Kochhar brothers and other sellers on 25.02.2005; the award of the BNR Hotel tenders to M/s Sujata Hotel (A-14) on 27.12.2006; and the subsequent acquisition of shares in M/s DMCPL by Smt. Rabri Devi (A-2) and Sh. Tejashwi Prasad Yadav (A-3) between 2010 and 2014. No oral or documentary material establishes any connection between these transactions or the petitioner's involvement in them. The allegation that the land purchase constituted a *quid pro quo* for the award of the tenders, with the subsequent share transfers forming part of the same arrangement, was based on conjecture.

(ix) The CBI and Railway Vigilance authorities had

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previously examined the allegations concerning the tender process and land sale and found no irregularity warranting prosecution. The same evidence and documents formed part of the relied-upon material in the present case. The CBI could not disregard the earlier findings merely by describing the exercise as a discreet verification conducted without registration of an FIR. Further, a communication dated 23.04.2013 recorded that no irregularities had been found, despite more than 50% of M/s DMCPL's shares having by then been acquired by A-2 and A-3. Their subsequent acquisition of shares could not, by itself, alter the nature of the earlier transactions or establish their criminal character.

(x) The essential ingredients of the offences under Section 420 of the IPC and Section 13(1)(d) of the PC Act, 1988, were not made out against the petitioner. The prosecution has failed to establish any dishonest inducement by him resulting in the delivery of property or any demand for an undue pecuniary advantage attributable to him. In the absence of material establishing the substantive offences or his participation in the alleged arrangement, the charge of criminal conspiracy under Section 120B of the IPC was also unsustainable.

(xi) The proceedings were vitiated by the absence of the requisite sanction for prosecution. No sanction under Section 197 of the Cr.P.C., had been obtained, although the alleged oral directions were stated to have been issued in the petitioner's capacity as Railway Minister. The prosecution did not dispute his authority to

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issue such directions to the Chairman of the Railway Board. The question of sanction under Section 19 of the PC Act, as amended, was stated to be pending consideration before a larger Bench of the Hon'ble Supreme Court. Further, the requirement of approval under Section 17A of the amended Act had been recognised in decisions of various High Courts, including in respect of acts or omissions predating the amendment. On these grounds, it was argued the impugned order on charge, insofar as it concerned the petitioner, was liable to be set aside.

34. The submissions of Mr. Maninder Singh, learned senior counsel appearing for **Smt. Rabri Devi** (A-2) and **Sh. Tejashwi Prasad Yadav** (A-3), in brief, are as follows:

(i) The CBI alleges that the petitioners acquired shares in M/s DMCPL at undervalued prices, thereby benefiting from land allegedly purchased by M/s DMCPL from the Kochhar Brothers below circle rates on 25.02.2005, in return for undue favour by A-1, Sh. Lalu Prasad Yadav, in awarding the BNR Hotel tenders at Ranchi and Puri to M/s Sujata Hotel on 27.12.2006. However, neither of these petitioners was involved in the land purchase or tender process. Pertinently, A-3, born on 09.11.1989, was only 15 years old at the relevant time.

(ii) Section 420 of the IPC requires dishonest inducement; mere receipt of a benefit without participation in the alleged deception is thus insufficient to attract the offence. Reliance was

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placed on ***A.M. Mohan v. State***, *SLP (Crl.) No. 9598/2022*, decided on 20.03.2024, to argue that the Hon'ble Supreme Court has held that mere receipt of money or participation in a transaction arranged by others, without active fraudulent inducement, does not attract Sections 415 and 420 of the IPC.

(iii) The allegations rest primarily on the petitioners' relationship with A-1 and their subsequent acquisition of shares in M/s DMCPL. No material establishes their active participation, meeting of minds or agreement with the other accused to commit the alleged offences. Their alleged benefit does not, by itself, create the grave suspicion required for framing charges under Section 120B read with Section 420 of IPC. Moreover, other persons who acquired shares after M/s DMCPL purchased the land have also not been arrayed as accused.

(iv) The petitioners purchased shares from erstwhile shareholders for consideration. A-2 acquired 3,351 shares for approximately ₹1.81 crore, including 1,500 shares from Smt. Sarla Gupta on 29.09.2011 for ₹75 lakh, 1,101 shares from her on 06.02.2014 for ₹63 lakh, and 750 shares from M/s IST Technologies Infrastructure Pvt. Ltd. on 12.02.2014 for ₹43 lakh. A-3 purchased 651 shares, constituting approximately 16% of M/s DMCPL's shareholding. These transactions alone do not establish criminal liability.

(v) The prosecution alleges that the cheating and criminal misconduct were completed on 27.12.2006, when the hotel tenders

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were awarded, whereas the petitioners acquired shares subsequently. No material has been placed by the CBI which establishes continuation of the alleged offences thereafter. Thus, the offences under Section 420 of IPC and Section 13(1)(d) of the PC Act, 1988, cannot be treated as continuing offences.

(vi) Acquisition of shares below their alleged market value does not, by itself, constitute an offence under the IPC or the PC Act. Section 56(2)(x) of the Income Tax Act, 1961, dealing with receipt of property for inadequate consideration, was introduced only in April 2017, and no prohibition existed in 2011 or 2014 against purchasing shares below their alleged market value. Further, A-2 was accused despite allegedly purchasing shares at a higher value than A-3.

(vii) M/s DMCPL is a separate legal entity, and its shareholders cannot automatically be treated as beneficiaries of all its properties. Their rights are confined to those attached to their shares, including voting rights and dividends, if declared. Even assuming Section 5(e) of the Companies Act, 1956, applies, there is no material suggesting that M/s DMCPL's Board of Directors acted under the directions or instructions of either petitioner.

(viii) The petitioners cannot be held vicariously liable for M/s DMCPL's acts or those of the other accused merely because they were shareholders or alleged beneficiaries. Neither the IPC nor the PC Act imposes vicarious criminal liability on shareholders absent specific material establishing their involvement. Reliance was placed on ***Sunil Bharti Mittal v. CBI****: (2015) 4 SCC 609.*

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(ix) The finding of the learned Special Court that the alleged land undervaluation resulted in deficient stamp duty of ₹6,13,002/- on a consideration difference of ₹35,23,000/-, causing wrongful loss to the State exchequer and corresponding wrongful gain to the accused, is erroneous, since the share transactions were between private parties, and their alleged undervaluation does not, by itself, establish loss to the public exchequer or justify framing charges against the petitioners.

(x) It was, therefore, submitted that the learned Special Court failed to distinguish the alleged acts of the principal accused from the petitioners' subsequent acquisition of shares. In the absence of material establishing dishonest inducement, active participation or criminal conspiracy, the charges against the petitioners are unsustainable and the impugned order, insofar as it concerns them, deserves to be set aside.

35. The submissions of Mr. Maninder Singh, learned senior counsel appearing for the petitioner, **Lara Projects LLP** (A-4), formerly known as M/s Lara Projects Pvt. Ltd. and M/s DMCPL, in brief, are as follows:

(i) The petitioner, a company incorporated in 1980, purchased 358 decimals of land at Patna through 11 registered sale deeds dated 25.02.2005 for ₹1,61,67,000/-, besides stamp duty and registration charges of ₹28,29,493/-, taking the total acquisition cost to ₹1,89,96,493/-. The CBI alleges that the land was purchased at an

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undervalued price as part of a *quid pro quo* arrangement for awarding the BNR Hotel tenders at Ranchi and Puri to M/s Sujata Hotel, with the petitioner's shares subsequently transferred at undervalued prices to A-2, Smt. Rabri Devi, and A-3, Sh. Tejashwi Prasad Yadav.

(ii) The CBI seeks to infer a conspiracy from the Railway Board's communication dated 25.02.2005 concerning the transfer of BNR Hotels to IRCTC on an *as is where is basis* and the execution of the land sale deeds on the same date. However, the land purchase process had commenced in October 2004, the seller had issued notice under Section 26(1) of the Urban Land (Ceiling and Regulation) Act, 1976, and similar railway communications had preceded the sale. The coincidence of these events, therefore, does not establish a conspiracy.

(iii) The decision to transfer the BNR Hotels' land and buildings to IRCTC on an *as is where is basis* had been taken before A-1, Sh. Lalu Prasad Yadav, assumed office as Railway Minister, as reflected in the notings dated 12.03.2002 and 04.02.2003. The process commenced in 2001; the Ranchi hotel was transferred *vide* note dated 26.12.2005 and the Puri hotel *vide* note dated 10.02.2006. The allegation that the land was sold on 25.02.2005 because of the Railway Board's communication issued that day was, therefore, vague and unsupported by the record.

(iv) The allegation of undervaluation was disputed on the basis of sale deeds of neighbouring properties examined during the investigation, which allegedly showed that the petitioner paid a

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higher consideration than in comparable transactions. The Sub-Registrar, Patna, also confirmed payment of stamp duty at registration. No deficiency had been alleged by the registering authority, nor had any proceedings been initiated under the Stamp Act.

(v) The petitioner faces charges under Sections 420 and 120B of the IPC and Sections 13(2) read with 13(1)(d) of the PC Act, 1988. However, the material does not disclose deception, dishonest inducement or delivery of property pursuant to such inducement. Neither the charge-sheet nor the witness statements allege that the petitioner induced the land vendors to sell below market value or any shareholder to transfer shares at an undervalued price. Neither the vendors nor the erstwhile shareholders alleged deception. Mere undervaluation, even if assumed, does not satisfy the essentials of Section 420 of IPC.

(vi) The subsequent share transfers during 2010–2014 were private transactions between transferors and transferees. The petitioner cannot be held criminally liable merely because its shares were allegedly transferred at undervalued prices. Section 56(2)(x) of the Income Tax Act, 1961, concerning receipt of property for inadequate consideration, was introduced only in 2017, and no prohibition existed during 2010–2014 against purchasing shares at a nominal or allegedly undervalued price. The inference of criminality drawn by the learned Special Court was, therefore, erroneous.

(vii) No wrongful loss to the State arising from the share

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transfers during 2010–2014 has been identified. There is no allegation of evasion of statutory dues, demonstrated tax impact or quantified loss to any government authority. Both the land purchase and subsequent share transfers were private transactions. In the absence of demonstrable wrongful loss or corresponding wrongful gain attributable to the petitioner, the charge under Section 13(1)(d) of the PC Act, 1988 was unsustainable.

(viii) The CBI alleged that the subject land parcels were situated on the main road but produced no oral or documentary evidence to establish this assertion. The alleged location of the land, relied upon to support the claim of undervaluation, was thus unsupported by the material on record.

(ix) It was, therefore, submitted that the learned Special Court relied on presumptions arising from the timing of the land transactions, their alleged undervaluation and the subsequent transfer of shares to A-2 and A-3. In the absence of material establishing dishonest inducement, criminal conspiracy, wrongful loss to the State or the essential ingredients of the alleged offences, the charges against the petitioner were unsustainable and the impugned order, insofar as it concerns the petitioner, deserved to be set aside.

36. The arguments of Mr. Shadan Farasat, learned senior counsel appearing for **Sh. Vijay Kochhar** (A-5), **Sh. Vinay Kochhar** (A-6) and **M/s Sujata Hotel** (A-14), in brief, are as follows:

(i) The CBI's case rests on the allegation that 11 parcels of

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land at Patna were sold to M/s DMCPL at undervalued prices as part of a *quid pro quo* arrangement for awarding the BNR Hotel tenders at Ranchi and Puri to M/s Sujata Hotel. It was argued that, absent material establishing undervaluation, the foundation of the alleged conspiracy fails.

(ii) The CBI relied on circle rates rather than the actual market value of the land. Neither the charge-sheet nor the witness statements or other relied-upon documents establish its market value at the time of sale. Reliance was placed on ***R. Sai Bharathi v. J. Jayalalitha:*** *(2004) 2 SCC 9*, to contend that property valuation for determining the commission of an offence must be based on market value.

(iii) Sale deeds of four neighbouring properties examined during investigation allegedly show that the consideration paid by M/s DMCPL, averaging ₹45,159/- per decimal, was comparable to or higher than the prevailing market price. Alternatively, even under the circle-rate benchmark, the applicable rate for 'residential inside road' land was ₹45,000/- per decimal. The subject land fell in this category, as nine of the eleven parcels did not abut any road and the remaining two were bounded by a road and a drain on the same side.

(iv) The learned Special Court erred in relying on subsequent increases in circle rates, particularly in 2017, to determine the land's value in 2005. All eleven sale deeds bore the Sub-Registrar's endorsement that the valuation had been verified against the prescribed residential valuation list and found correct. Further, the

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DIG's report dated 12.08.2010 and the SP's report dated 26.11.2010, based on on-ground verification, found the sale to be at the prescribed DLC rates. These findings were allegedly not rebutted by the subsequent investigation.

(v) The amendments to the tender eligibility conditions did not confer any benefit on the petitioners. M/s Sujata Hotel fulfilled the original criteria by a comfortable margin, and the CBI did not dispute that four of the five amendments were unnecessary for its eligibility. As regards star classification, the company had renewed its certificate on 21.08.2006, nearly three months before the amendment dated 13.11.2006 permitting self-certification. The certificate was also submitted with the bid, contrary to the learned Special Court's observation that neither a certificate nor self-certification had been furnished.

(vi) The amendments allegedly benefited competing bidders, Hotel Keshri and Dinanath Hotels, which would otherwise have been ineligible on three and all five parameters, respectively. M/s Sujata Hotel's financial offer for the Puri hotel was nearly four times that of Hotel Keshri, while its offer for Ranchi was approximately 196% higher than that of Dinanath Hotels. These substantial differences were inconsistent with the allegation that the tender process had been manipulated in its favour, a circumstance allegedly overlooked by the learned Special Court.

(vii) There was no proximity between the land sale and initiation of the hotel tender process. The land purchase process

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commenced in October 2004 and concluded on 25.02.2005, when no proposal for tendering the BNR Hotels existed. According to the prosecution, the proposal to develop, maintain and operate the hotels through a public-private partnership was initiated only on 10.07.2006, after A-8 joined IRCTC as Managing Director on 27.06.2006, and the notice inviting tenders was published on 09.10.2006.

(viii) The learned Special Court relied on the statements of Ashwani Kumar Bhatia of Dinanath Hotels and Dilip Kumar Nanda of Hotel Keshri without considering material contradictions. Bhatia claimed that an RJD leader contacted him in the last week of November 2006 to participate in the tender, whereas his demand draft for obtaining the tender form had been issued on 30.10.2006. Nanda's statement that the technical bids were not opened in his presence allegedly contradicted his pleadings in a civil suit, wherein he stated that the technical bid was opened on 01.12.2006 in the presence of his hotel's Managing Director. It was argued that these contradictions undermined the reliance placed on their statements to infer tender manipulation.

(ix) Earlier inquiries by the Railway Vigilance Department and the CBI had repeatedly found no manipulation of the tender process. Reliance was placed on reports and communications dated 23.12.2008, 11.09.2009, 14.01.2010, 12.08.2010, 26.11.2010 and 12.05.2011. It was submitted that these findings, coupled with the absence of evidence of land undervaluation, any benefit from the

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tender amendments, or a proximate link between the land sale and tender process, had not been properly considered by the learned Special Court.

37. The contentions of Mr. R.K. Handoo, the learned counsel appearing for **Smt. Sarla Gupta** (A-7) and **Sh. P.C. Gupta** (A-9), in brief, are as follows:

(i) The charge-sheet is based on inferences drawn from the petitioners' association with A-1, Sh. Lalu Prasad Yadav, their alleged control over M/s DMCPL, and subsequent share transfers. These circumstances, it was argued, do not establish any agreement between the petitioners and the other accused to commit the alleged offences.

(ii) There is no material linking the purchase of the subject land parcels by M/s DMCPL on 25.02.2005 with the issuance of the notice inviting tenders for the BNR Hotels at Ranchi and Puri on 09.10.2006, or the subsequent award of contracts. The transactions were separated by nearly two years and differed in timing, purpose and participants. The alleged *quid pro quo* arrangement is, therefore, based on inference rather than evidence.

(iii) Neither the charge-sheet nor the witness statements identify any link between the land purchase in February 2005 and the tender process in 2006–2007. Although the learned Special Court acknowledged the absence of direct material, it left the alleged connection for trial. It was argued that a charge of conspiracy cannot

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rest on assumptions without material *prima facie* establishing the alleged agreement.

(iv) Earlier complaints concerning the land transactions and the hotel tenders had been examined by the Railway Vigilance Department and the CBI, including at the level of the then CBI Director. Those inquiries allegedly found no link between the sale of land by the Kochhar Brothers to M/s DMCPL and the award of the hotel contracts. Relying on paragraph 256 of the impugned order, it was contended that the learned Special Court erred in treating the earlier inquiries as mere verification exercises without properly examining or rebutting their findings.

(v) As regards A-7, her alleged role rests on her holding approximately 71% of the shares in M/s DMCPL and subsequently transferring shares to A-2, Smt. Rabri Devi, and A-3, Sh. Tejashwi Prasad Yadav. Her majority shareholding predated the land purchase in 2005 and does not, by itself, establish a conspiracy to acquire the land at an undervalued price or transfer effective control of the company to A-1's family.

(vi) As regards A-9, it was submitted that he had resigned as promoter-director of M/s DMCPL upon becoming a Member of Parliament in 1996. His arraignment rests on his alleged association with A-1, indirect control over the company and facilitation of a ₹2 crore loan from M/s Abhishek Finance Pvt. Ltd. These allegations, it was argued, are unsupported by material establishing his involvement in the land purchase or subsequent share transfers, and the allegation

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of indirect control is vague.

(vii) M/s DMCPL is a separate legal entity, and its acts cannot automatically be attributed to A-7 or A-9 merely because of her shareholding or his alleged association with the company. Neither petitioner was a director at the relevant time. Reliance was placed on ***Bacha F. Guzdar, Bombay v. Commissioner of Income Tax****: AIR 1955 SC 74*, recognising the distinction between a company's property and that of its shareholders.

(viii) The allegation of wrongful loss to the State exchequer due to deficient stamp duty was disputed, as the competent authority had not determined any deficiency. It was further argued that stamp duty falls within the State's legislative competence and that the alleged deficiency concerned transactions in Bihar. The jurisdiction of the Special Court at Delhi to determine such wrongful loss was questioned with reference to Sections 3 and 4(3) of the PC Act, 1988, the applicable provisions of the Stamp Act, and Article 246 read with List II of the Seventh Schedule to the Constitution.

(ix) The charge under the PC Act, 1988, was also challenged for want of material establishing the requisite demand or either petitioner's participation in an arrangement to confer undue pecuniary advantage upon A-1. Railway communications and notings do not, by themselves, establish demand or *mens rea*, and no specific role demonstrating how either petitioner facilitated the alleged offences has been identified.

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(x) The learned Special Court also erred in holding that sanction under Section 197 of Cr.P.C. was unnecessary in respect of A-9, a Member of the Rajya Sabha and a public servant. It was argued that the nature of the act attributed to him had not been clearly identified and that the requisite approval or sanction of the Chairman of the Rajya Sabha was necessary before proceeding against him.

(xi) It was, therefore, submitted that the allegations against A-7 and A-9 rest on assumptions concerning their shareholding, association with A-1 and alleged control over M/s DMCPL, rather than material establishing criminal conspiracy or any specific role in the alleged offences. The charges under Section 120B IPC and the PC Act, 1988, were accordingly unsustainable, and the impugned order, insofar as it concerns the petitioners, deserved to be set aside.

38. The submissions of Mr. Sanjay Abbot, the learned counsel appearing for **Sh. Rakesh Saksena** (A-10), in brief, are as follows:

(i) The petitioner served as Director (Tourism and Marketing) in IRCTC from 01.08.2001 to 21.11.2006, and his tenure ended before the submission, opening and award of the tenders for the BNR Hotels at Ranchi and Puri. The learned Special Court failed to consider this circumstance while attributing liability to him for the alleged tender manipulation.

(ii) The alleged conspiracy was inherently improbable, as the purchase of the subject land parcels by M/s DMCPL was completed in February 2005, whereas the proposal to operate the

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BNR Hotels through a public-private partnership was initiated only in July 2006. No material established any understanding between the petitioner and A-1, Sh. Lalu Prasad Yadav, at the time of the land transactions, and thus, there is nothing to support the allegation of a meeting of minds.

(iii) The petitioner's role was confined to initiating administrative proposals concerning the tender process. The notes dated 10.07.2006, 06.10.2006, 01.11.2006 and 13.11.2006 required consideration and approval by senior officials, including the Managing Director of IRCTC, A-8, Sh. P.K. Goel, and the Finance Department. The petitioner took none of the impugned decisions unilaterally, and the proposals formed part of the ordinary administrative process.

(iv) The corrigendum dated 13.11.2006, which liberalised the eligibility criteria, was issued in good faith to encourage wider participation. M/s Sujata Hotel had already fulfilled the principal requirements relating to financial turnover, positive net worth and prior experience in hotel operations and maintenance before the amendment. The changes formed part of a broader initiative concerning the BNR, budget and RYN hotels and were not designed specifically to favour M/s Sujata Hotel. Meetings, roadshows and site visits were also organised to encourage participation by the hospitality industry.

(v) M/s Sujata Hotel was awarded the contracts through a fair tender process and complied with the applicable eligibility

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requirements. The liberalisation was intended to increase competition and secure better financial returns for IRCTC. The company was awarded the tender again in 2022 following a similar process. These circumstances, along with material in the final report indicating compliance with the established procedure, were allegedly not considered by the learned Special Court.

(vi) The petitioner had been exonerated in earlier inquiries conducted by the Railway Vigilance Directorate and the CBI. The Vigilance inquiry dated 24.12.2008 found no irregularity in the transfer of the hotels or the tender process and concluded that the contracts had been awarded to an eligible bidder without financial loss to the Railways. The CBI inquiry likewise yielded findings that did not support the allegations of manipulation, which the learned Special Court allegedly failed to consider properly.

(vii) The CBI had closed its investigation into the award of the BNR Hotels contracts following inquiries in 2009 and 2012, but reopened the matter in 2017 without any new facts or substantial evidence. Such reinvestigation was impermissible, and the subsequent prosecution based on the same allegations could not be sustained in the absence of fresh material, particularly in view of the earlier findings exonerating the petitioner.

(viii) The proceedings were vitiated for want of requisite sanction. Following the amendment to Section 19 of the PC Act, effective from 26.07.2018, sanction was required in respect of the petitioner, who was employed in connection with the affairs of the

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Union at the relevant time. Reliance was placed on ***Rekha Kakkar v. State of NCT of Delhi***, order dated 17.01.2025 in *CRL.M.C. 4572/2018*. Further, no sanction under Section 197 of Cr.P.C. had also been obtained before taking cognizance of the IPC offences, despite the petitioner having been a public servant when the alleged acts occurred. The absence of the requisite sanctions therefore vitiated the cognizance and subsequent proceedings, including the impugned order on charge.

(ix) The ingredients of Section 420 of IPC were not satisfied, as there was no fraudulent misrepresentation or dishonest inducement by the petitioner that caused the Railways to part with property or suffer financial loss. The tender process was conducted transparently, and no specific loss to IRCTC was demonstrated. As regards Sections 13(1)(d) and 13(2) of the PC Act, the petitioner had merely initiated official proposals concerning the tender process. No unlawful pecuniary advantage obtained by him or abuse of official position for a corrupt purpose was identified; earlier inquiries had also found no wrongdoing or personal benefit attributable to him.

(x) The charge under Section 120B of IPC was unsustainable in the absence of material establishing an agreement between the petitioner and the other accused, particularly A-1, Sh. Lalu Prasad Yadav, to commit an illegal act or a legal act by illegal means. The initiation of proposals in the discharge of official duties could not, by itself, establish conspiracy without material showing collusion or a meeting of minds. In the absence of evidence of any

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such agreement, the charges against the petitioner were liable to be set aside.

39. The contentions of the learned counsel appearing for **Sh. Pradeep Kumar Goel** (A-8), in brief, are as follows:

(i) IRCTC was incorporated in 1999 to undertake commercial activities, including the management of railway hotels, budget hotels, Rail Yatri Niwas and catering services. The MoUs dated 12.04.2001 and 19.03.2004 between the Ministry of Railways and IRCTC, along with repeated instructions issued between 2001 and 2005, established a policy for transferring railway lands and hotels to IRCTC. The proposal concerning the BNR Hotels was, therefore, part of an existing policy and could not, by itself, establish a criminal conspiracy.

(ii) The petitioner, an officer of the Indian Railway Traffic Service, was posted to the Railway Board in July 2005 and subsequently selected through the Public Enterprises Selection Board as Managing Director of IRCTC. He assumed charge on 27.06.2006 and demitted office on 21.05.2007. His appointment followed the prescribed procedure, and the allegation that he had been handpicked by A-1, Sh. Lalu Prasad Yadav, was unsupported by the record.

(iii) IRCTC followed established commercial and procurement procedures for contracts concerning food plazas, budget hotels, Rail Yatri Niwas and the BNR Hotels at Ranchi and Puri. The CBI, however, questioned only the BNR Hotel contracts. The tender

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process could not be examined in isolation from IRCTC's broader commercial policy.

(iv) The land transactions relied upon by the prosecution were completed in February 2005, whereas the proposal to operate the BNR Hotels through a public-private partnership was initiated only in July 2006. No material connected the two events or established a meeting of minds between the petitioner and A-1. The prosecution had produced no communication evidencing an agreement to manipulate the tender process in return for the transfer of land to M/s DMCPL.

(v) The notes dated 10.07.2006, 06.10.2006, 01.11.2006 and 13.11.2006 concerned the initiation of the tender process, eligibility criteria and extension of the bid-submission deadline. The note dated 01.11.2006 expressly referred to the BNR Hotels, Rail Yatri Niwas and budget hotels. The allegation that the extension was intended to promote the budget hotel project while deliberately neglecting the BNR Hotels was, therefore, contrary to the record.

(vi) The impugned order failed to appreciate the commercial context in which IRCTC operated. The petitioner's proposals formed part of its ordinary functioning and were subject to applicable procedures and scrutiny. His participation in the decision-making process could not, without material demonstrating a dishonest purpose, be treated as an abuse of official position.

(vii) The statements of Ashwani Kumar Bhatia of Dinanath

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Hotels (PW-13) and Dilip Kumar Nanda of Hotel Keshari (PW-14) did not establish manipulation of the tender process. PW-13 alleged that a person claiming to be associated with the RJD had coerced him into participating in the tender and submitting a low bid, but did not implicate any IRCTC official or allege their knowledge of the coercion. Further, although the alleged telephone call was said to have occurred in November 2006, the demand draft for obtaining the tender form had been prepared on 31.10.2006. This inconsistency and the absence of any allegation against the petitioner were allegedly overlooked.

(viii) PW-14's statement under Section 161 of Cr.P.C. that the bids were not opened in his presence contradicted Hotel Keshari's pleadings in civil proceedings before the learned Civil Judge, Bhubaneswar, asserting that they had been opened in his presence. The attendance sheet dated 01.12.2006 also recorded the presence of West Bengal Government officials and representatives of Taj Hotels, contrary to the suggestion that the proceedings lacked transparency.

(ix) The evaluation of bids for the BNR Hotel at Puri was conducted by the Screening Committee and Tender Committee under five common heads: proposed investment, financial strength, organisational profile, technical expertise and business plan. The allocation of marks complied with the tender conditions and applicable Central Vigilance Commission guidelines. M/s Sujata Hotel secured 80 marks against Hotel Keshari's 53. The detailed allocation of marks, including the use of sub-heads, was intended to

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make the evaluation objective and transparent and could not itself establish manipulation.

(x) Hotel Keshari's bid for the Puri hotel was rightly rejected for insufficient net worth, which is determined by reference to paid-up share capital and accumulated surplus; an advance against equity could not automatically be included. The learned Special Court allegedly overlooked IRCTC's written explanation on the calculation of net worth, also placed before the learned Civil Judge, Bhubaneswar, and misapplied the relevant accounting principles. Hotel Keshari had also failed to furnish the requisite bid document or business plan concerning proposed investment and was, therefore, correctly awarded no marks under that head.

(xi) Regarding M/s Sujata Hotel's star-classification certificate, the learned Special Court adopted an unduly technical approach in rejecting Annexure 3 to its bid as valid self-certification. The tender conditions prescribed no specific format, and the signed written declaration asserting the hotel's star classification was sufficient. The learned Special Court allegedly failed to apply the principles governing judicial review of tender conditions and commercial decisions.

(xii) The finding that the BNR Hotels had been deliberately excluded from active canvassing through roadshows for budget hotels was unsupported by the record and contrary to the FHRAI magazine and tour plans relied upon by the petitioner. The absence of records concerning several purchasers of tender documents was also

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an unreliable basis for drawing an adverse inference, particularly as the FIR was registered approximately eleven years after the contracts were awarded and the applicable record-retention period had to be considered.

(xiii) The petitioner's position as Managing Director of IRCTC and his alleged control over the organisation could not, by themselves, establish criminal liability. His official position did not demonstrate dishonest intention or participation in a criminal conspiracy.

(xiv) The learned Special Court proceeded on the assumption that additional evidence might emerge during trial, including through witnesses improving upon their earlier statements or in response to questions put by the Court. The existence of a *prima facie* case had to be assessed on the material then available; the possibility of future evidence could not compensate for the absence of material establishing the alleged offences.

(xv) The essential ingredients of Sections 420 and 120B of IPC and Sections 13(1)(d) read with 13(2) of the PC Act, 1988, were not made out. The prosecution failed to establish fraudulent inducement, dishonest conduct, abuse of official position for a corrupt purpose or any unlawful pecuniary advantage arising from the tender process. The petitioner had merely discharged his administrative functions, and no material established an agreement or meeting of minds between him, A-1 and the other accused to manipulate the tender process. The learned counsel, therefore, sought

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setting aside of the impugned order on charge insofar as it concerned the petitioner.

40. The submissions of the learned counsel appearing for **Sh. Vinod Kumar Asthana** (A-13), in brief, are as follows:

(i) The petitioner was serving as Group General Manager (Operations) in IRCTC and became a member of the Tender Committee for the first time on 01.12.2006. He remained a member until 23.12.2006, when the tenders for the BNR Hotels at Ranchi and Puri were awarded to M/s Sujata Hotel. The allegations against him primarily concern the evaluation of technical bids, the use of an allegedly revised threshold, the treatment of star-classification requirements and the disqualification of competing bidders. However, the evaluation criteria was already incorporated in the tender documents supplied to all bidders. The document relied upon by the prosecution as prescribing a revised threshold was merely an internal guideline intended to ensure objective and uniform allocation of marks under the existing criteria. There was no prohibition on preparing such a document, nor had the prosecution shown that the benchmarks departed from the tender conditions or altered the evaluation outcome.

(ii) The petitioner neither prepared nor signed the evaluation table allegedly designed to conceal M/s Sujata Hotel's star status. The Screening Committee had recorded the star-classification particulars of the participating hotels. M/s Sujata Hotel alone

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submitted a Government-approved star certificate; Hotel Keshari submitted none, while Dinanath Hotels furnished a self-certification without specifying its validity period. Despite these deficiencies, the Screening Committee considered the competing bidders' credentials. The star-classification criterion did not disqualify any bidder, and no adverse impact on Hotel Keshari or Dinanath Hotels was demonstrated.

(iii) Under the applicable IRCTC procurement policy, scrutiny of technical bid documents was the Screening Committee's responsibility. Hotel Keshari was technically disqualified for deficiencies in its documents and credentials. Its net worth, after accounting for advances against loans, was assessed at ₹0.96 crore, below the minimum requirement of ₹1 crore. Even if Hotel Keshari had received three additional marks, its score would still have remained considerably below that of M/s Sujata Hotel.

(iv) The marking system was not manipulated to favour M/s Sujata Hotel. Bidders were assessed against prescribed benchmarks, and both M/s Sujata Hotel and Hotel Keshari received equal marks for years of experience because they satisfied the relevant benchmark. Financial documents, including audit reports and balance sheets, could not have been altered merely on the basis of prior knowledge of the marking system. Further, the sale of 15 tender documents followed by receipt of only two bids did not, by itself, establish any irregularity.

(v) The ingredients of Section 420 of IPC and Section

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13(1)(d) of the PC Act were not made out. No material established that the petitioner had dishonestly manipulated the tender process or intended to confer an undue advantage upon M/s Sujata Hotel. The prosecution had also failed to identify any agreement between the petitioner and the other accused, explain how such an agreement arose, or establish his motive for participating in the alleged conspiracy. In the absence of *prima facie* material showing an agreement to commit an illegal act, the charge under Section 120B of IPC was also unsustainable.

(vi) The prosecution under the PC Act was instituted without the sanction required under Section 19. The amendment to that provision, effective from 26.07.2018, extended the sanction requirement to retired public servants for offences allegedly committed while in service. Since cognizance was taken on 30.07.2018, sanction was mandatory despite the petitioner having retired. It was further contended that a sanction obtained subsequently could not cure the defect arising from its absence at the stage of cognizance.

(vii) The sanction under Section 197 of Cr.P.C. was also necessary for prosecuting the petitioner under Sections 420 and 120B of IPC. The allegations arose from acts allegedly performed as a member of the Tender Committee and were, therefore, connected with the discharge of his official duties. In the absence of sanction from the competent authority, the prosecution under IPC could not be sustained.

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(viii) The CBI had conducted investigations and reviews in 2009 and 2012 concerning the award of the BNR Hotels contracts and had closed the investigation. Reopening the matter in 2017 without any new facts or substantial evidence to justify such action was contended to be an impermissible reinvestigation.

41. The submissions of the learned counsel appearing for **Sh. Bhupendra Kumar Agarwal** (A-11), in brief, are as follows:

(i) The petitioner was implicated primarily because he was a member of the Tender Committee for the BNR Hotels at Ranchi and Puri. However, there was no allegation that he demanded or accepted illegal gratification or that he was the competent authority who ultimately awarded the contracts.

(ii) The petitioner joined IRCTC on 29.09.2006, whereas the Tender Committee was constituted only on 01.12.2006, after receipt of the bids. The tender documents had already been finalised and the Notice Inviting Tender issued on 09.10.2006. The amendment to the eligibility criteria was proposed on 13.11.2006 and approved on 15.11.2006. The petitioner had no role in framing, approving or amending the tender conditions and could not, therefore, have manipulated the eligibility criteria or corrigendum to favour any bidder.

(iii) The Tender Committee was merely recommendatory, and its recommendations were accepted by the Managing Director of IRCTC on 23.12.2006, followed by the letters of award dated

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27.12.2006. The competent authority retained the power to accept, reject or modify the recommendations. The petitioner's participation in the Committee's deliberations could not, by itself, establish that he obtained a valuable thing or pecuniary advantage for M/s Sujata Hotel.

(iv) The allegation concerning M/s Sujata Hotel's star classification was misplaced, as the material before the Tender Committee recorded that it had submitted a Government-approved star-category certificate. Further, the corrigendum dated 15.11.2006 prescribed no requirement concerning the certificate's age. The evaluation was undertaken through the prescribed institutional process and, even if erroneous, could not by itself constitute criminal misconduct.

(v) The competing bidders were not disqualified solely on account of their star-certification status. Hotel Keshari failed at the technical evaluation stage, whereas Dinanath Hotels qualified technically but its financial proposal was found inadequate. The bids were assessed on objective criteria, and the prosecution had not demonstrated any manipulation to secure the award for M/s Sujata Hotel.

(vi) The properties at Ranchi and Puri were heritage properties, over 60 years old, dilapidated and loss-making for the Railways. Their redevelopment, operation and maintenance through private participation formed part of a policy to convert under-utilised public assets into revenue-generating properties, with the properties

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reverting to the Railways after 15 years. The tender process thus served a public purpose, and an alleged irregularity in evaluation did not, by itself, establish that any advantage was obtained against public interest. It was further pointed out that M/s Sujata Hotel was awarded fresh tenders for both properties in 2022 following an independent process, which the CBI did not challenge.

(vii) No material established any nexus, agreement, *quid pro quo* or personal benefit involving the petitioner. The alleged land transaction took place on 25.02.2005, before he joined IRCTC and before the BNR properties were transferred to it. The Tender Committee was constituted much later, and the prosecution had not established any connection between the petitioner, the land transaction and the successful bidder.

(viii) The essential ingredients of Sections 13(1)(d)(ii) and (iii) of the PC Act, 1988 were not satisfied. There was no allegation of demand or acceptance of illegal gratification, or material showing that the petitioner obtained a valuable thing or pecuniary advantage for another person otherwise than in the public interest. The requisite *mens rea* was also absent.

(ix) The acts attributed to the petitioner arose from his participation in the Tender Committee in the discharge of his official duties. The learned counsel, therefore, sought setting aside of the impugned order on charge insofar as it concerned the petitioner.

42. The submissions of the learned counsel appearing for **Sh.**

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Rakesh Kumar Gogia (A-12), in brief, are as follows:

(i) The petitioner was a serving public servant when cognizance was taken on 30.07.2018, but no prior sanction under Section 19 of the PC Act, 1988 had been obtained. Although the CBI subsequently moved an application on 23.07.2020 to place the sanction on record, the petitioner contended that a sanction obtained after cognizance could not cure the defect. Despite his repeated challenges, including an application dated 17.01.2023, the learned Trial Court deferred consideration of the issue and failed to adjudicate it properly.

(ii) The petitioner had no authority to initiate, alter or overrule policy decisions concerning the tender conditions. In the absence of a Director of Finance, he was included in the limited exercise undertaken by the Tender Committee. The revision of eligibility criteria through the note dated 13.11.2006 was initiated by the Executive Department (Tourism) and approved by the competent authority, without the petitioner's involvement. Similarly, the note dated 01.11.2006 proposing an extension of the bid-submission deadline was put up by A-10 and approved by A-8.

(iii) The Tender Committee relied on briefing notes prepared by the Screening Committee and did not introduce new eligibility criteria. Star classification and related documents for 2004–05 and 2005–06 were considered uniformly for all bidders on the basis of Annexure-3. The tender evaluation criteria remained unchanged,

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while the rating scale was devised to minimise arbitrariness in allocating marks, in accordance with the CVC Circular dated 09.07.2003.

(iv) The allegation that bidders were misled regarding the opening of tenders was contradicted by the statements of PW-6 and PW-14, which indicated that the technical bids were opened in the bidders' presence. The petitioner had no role in the opening of bids on 01.12.2006, which was conducted by members of the Screening Committee under the order dated 17.07.2006. He was the junior-most member of the Tender Committee, constituted by a note dated 01.12.2006, which he received only on 02.12.2006. The learned Trial Court also made conflicting observations in paragraphs 418 and 447 of the impugned order.

(v) The sale of tender documents and conduct of pre-bid meetings were handled by separate officials. PW-6 furnished the information regarding the number of tender documents sold, while attendance at pre-bid meetings was recorded contemporaneously. These matters could not, therefore, be attributed to the petitioner.

(vi) The bids were evaluated fairly, with M/s Sujata Hotel scoring higher than Hotel Keshari. Hotel Keshari failed to meet the prescribed minimum net-worth requirement, assessed in accordance with Section 2(29A) of the Companies Act. The evaluation reflected the application of the prescribed criteria and did not demonstrate manipulation to favour M/s Sujata Hotel.

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(vii) The material on record did not disclose any act of criminal misconduct attributable to the petitioner in the tender process. The learned counsel, therefore, sought setting aside of the impugned order on charge and the consequential order framing charges dated 13.10.2025, insofar as they concerned the petitioner.

SUBMISSIONS ON BEHALF OF THE RESPONDENT

43. **The learned ASG appearing for the CBI** opposed the revision petitions and submitted that the impugned order framing charges suffers from no illegality or infirmity. It was argued that the accused persons were attempting to examine individual acts and transactions in isolation, whereas the prosecution case had to be assessed cumulatively to appreciate the larger criminal conspiracy alleged by the CBI.

44. As per him, the prosecution case rests on four interrelated circumstances which, taken together, *prima facie* disclose a criminal conspiracy: (i) the role of A-1, Sh. Lalu Prasad Yadav, the then Minister of Railways, in the transfer of the BNR Hotels at Ranchi and Puri to IRCTC; (ii) the alleged manipulation of the tender process to favour M/s Sujata Hotel; (iii) the transfer of prime land by the Kochhar family to M/s DMCPL at an allegedly undervalued consideration; and (iv) the subsequent transfer of shares in M/s DMCPL to members of the family of the then Railway Minister at allegedly undervalued prices.

45. It was submitted that A-1 was aware of the policy and process

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for transferring the BNR Hotels to IRCTC. At the relevant time, A-2, Smt. Rabri Devi, was the Chief Minister of Bihar; the Kochhar family owned Hotel Chanakya at Patna and had substantial business interests in Bihar; and A-9, Sh. Prem Chand Gupta, was an RJD politician and close associate of A-1. The Kochhar family allegedly transferred prime land situated at Bailey Road, Patna, to M/s DMCPL, a company controlled by A-9 and his family, at an undervalued consideration. The transaction process commenced in October 2004 and was completed on 25.02.2005, when A-2 was the Chief Minister of Bihar. Significantly, on the same date, the Railways communicated its decision to transfer the BNR properties to IRCTC on an "*as is where is*" basis. The hotels were subsequently transferred to IRCTC in January and February 2006. According to the CBI, the subsequent tender process was influenced by A-1 through the concerned Railway officials, with A-8, Sh. P.K. Goel, who later became Managing Director of IRCTC, acting as an important link. The tenders for both BNR Hotels were allegedly awarded to M/s Sujata Hotel through coordinated acts, including revision of the minimum eligibility criteria, particularly concerning star classification; extension of the bid-submission deadline on the ground of roadshows planned for budget hotels, despite no alleged discussion of the BNR Hotels during those roadshows; relaxation of star-certification requirements in favour of M/s Sujata Hotel; misleading competing bidders regarding the proceedings on 01.12.2006; misrepresentation concerning the number of tender

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documents sold and attendance at the pre-bid meeting on 26.11.2006; introduction of an allegedly unpublished marking system contrary to CVC guidelines; and allocation of marks that resulted in Hotel Keshari's technical disqualification for the Puri hotel.

46. The learned ASG further submitted that the alleged conspiracy culminated in the subsequent transfer of shares in M/s DMCPL to A-2 and A-3, Sh. Tejashwi Prasad Yadav, after A-1's tenure as Railway Minister had ended. In 2010, A-7, Smt. Sarla Gupta, wife of A-9, transferred 1,500 shares to A-2 for ₹75 lakh, at ₹5,000 per share. In 2014, A-2 acquired another 1,101 shares from A-7 for approximately ₹63.30 lakh, at ₹5,750 per share, and 750 shares from M/s IST for approximately ₹43.12 lakh at the same rate. Regarding the source of funds, the CBI relied on material suggesting that A-2 received ₹1 crore from her son-in-law, Rahul Yadav, and daughter, Ragini, through accounts allegedly reflecting cash entries. Around the same period, A-3 acquired 650 shares in M/s DMCPL for ₹1.30 lakh, at ₹200 per share, in cash. The CBI contended that these transactions were suspicious and had to be considered alongside the earlier land transfer and award of the BNR Hotel tenders. It was further contended that the share transfers could not be viewed as independent private transactions divorced from the underlying property. M/s DMCPL owned the prime land, whose circle rate was approximately ₹24 lakh in 2014, when its assessed value was ₹85.92 crore. By the time the charge-sheet was filed, the property had been classified as commercial, with a circle rate of approximately ₹26 lakh and an

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assessed value of ₹93.08 crore. According to the CBI, the share transfers enabled A-2 and A-3 to acquire an interest in a company holding valuable property at a substantially undervalued price.

47. The learned ASG emphasised that, at the stage of framing charges, the Court must determine whether the material discloses a *prima facie* case, rather than whether guilt has been established beyond reasonable doubt. The probative value of evidence, credibility of witnesses and resolution of contradictions are matters for trial. It was submitted that the learned Special Court correctly assessed the cumulative effect of the circumstances instead of examining each transaction or accused in isolation. Since conspiracies are ordinarily hatched in secrecy, direct evidence of an agreement is rarely available, and conspiracy may be inferred from surrounding circumstances, the manner in which acts were performed and the respective roles of the accused. Every conspirator need not know the entire scheme, participate at every stage or communicate directly with every other conspirator. A conspiracy may unfold in successive stages, with different accused joining at different points. Accordingly, the alleged involvement of some accused in the land transaction, others in the tender process and still others in the subsequent share transfers did not, by itself, sever the connection between these acts.

48. *With respect to the reliance placed by the accused on earlier civil proceedings*, the learned ASG submitted that the order dated 23.08.2007 passed by the learned Civil Judge, Senior Division, was

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interlocutory and confined to a limited aspect of the dispute concerning BNR Puri, and not BNR Ranchi. The order did not determine the entire sequence of events or surrounding circumstances forming the basis of the present prosecution. The Civil Court had observed that the question of *mala fides* would be considered at final disposal and that the pending suit should not stall a project involving substantial expenditure and requiring expeditious completion. The said order, therefore, could not be treated as exonerating the accused from the allegations in the present case. The learned ASG further submitted that the material on record included allegations that an RJD leader had coerced the director of Dinanath Hotels, a competing bidder for BNR Ranchi, to quote a fixed and allegedly undervalued licence fee, resulting in the bidder failing to secure the tender. The CBI also relied on material suggesting that competing bidders were absent when the bids were opened and that a witness had encountered a member of the Kochhar family at the relevant time. These circumstances, according to the CBI, warranted examination at trial and could not be discarded at the stage of charge.

49. *Disputing the fairness of the technical evaluation*, the learned ASG submitted that the break-up of marks under individual heads had not been notified as required by the CVC guidelines, thereby disadvantaging competing bidders. The CBI also relied on the assessment of Keshari Hotels' net worth, initially recorded at ₹1.06 crore but subsequently reduced to approximately ₹95.71 lakh after excluding advances against equity, resulting in zero marks. It was

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contended that, had the net worth been assessed below ₹1 crore at the outset, the process would effectively have become a single-bidder exercise. The CBI further alleged that M/s Sujata Hotel's star classification for the preceding two years was accepted despite the absence of the requisite certificates or self-certification, thereby enabling it to remain eligible.

50. *In response to the argument that the matter had previously been investigated and closed*, the learned ASG submitted that no fresh or *de novo* investigation, in the legal sense, had been undertaken. The present case arose from source information that led to a preliminary enquiry and registration of the FIR. The relevant case diaries concerning the source information and preliminary enquiry had been produced before the learned Special Judge. According to the CBI, the earlier exercise relied upon by the accused was merely a verification conducted by the Railway Board Vigilance authorities and did not constitute an investigation under Chapter XII of the Cr.P.C. The complaints received by the Railway Board had undergone secret verification in accordance with the CBI Manual, which could not be equated with a statutory investigation or even a preliminary enquiry. The use of the term "investigation" in certain correspondence merely reflected the terminology adopted by the Railway Board. No earlier FIR had been registered, nor had the CBI previously investigated the present allegations.

51. The learned ASG further submitted that the earlier verification did not cover subsequent developments material to the prosecution

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case, particularly the transfer of shares in M/s DMCPL to A-2 Smt. Rabri Devi and A-3 Sh. Tejashwi Prasad Yadav in 2014, and the Income Tax Department's proceedings examining M/s DMCPL as an alleged front for benami properties held on behalf of the family of the then Railway Minister. These developments, according to the CBI, provided additional context for examining the earlier land transaction and hotel tenders. It was also contended that departmental proceedings and criminal prosecution operate independently, particularly when the alleged conspiracy continued beyond the Railway Board Vigilance report dated 23.12.2008. In any event, the earlier verification records were not relied-upon documents forming part of the prosecution case and could not, according to the CBI, be treated as determinative at the stage of charge.

52. *On the question of wrongful loss and the offence of cheating*, the learned ASG submitted that the absence of a separate prosecution under the Indian Stamp Act could not constitute a ground for discharge, since the present case concerned offences under Section 420 of the IPC and the PC Act, whose ingredients were distinct. It was further submitted that the maximum imprisonment prescribed under the relevant provision of the Indian Stamp Act was six months and that the limitation period under Section 468(2) of the Cr.P.C. had expired on 25.02.2006. The absence of proceedings under that enactment, therefore, did not negate the allegations in the present prosecution. The learned ASG submitted that the alleged loss to the State exchequer arose from three interrelated transactions: *first*, the

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transfer of prime Bailey Road land by the Kochhar family to M/s DMCPL, allegedly involving payment of stamp duty at the lowest applicable rate; *second*, the allegedly manipulated award of the hotel tenders to M/s Sujata Hotel; and *third*, the subsequent transfer of M/s DMCPL shares to A-2 Smt. Rabri Devi and A-3 Sh. Tejashwi Prasad Yadav at allegedly undervalued prices, enabling them to acquire an interest in valuable property while avoiding the stamp duty and capital gains implications that would otherwise have arisen. According to the CBI, the share transfers had to be examined in the context of the underlying property and the alleged conspiracy.

53. *With respect to the distinction between circle rate and market value*, the learned ASG argued that the decision in ***R. Sai Bharathi v. J. Jayalalithaa****: (2004) 2 SCC 9*, was inapplicable because no circle rate or guideline value had been determined for the property in that case, and the prosecution had failed to establish that its market value exceeded the stated consideration. In the present case, the property had a determinable circle rate and the surrounding material indicated that it was prime land. The learned ASG further submitted that the Bailey Road land was historically recognised as valuable property and that the relevant parcels had been consolidated before their transfer to M/s DMCPL. The CBI alleged that the land was described as agricultural despite there being no agricultural land in the area, and stamp duty was calculated by treating it as falling within the lowest applicable category of "residential inside road", although it was situated on the main road. Relying on documents and witness

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statements, the CBI contended that the land's value and potential were well known at the time of transfer and that it was subsequently categorised as commercial property. A-2 Smt. Rabri Devi's position as Chief Minister of Bihar at the time was also cited as a relevant surrounding circumstance.

54. *In response to the contention that M/s Sujata Hotel had superior credentials to the competing bidders*, the learned ASG submitted that the prosecution case concerned the alleged manipulation of eligibility conditions, rather than merely the comparative merits of the bids. It was alleged that the tender conditions were modified by A-10, Sh. Rakesh Saksena, on 13.11.2006 and approved by A-8, Sh. P.K. Goel, on 14.11.2006 to avoid a single-tender situation and create an appearance of wider participation. The principal allegation, however, concerned dilution of the star-classification requirement through self-certification. It was argued that M/s Sujata Hotel lacked the requisite star classification for the preceding two years and would have been ineligible had the original criterion remained in force. Even after relaxation, it allegedly failed to furnish the required self-certification. Nevertheless, the Tender Committee treated its classification as established and recorded it as a four-star hotel with supporting documentation, despite the alleged absence of such material on record. The learned ASG contended that this was preferential treatment, rather than a uniform relaxation applicable to all bidders, and that the failure to enforce the essential star-classification requirement prima facie

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demonstrated manipulation of the tender process.

55. *On the territorial jurisdiction of the learned Special Judge*, the learned ASG submitted that CBI EO-II, New Delhi, exercised pan-India jurisdiction and that material parts of the alleged conspiracy occurred in Delhi. A-1 Sh. Lalu Prasad Yadav was the Minister of Railways at Delhi, the Railway Board was situated there, and the relevant files concerning the BNR Hotels were processed there. The alleged tender manipulation, including submission and opening of bids and meetings of the Tender Committee, also took place in Delhi. It was contended that, under Sections 3 and 4 of the PC Act read with Chapter XIII of the Cr.P.C., the learned Special Judge had jurisdiction to try the offences, including conspiracy, and that offences forming part of the same transaction could be tried together. Reliance was placed on ***State v. Jitender Kumar Singh****: (2014) 11 SCC 724*, particularly paragraphs 30 and 33.

56. *On corporate criminal liability and M/s DMCPL's separate legal personality*, the learned ASG submitted that the accused could not rely on the company's separate identity to defeat the prosecution where the material allegedly disclosed fraud, impropriety and deception. It was contended that the corporate veil could be lifted in appropriate cases, particularly where public interest was affected and offences under the PC Act were alleged. Reliance was placed on ***LIC v. Escorts***, *(1986) 1 SCC 264*; ***Balwant Rai Saluja v. Air India Ltd.,*** *(2014) 9 SCC 407*; and ***Sunil Bharti Mittal v. CBI***, *(2015) 4 SCC 609*. The learned ASG further submitted that the material *prima facie*

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indicated that A-7 Smt. Sarla Gupta and A-9 Sh. P.C. Gupta exercised control over M/s DMCPL and they were involved in its affairs. Approximately 71% of M/s DMCPL's shareholding, except for one tranche, allegedly came to A-7 within five days, between 10.02.2005 and 15.02.2005, shortly before the Kochhar family transferred the land to M/s DMCPL. The CBI relied on statements of company employees and records of group companies, including GPC Technology and IST Ltd., to support its case concerning the consolidation of shareholding. It was further alleged that, after the property was acquired, the shareholding was consolidated among A-7, employees and group companies before being transferred to A-2 Smt. Rabri Devi and A-3 Sh. Tejashwi Prasad Yadav. According to the CBI, these circumstances indicated that M/s DMCPL was used as a vehicle for the alleged transactions and that the subsequent share transfers enabled members of the then Railway Minister's family to benefit from the valuable property.

57. *On the issue of sanction under Section 19 of the PC Act*, the learned ASG submitted that prior sanction was not required for prosecuting public servants who had retired before cognizance was taken. In the alternative, it was also contended that the subsequent grant of sanction, before commencement of trial, had caused no prejudice or failure of justice.

58. The learned ASG submitted that the charge sheet was filed on 16.04.2018, but cognizance was deferred pending sanction against A-11 Sh. Bhupendra Kumar Agarwal, who was then in service.

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Sanction *qua* him was received on 26.07.2018, when the amendments to the PC Act, including Section 19, came into force. After hearing arguments on 27.07.2018, the learned Special Judge took cognizance on 30.07.2018, holding sanction unnecessary for the other accused public servants who had retired. Subsequently, notwithstanding the opinion of the learned Attorney General for India that sanction was unnecessary for offences under the unamended PC Act, 1988, the CBI obtained sanction against the retired public servants and placed the sanction orders on record through an application dated 23.07.2020. The issue concerning their subsequent placement on record had also been considered by this Court in ***Rakesh Kumar Gogia v. Central Bureau of Investigation***, *W.P. (Crl.) No. 1435/2025.*

59. The learned ASG contended that the 2018 amendment to Section 19 of PC Act did not introduce a sanction requirement for the offences alleged in the present case. The prosecution herein concerns the offences under the erstwhile Section 13(1)(d), read with Section 13(2), of the PC Act, 1988 whereas the amendment of 2018 substantially altered the Section 13 and omitted the former provision. Section 19, as amended, referred to offences under Sections 7, 11, 13 and 15, and had to be read with those provisions in their amended form. Relying on the opinion of the learned Attorney General for India dated 12.03.2020, the learned ASG submitted that the amended provisions could operate only prospectively. In view of Article 20(1) of the Constitution, offences allegedly committed before the

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amendment had to be governed by the law then in force. Since the ingredients of the erstwhile Section 13(1)(d) of PC Act, 1988 differed from those of the amended Section 13, the amended Section 19 could not be construed as imposing a sanction requirement for the former offence merely because both provisions bore the same section number. The learned ASG further submitted that the Division Bench decision of this Court in ***Court on its Own Motion v. State***, *Crl. Reference No. 1 of 2019*, did not determine the specific question of the applicability of amended Section 19 to offences under the erstwhile Section 13(1)(d). According to the CBI, the decision neither examined the effect of the omission of the earlier provision nor addressed the distinction between the two versions of Section 13 and was, therefore, distinguishable.

60. Without prejudice to the above, the learned ASG argued that even if prior sanction were mandatory, its absence would not automatically invalidate cognizance or warrant setting aside the impugned orders. The subsequent grant of sanction could cure the defect where no prejudice or failure of justice was demonstrated. Reliance was placed on ***State of Goa v. Babu Thomas***, *(2005) 8 SCC 130*; ***Deepak Khinchi v. State of Rajasthan***, *(2012) 5 SCC 284*; ***Ashok T. Bhutia v. State of Sikkim***, *AIR 2011 SC 1363*; and ***Fertico Marketing and Investment Pvt. Ltd. v. CBI***, *(2021) 2 SCC 525*, in support of the proposition that an error or irregularity in the proceedings did not, by itself, justify setting aside cognizance or quashing subsequent proceedings in the absence of a resulting

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miscarriage of justice.

61. It was further submitted that sanction against the retired public servants had been obtained on 29.06.2020 and placed on record while compliance with Section 207 of the Cr.P.C. was underway. The proceedings had not advanced to a stage at which any prejudice to the defence or impairment of the right to a fair trial could be demonstrated. According to the learned ASG, the learned Trial Court could consider the subsequent sanction and, if necessary, treat it as relating back to the stage of cognizance, subject to appropriate directions to prevent prejudice. Mere passage of time or progression of proceedings, without any demonstrable adverse effect on the accused's rights, could not constitute a failure of justice. The object of Section 19 was to protect public servants against vexatious prosecution; in the present case, the competent authorities had granted sanction in 2020, and the accused had not shown how its timing materially affected their position.

62. On the requirement of sanction under Section 197 of the Cr.P.C., the learned ASG submitted that such sanction was unnecessary for cheating and criminal conspiracy, as these offences could not, by their nature, be treated as acts committed in the discharge of official duties. In any event, whether the alleged acts of a particular accused were sufficiently connected with official functions had to be examined on the facts of the case. It was also submitted that even otherwise, sanction for prosecution under the IPC had also been obtained.

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63. The learned ASG accordingly submitted that sanction under Section 19 of the PC Act was not required for the offences alleged under the unamended provisions. Alternatively, the subsequent grant of sanction, its placement on record at an early stage, and the absence of demonstrated prejudice or failure of justice furnished no ground for interference with the impugned orders. In conclusion, the learned ASG submitted that the learned Special Judge had assessed the material cumulatively, whereas the accused were seeking an impermissible mini-trial at the stage of charge. The alleged land transaction, transfer of the BNR Hotels to IRCTC, tender process, treatment of competing bids and subsequent transfer of M/s DMCPL shares constituted interrelated circumstances supporting the prosecution case. Disputed facts, competing interpretations of documents, witness credibility and alleged inconsistencies were matters for trial and did not warrant interference with the order framing charges. The learned ASG, appearing on behalf of the CBI, accordingly sought dismissal of the revision petitions.

ANALYSIS *&* FINDINGS

I. Whether prior sanction under Section 19 of the PC Act, was required for taking cognizance of the offence under Section 13(1)(d) read with Section 13(2) of the PC Act?

64. One of the principal contentions raised on behalf of the accused persons is that, on the date cognizance was taken by the learned Special Court, i.e., 30.07.2018, the Prevention of Corruption (Amendment) Act, 2018 [hereafter '**2018 Amendment**'] had already

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come into force on 26.07.2028, by way of which Section 19 of the PC Act stood amended. Undisputedly, under the said amended provision, sanction is required even for prosecuting a person who had ceased to hold public office. It is, therefore, argued that, in the absence of prior sanction, cognizance could not have been taken against the accused persons who had retired or demitted office before that date.

65. The CBI, on the other hand, submits that the issue cannot be decided by looking at amended Section 19 alone. According to the CBI, the allegations in the present case are for commission of offence under Section 13(1)(d) read with Section 13(2) of the PC Act – as those provisions stood before the 2018 Amendment. It is their case that Section 13 was substantially amended, and the earlier Section 13(1)(d) no longer forms part of the amended PC Act. The CBI, therefore, contends that the amended requirement of sanction, under Section 19, does not apply to the offence alleged in the present case, i.e. Section 13(1)(d). In support of this submission, reliance has been placed on the decision of the Karnataka High Court in ***Syed Zameer Pasha v. State of Karnataka:*** *Crl. Rev. 1313/2019* (decided on 30.01.2020).

66. The question before this Court is, therefore, not only as to whether the amended Section 19 applies to cases in which cognizance was taken after 26.07.2018, but also as to whether this new requirement of sanction under Section 19 in case of retired public servants applies even where the offence alleged is under a

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provision of the PC Act which existed before the amendment, but was omitted when the PC Act was amended in 2018.

67. This Court notes that prior to the 2018 Amendment, Section 19(1) of the PC Act prohibited the Court from taking cognizance of the offences specified therein against a public servant without the previous sanction of the competent authority. The provision did not expressly extend this protection to a person who had ceased to hold the relevant public office. By the 2018 Amendment, which came into force on 26.07.2018, Section 19(1) was amended to include persons who were employed in connection with the affairs of the Union or a State at the time of the alleged offence, even if they were no longer in service. The amended provision also refers to the offences under Sections 7, 11, 13 and 15 of the PC Act.

68. The same 2018 Amendment, however, brought about substantial changes to Section 13, which defines criminal misconduct by a public servant. Before the amendment, Section 13(1) contained clauses (a) to (e), including clause (d), which dealt with certain acts of a public servant resulting in the circumstances specified therein. After the amendment, Section 13(1) was reframed and it now contains only clauses (a) and (b). The earlier clause (d), under which the accused persons are sought to be prosecuted in the present case, was omitted by the said amendment.

69. In these circumstances, the amended Section 19 and the amended Section 13 will have to be read together. As noted above,

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Section 19 prescribes the requirement of sanction for the offences specified therein, while Section 13 defines the offence of criminal misconduct. The Court must, therefore, consider not only when cognizance was taken, but also the particular offence for which the accused persons are being prosecuted.

70. Pertinently, the recent decision of the Division Bench of this Court in ***Court on Its Own Motion v. State***: *Crl. Ref. No. 1 of 2019*, dated 06.08.2026, considered the effect of the 2018 Amendment to Section 19 of PC Act, particularly in cases where the accused had ceased to hold public office and cognizance had not been taken before 26.07.2018. The Division Bench held that the amendment would extend its benefit to offences alleged to have been committed before its commencement, but would not reopen cases in which cognizance had already been taken before that date. The requirement of sanction under the amended Section 19 would apply where cognizance was yet to be taken by the Court as on 26.07.2018. The conclusion of the Court, as recorded in the said decision, is set out below:

> "62. We summarise our answers to the reference as under:
>
> > **Q1**. Whether under the Prevention of Corruption (Amendment) Act, 2018 (which is a Special Statute and overrides the General Law) the cognizance of the offence is taken or cognizance of the offence against the offender is taken [**Ref.: Dilawar Singh Vs. Parvinder Singh (Supra) and Abhay Singh Chautala Vs. C.B.I (Supra)**]?
>
> **Ans**. ***Dilawar Singh*** (supra) clearly holds that the general law

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that cognizance of an offence is taken and not of the offender, is not applicable to Section 19(1) of the 1988 Act, whether pre or post its amendment. Accordingly, no cognizance of an offence under Sections 7, 11, 13 and 15 alleged to have been committed by a public servant can be taken except with a previous sanction granted for the prosecution of such a public servant.

> **Q2**. (a) What is the relevant date for application of Prevention of Corruption (Amendment) Act, 2018 in cases pending trial? (b) Whether the amendment to Section 19 of Prevention of Corruption Act, 1988 dated 26.07.2018 is to be read retrospectively being beneficial to the accused? [**Ref.: Basheer @N.P. Basheer Vs. State of Kerala (Supra)**]
>
> **Q3**. Whether sanction as contemplated under Section 19 of the Prevention of the Corruption Act (Amendment) Act, 2018 is necessary for prosecuting a Former/ Ex Public Servant where the cognizance of the offence has already been taken by the competent court prior to 26.07.2018 i.e. the date on which the amendment came into effect?

Ans. The relevant date for the application of the amended Section 19(1) of the 1988 Act is with effect from 26.07.2018. The Amendment Act, as far as amendment to Section 19(1) of the 1988 Act, is retrospective to the extent that the benefit thereunder would enure even where the offence is alleged to have been committed prior to its coming into force, however, it is prospective to the effect that, where cognizance of such offence already stands taken before 26.07.2018, the same shall not be reopened and there would be no fresh requirement of prior sanction in such cases. The requirement of taking sanction would be applicable only where the Court is yet to take cognizance of the offence mentioned in Section 19(1) of the Act as on 26.07.2018 and thereafter."

71. However, this Court is in agreement with the submission made on behalf of the CBI, that the aforesaid decision does not decide the specific question which has arisen in the peculiar facts of the present

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case, i.e., whether sanction under the amended Section 19 would be required for an offence under the erstwhile Section 13(1)(d), which was omitted by way of the 2018 Amendment.

72. In this regard, the decision of the Karnataka High Court in ***Syed Zameer Pasha*** *(supra)* is noteworthy. The Karnataka High Court in this case considered the effect of the amendment to Section 19, in the context of the changes made to Section 13, by way of the 2018 Amendment. It held that the amended Section 19 would apply to offences under the amended Section 13, but that sanction under the amended provision was not required for an offence under the erstwhile Section 13(1)(e) of PC Act. The distinction drawn was between an offence under the amended Section 13 and one under the earlier provision which had been omitted by the 2018 Amendment. The relevant observations of the Court in ***Syed Zameer Pasha*** *(supra)*, which were also considered by relied upon by the learned Special Court in the impugned order, are extracted hereunder:

> "11. On a bare reading of Section 19(1) of unamended P.C. Act, no court shall take cognizance of an offence punishable under Sections 7, 10, 13 and 15 alleged to have been committed by a public servant, except with the previous sanction of the government or employer and there is no sanction required for a person already retired from the service. But under Section 19(1) of the amended P.C. Act, Section 10 has been deleted and Sections 7, 11, 13 and 15 have been mentioned where sanction is necessary even if the public servant or person who is employed or at the time of commission of the alleged offence employed. It means sanction is necessary even for a public servant who has already retired from the service, but for the offence under Sections 7, 11, 13 and 15 the Section 13 of the unamended P.C. Act was also amended by the legislature from the earlier Section 13 of the

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> P.C. Act, 1988, wherein the new Act is only Section 13(1) having two provisions as sub-section (a) and (b) whereas under earlier Section 13, Section 13(1) (a), (b), (c), (d) and (e) alleged to be committed by the public servant under the old Act whereas amended Act has only Section 13(1)(a) and (b). Therefore, the sanction is required for the purpose of taking cognizance for the offence committed under the new Section 13 and not the old Section 13 of unamended P.C. Act.
>
> ***
>
> 13. In view of the judgments of the Hon'ble Apex Court as well as this Court, the Section 19(1) of the amended P.C. Act would apply for taking cognizance, previous sanction is applicable to the amended Section 13 of the P.C. Act, but no sanction is required for the offence committed under Section 13(1)(e) of the unamended P.C. Act. Therefore, the contention raised by learned Senior counsel for the accused that the Trial Court committed error in taking cognizance without sanction is not correct."

73. This Court finds merit in the reasoning adopted in ***Syed Zameer Pasha*** *(supra)*. The fact that Section 19, as amended, refers to Section 13 cannot be read to mean that the amended requirement of sanction necessarily applies to every offence which was punishable under the earlier Section 13, irrespective of the changes made to that provision. Had the allegations in the present case been in respect of an offence falling under the amended Section 13, the requirement of sanction would have arisen for consideration under the amended Section 19, having regard to the date on which cognizance was taken. The present case, however, concerns an offence under the erstwhile Section 13(1)(d), which was omitted by the amendment. The allegations in the present case relate to the period when the unamended Section 13(1)(d) was in force. The

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charge against the accused persons continues to be under that provision, read with Section 13(2) of the unamended Act. The fact that cognizance was taken on 30.07.2018, after the amendment came into force, does not by itself bring the alleged offence within the scope of the amended Section 13.

74. For these reasons, this Court is unable to accept the contention that prior sanction under the amended Section 19 was necessary for taking cognizance of the offence under Section 13(1)(d) read with Section 13(2) of the unamended PC Act. Accordingly, the objection to the prosecution on the ground of absence of sanction under Section 19 of the PC Act, insofar as it relates to the charge under Section 13(1)(d) read with Section 13(2) of the unamended Act, is ***rejected***.

75. Having held above, that prior sanction under the amended Section 19 of the PC Act (post 2018 Amendment) was not required in the present case in respect of the offences alleged under the erstwhile Section 13(1)(d) read with Section 13(2) of the PC Act, this Court deems it apposite to succinctly examine the effect of the sanctions subsequently obtained by the CBI, since the learned Special Court has considered this issue, in alternative, and the same has also been urged before this Court by all the parties.

76. The contention of the accused persons is that sanction under Section 19 of the PC Act is a condition precedent to the taking of cognizance and, therefore, since cognizance in the present case was taken on 30.07.2018 when sanction was not on record in respect of

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A-1, A-8, A-10, A-12 and A-13, the cognizance itself was bad in law. It is further contended that the subsequent filing of sanction cannot retrospectively validate an order of cognizance which was invalid on the date on which it was passed.

77. There can be no dispute with the proposition that where Section 19 of the PC Act applies, a valid sanction is mandatory before the Court can take cognizance of the offence against a public servant. However, the question that arises is whether the absence of sanction at that stage necessarily brings the entire prosecution to an end, even where a valid sanction is subsequently obtained.

78. In this regard, this Court has carefully considered the observations of the learned Special Court as well as the judicial precedents taken note of by the Court in the impugned order.

79. In ***State of Goa v. Babu Thomas:*** *(2005) 8 SCC 130*, the Hon'ble Supreme Court had found the sanction orders to be fundamentally defective since they had been issued by authorities which were not competent to grant sanction. The cognizance taken in the absence of a valid sanction was, therefore, held to be invalid. However, even in that case, the Hon'ble Supreme Court had permitted the competent authority to grant a fresh sanction and directed that the proceedings could proceed afresh from the stage of cognizance. Thus, while the decision recognises the mandatory nature of a valid sanction, it does not support the proposition that the absence of a valid sanction at the initial stage places the prosecution

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beyond revival in all circumstances. A similar approach is evident from the decision in ***Deepak Khinchi v. State of Rajasthan:*** *(2012) 5 SCC 284*, wherein sanction was obtained after the accused had initially been discharged for want of sanction. The Hon'ble Supreme Court, upon the subsequent sanction having been obtained and accepted, permitted the trial to proceed.

80. The decision in ***Shivendra Nath Verma v. Union of India:*** *SLP (Crl.) No.12708/2023 (order dated 22.07.2024)*, which has been relied upon by the learned Special Court, is of particular relevance since it concerned a sanction which had been obtained after the order taking cognizance. The Supreme Court considered the effect of its earlier decision in ***Nanjappa v. State of Karnataka:*** *(2015) 14 SCC 186*, and did not accept that a sanction granted after cognizance was, for that reason alone, void. The distinction between the requirement of having sanction before cognizance and the effect of a subsequently granted sanction, therefore, has to be maintained.

81. The learned Special Court has, on a consideration of the aforesaid decisions, held that the want of sanction cannot be treated as an incurable defect in every case. This Court is in agreement with that approach, since it is well-settled that the mandatory nature of sanction under Section 19 of PC Act cannot be diluted; *however*, the consequence of its absence has to be examined in the light of the statutory requirement of failure of justice and the stage at which the proceedings have reached. The judicial precedents referred to above reveal that the law permits the defect to be addressed by obtaining a

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valid sanction subsequently, depending upon the circumstances of the case.

82. It is pertinent to note that in the present case, cognizance was taken on 30.07.2018, when sanction was available only in respect of A-11. The CBI had thereafter placed on record the sanctions in respect of A-1, A-8, A-10, A-12 and A-13 through its application dated 23.07.2020. The learned Special Court has specifically held that, during this intervening period, the proceedings had not progressed to the stage of trial or framing of charge. The proceedings were substantially confined only to supply of the charge-sheet and documents and consideration of the requirements under Section 207 of the Cr.P.C.

83. In these circumstances, it is clear that the accused persons have not been able to demonstrate any specific prejudice caused to them by the fact that the sanctions were placed on record after cognizance had been taken in this case. There is no material to show that, during this period, any substantive step in the trial was taken which could not be undone or appropriately dealt with upon the subsequent filing of the sanctions, inasmuch as even arguments on charges were not heard during this period. The mere fact that the proceedings continued after cognizance and before the sanctions were placed on record cannot, by itself, be treated as a failure of justice.

84. The order of the Hon'ble Supreme Court dated 11.02.2025, while dealing with the challenge arising from the proceedings

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concerning A-13, also left all questions relating to the effect of the subsequent sanction open for consideration by the learned Trial Court at the stage of framing of charge. The learned Special Court has thereafter examined the issue in detail and found that no prejudice had been occasioned to the accused persons. This Court finds no reason to take a different view.

85. Accordingly, even assuming, for the sake of argument, that prior sanction under Section 19 of PC Act (post 2018 Amendment) was required and that cognizance had initially been taken in its absence, the subsequent sanctions cannot be treated as incapable of curing the defect. In the facts of the present case, particularly since no substantive proceedings took place between the date of cognizance and the filing of the sanctions and no actual prejudice or failure of justice has been demonstrated, there is no justification for setting aside the proceedings on this ground. The conclusion reached by the learned Special Court in this regard is, therefore, upheld.

II. Requirement of Sanction under Section 197 of Cr.P.C.

86. The next question which arises for consideration is whether sanction under Section 197 of Cr.P.C. was required before cognizance could be taken and charges framed against the public servants for the offences alleged under the IPC.

87. It is well-settled that the requirement of sanction under Section 197 of Cr.P.C. is distinct from that under Section 19 of the PC Act, and thus, are to be considered independently. Section 197 of Cr.P.C.

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provides protection to certain public servants against prosecution for offences alleged to have been committed *while acting or purporting to act* in the discharge of their official duties. The protection, however, does not extend to every act performed by a public servant merely because the person concerned holds public office or the alleged act occurred during the period of such employment. The relevant consideration in this regard is – whether the act complained of bears a reasonable connection with the discharge of official duty. The mere fact that the official position provided an opportunity to commit the alleged offence would not, by itself, be sufficient to attract the protection.

88. At the same time, it is not necessary that the act complained of must itself be an independently lawful act in order to attract Section 197 of Cr.P.C. As explained by the Hon'ble Supreme Court in ***B. Saha v. M.S. Kochar****: (1979) 4 SCC 177*, the provision cannot be interpreted so narrowly that its protection becomes meaningless, nor can it be interpreted so broadly as to cover every offence committed by a public servant in the course of employment. The nature of the act and its connection with the official duties of the public servant must be examined in the facts and circumstances of each case.

89. This Court further notes that in ***P.K. Pradhan v. State of Sikkim:*** *(2001) 6 SCC 704*, the Hon'ble Supreme Court explained that where there is no reasonable connection between the alleged act and the performance of official duties, and the official status merely furnishes the occasion or opportunity for the act, sanction would not

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be required. The Supreme Court also recognised that the question of sanction may be raised at different stages of the proceedings. In some cases, it may not be possible to decide the issue effectively without giving the defence an opportunity to establish, through evidence, that the act complained of was performed in the discharge of official duty. In such circumstances, the question may appropriately be left open for consideration at the conclusion of the trial.

90. The Hon'ble Supreme Court in ***Om Prakash Yadav v. Niranjan Kumar Upadhyay:*** *2024 SCC OnLine SC 3726* has summarised the law of sanction under Section 197 of Cr.P.C. by way of following observations:

> "**65.** Thus, the legal position that emerges from a conspectus of all the decisions referred to above is that it is not possible to carve out one universal rule that can be uniformly applied to the multivarious facts and circumstances in the context of which the protection under Section 197 CrPC is sought for. Any attempt to lay down such a homogenous standard would create unnecessary rigidity as regards the scope of application of this provision. In this context, the position of law may be summarized as under:—
>
> **(i)** The object behind the enactment of Section 197 CrPC is to protect responsible public servants against institution of possibly false or vexatious criminal proceedings for offences alleged to have been committed by them while they are acting or purporting to act in their official capacity. It is to ensure that the public servants are not prosecuted for anything which is done by them in the discharge of their official duties, without any reasonable cause. The provision is in the form of an assurance to the honest and sincere officers so that they can perform their public duties honestly, to the best of their ability and in furtherance of public interest, without being demoralized.
>
> **(ii)** The expression "*any offence alleged to have been committed by him while acting or purporting to act in the*

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discharge of his official duty" in Section 197 CrPC must neither be construed narrowly nor widely and the correct approach would be to strike a balance between the two extremes. The section should be construed strictly to the extent that its operation is limited only to those acts which are discharged in the "course of duty". However, once it has been ascertained that the act or omission has indeed been committed by the public servant in the discharge of his duty, then a liberal and wide construction must be given to a particular act or omission so far as its "official" nature is concerned.

(iii) It is essential that the Court while considering the question of applicability of Section 197 CrPC truly applies its mind to the factual situation before it. This must be done in such a manner that both the aspects are taken care of *viz.*, on one hand, the public servant is protected under Section 197 CrPC if the act complained of falls within his official duty and on the other, appropriate action be allowed to be taken if the act complained of is not done or purported to be done by the public servant in the discharge of his official duty.

(iv) A public servant can only be said to act or purport to act in the discharge of his official duty, if his act is such that it lies within the scope and range of his official duties. The act complained of must be integrally connected or directly linked to his duties as a public servant for the purpose of affording protection under Section 197 CrPC. Hence, it is not the duty which requires an examination so much as the "act" itself.

(v) One of the foremost tests which was laid down in this regard was - whether the public servant, if challenged, can reasonably claim that, what he does, he does in virtue of his office.

(vi) Later, the test came to be re-modulated. It was laid down that there must be a reasonable connection between the act done and the discharge of the official duty and the act must bear such relation to the duty such that the accused could lay a reasonable, but not a pretended or fanciful claim, that his actions were in the course of performance of his duty. Therefore, the *sine qua non* for the applicability of this section is that the offence charged, be it one of commission or omission, must be committed by the public servant either in his official capacity or under the color of the office held by him such that there is a direct or reasonable connection between the act and the official duty.

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(vii) If in performing his official duty, the public servant acts in excess of his duty, the excess by itself will not be a sufficient ground to deprive the public servant from protection under Section 197 CrPC if it is found that there existed a reasonable connection between the act done and the performance of his official duty.

(viii) It is the "quality" of the act that must be examined and the mere fact that an opportunity to commit an offence is furnished by the official position would not be enough to attract Section 197 CrPC.

(ix) The legislature has thought fit to use two distinct expressions "acting" or "purporting to act". The latter expression means that even if the alleged act was done under the color of office, the protection under Section 197 CrPC can be given. However, this protection must not be excessively stretched and construed as being limitless. It must be made available only when the alleged act is reasonably connected with the discharge of his official duty and not merely a cloak for doing the objectionable act.

(x) There cannot be any universal rule to determine whether there is a reasonable connection between the act done and the official duty, nor is it possible to lay down such a rule. However, a "safe and sure test" would be to consider if the omission or neglect on the part of the public servant to commit the act complained of would have made him answerable for a charge of dereliction of his official duty. If the answer to this question is in the affirmative, the protection under Section 197 CrPC can be granted since there was every connection with the act complained of and the official duty of the public servant.

(xi) The provision must not be abused by public servants to camouflage the commission of a crime under the supposed color of public office. The benefit of the provision must not be extended to public officials who try to take undue advantage of their position and misuse the authority vested in them for committing acts which are otherwise not permitted in law. In such circumstances, the acts committed must be considered dehors the duties which a public servant is required to discharge or perform.

(xii) On an application of the tests as aforesaid, if on facts, it is *prima facie* found that the act or omission for which the accused has been charged has a reasonable connection with the

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discharge of his official duty, the applicability of Section 197 CrPC cannot be denied.

66. At the cost of repetition, we say that the position of law on the application of Section 197CrPC is clear - that it must be decided based on the peculiar facts and circumstances of each case. This Court has held in a legion of decisions that any misuse or abuse of powers by a public servant to do something that is impermissible in law like threatening to provide a tutored statement or trying to obtain signatures on a blank sheet of paper; causing the illegal detention of an accused; engaging in a criminal conspiracy to create false or fabricated documents; conducting a search with the sole object of harassing and threatening individuals, amongst others, cannot fall under the protective umbrella of Section 197 CrPC.

*** * ***

74. The legal position that emerges from the discussion of the aforesaid case laws is that:

(i) There might arise situations where the complaint or the police report may not disclose that the act constituting the offence was done or purported to be done in the discharge of official duty. However, the facts subsequently coming to light may establish the necessity for sanction. Therefore, the question whether sanction is required or not is one that may arise at any stage of the proceeding and it may reveal itself in the course of the progress of the case.

(ii) There may also be certain cases where it may not be possible to effectively decide the question of sanction without giving an opportunity to the defence to establish that what the public servant did, he did in the discharge of official duty. Therefore, it would be open to the accused to place the necessary materials on record during the trial to indicate the nature of his duty and to show that the acts complained of were so interrelated to his duty in order to obtain protection under Section 197 CrPC.

(iii) While deciding the issue of sanction, it is not necessary for the Court to confine itself to the allegations made in the complaint. It can take into account all the material on record available at the time when such a question is raised and falls for the consideration of the Court.

(iv) Courts must avoid the premature staying or quashing of

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> criminal trials at the preliminary stage since such a measure may cause great damage to the evidence that may have to be adduced before the appropriate trial court."

91. Having taken note of the above principles, this Court notes that in the present case, the prosecution alleges a criminal conspiracy involving public servants and private individuals in relation to the transfer of the BNR Hotels to IRCTC, the framing and modification of tender conditions, the evaluation of competing bids, and the award of the tenders to M/s Sujata Hotel. The prosecution further relies upon the alleged transfer of land to M/s DMCPL and the subsequent transfer of shares in that company to members of the family of A-1, Sh. Lalu Prasad Yadav, as part of the larger conspiracy. These are, at this stage, allegations which remain to be established through evidence.

92. The alleged acts attributed to the public servants must also be examined in the context of their respective roles. A-1, Sh. Lalu Prasad Yadav, was the then Minister of Railways, while A-8, P.K. Goel, and A-10 to A-13, namely Sh. Rakesh Saksena, Sh. B.K. Agarwal, Sh. R.K. Gogia and V.K. Asthana, were associated with IRCTC at different stages of the tender process. The allegations against these railway officials are related to the formulation or modification of tender conditions, the handling and evaluation of bids, and their alleged participation in the conspiracy to favour M/s Sujata Hotel. The prosecution case is that these acts, though undertaken through official processes, formed part of a larger

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conspiracy and *quid pro quo* arrangement involving the other accused.

93. In this Court's view, the learned Special Court has rightly noticed in the impugned order that the file notings, correspondence, approvals and other formal steps in the tender process were undertaken by the concerned railway officials, and not by A-1 himself. The allegation against A-1, in a nutshell, is that he exercised influence over the process through oral directions recorded in the notes of the Chairman, Railway Board and through his alleged connection with the other accused persons involved in the land transaction and subsequent share transfers. Thus, the prosecution case against A-1 is not confined to the formal exercise of powers attached to his ministerial office, but also includes allegations concerning his alleged role in connecting the various transactions forming the basis of the conspiracy.

94. In these circumstances, the fact that A-1 was the Minister of Railways and exercised administrative control over the Railway Board and IRCTC would not, by itself, establish that all the acts alleged against him were performed in the discharge of his official duties. Equally, the question cannot be determined merely by describing the allegations as criminal acts. The nature of the acts alleged, the manner in which they were purportedly carried out, and their connection, if any, with the discharge of official functions must be considered together.

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95. A separate consideration arises in relation to A-8 and A-10 to A-13. As noticed by the learned Special Court, the prosecution has not sought an independent charge for offence under Section 420 of IPC against these officials. The substantive offence of cheating has instead been alleged against other accused persons in connection with the award of the tenders and the land and share transactions. These officials are sought to be proceeded against under Section 120B of IPC in relation to the alleged conspiracy involving, *inter alia*, cheating and the alleged abuse of official position. In other words, the allegations against the railway officials are not that they independently induced IRCTC to part with property by committing the substantive offence of cheating, but that they allegedly participated in a conspiracy with the other accused persons, in which the tender process was manipulated to facilitate the award of contracts to M/s Sujata Hotel.

96. The fact that these government officials were required, in the ordinary course of their employment, to deal with tender conditions, scrutinise bids or participate in the evaluation process, is a relevant consideration, but is not conclusive to arrive at a conclusion that the alleged acts, done by them, were in discharge of their official duties.

97. At this stage, it would also be pertinent to take note of the decision of the Hon'ble Supreme Court in ***Harihar Prasad v. State of Bihar:*** *(1972) 3 SCC 89*, where the Supreme Court considered allegations of criminal conspiracy to commit offences including criminal breach of trust and cheating in relation to a large amount of

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government money earmarked for a development project. The Supreme Court observed that entering into a criminal conspiracy or indulging in criminal misconduct cannot be regarded as part of the official duty of a public servant. Thus, the principle emerging from this decision is that the protection of Section 197 of Cr.P.C. cannot be claimed merely because the alleged conspiracy is said to have been carried out through acts performed in an official capacity.

98. Thus, the question is also as to whether the acts allegedly forming part of the conspiracy had a reasonable connection with the discharge of their official functions, or whether their official positions merely provided the opportunity for the alleged unlawful acts.

99. In the opinion of this Court, the learned Special Court has rightly observed in the impugned order that the alleged conspiracy comprises different stages and involves accused persons performing different roles. The alleged offence of cheating is not confined to the tender process alone, but also relates to the land transaction and the subsequent transfer of shares in M/s DMCPL. The true nature of the alleged agreement between the accused persons, the extent of the participation of each public servant, and the relationship between the acts attributed to them and their official functions are matters which would require consideration of the evidence as it would unfold during trial.

100. It is, therefore, not possible at this stage to conclusively

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determine whether or not the alleged acts of conspiracy, attributed to A-8 and A-10 to A-13, were sufficiently connected with the discharge of their official duties so as to attract Section 197 of Cr.P.C.

101. Furthermore**,** the learned Special Court has also rightly considered the decision of the Hon'ble Supreme Court in ***Ram Sagar v. Central Bureau of Investigation***: *SLP (Crl.) 2671/2021*, wherein it was observed that the question of sanction under Section 197 of Cr.P.C. could be considered before the Trial Court at any stage of the proceedings, depending upon the nature of the evidence led by the prosecution. Similarly, the learned Special Court has also taken note of the observations in ***G.C. Manjimatb & Ors. v. Seetaram****: 2025 INSC 439*, wherein the Hon'ble Supreme Court reiterated that the protection under Section 197 of Cr.P.C. depends upon whether the alleged offence bears a reasonable connection with official duty, and does not extend to acts wholly unconnected with official functions.

102. To summarise, the judicial precedents on the issue disclose that the requirement of sanction under Section 197 of Cr.P.C. cannot be determined solely by reference to the designation of an accused or the fact that the alleged acts took place during the period of public service. Depending upon the nature of the allegations and the material available, the issue may require consideration of evidence.

103. To reiterate, in the present case, the prosecution alleges a conspiracy involving multiple accused persons, with different roles

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attributed to public servants and private individuals, and therefore, the precise connection between the alleged acts of the public servants and the discharge of their official duties cannot be conclusively determined at this stage, without the parties leading their evidence. The material collected by the CBI and placed before the Court by way of chargesheet also, at this stage, does not show that the alleged offences were necessarily committed in the discharge of, or purported discharge of, official duties, so as to make sanction under Section 197 of Cr.P.C. an indispensable precondition to proceeding against the accused persons at this stage. The allegations of criminal conspiracy, particularly those concerning the alleged use of official processes to secure an unlawful benefit, require the evidence to be led and examined before a final determination can be made on the applicability of Section 197 of Cr.P.C.

104. Accordingly, this Court agrees with the learned Special Court that the absence of sanction under Section 197 of Cr.P.C. does not, on the material presently available, constitute an impediment to proceeding with the charges against A-1 and the erstwhile officials of IRCTC, i.e. A-8 and A-10 to A-13.

105. It is however clarified that such observations are confined to the stage of charge, and shall not be understood as a final determination that sanction under Section 197 of Cr.P.C. was not required in the present case. The accused persons shall remain at liberty to raise the issue at the appropriate stage, in light of the evidence led during trial, and the Trial Court shall consider the same

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in accordance with law.

III. Broad Contours of the Prosecution Case, the Roles Attributed to the Accused & Principles for Appreciating the Material at Stage of Charge

106. Before examining the individual submissions advanced on behalf of the accused, it would be appropriate to briefly notice the broad contours of the prosecution case. As noticed at length in the *factual background*, the allegations arise from a series of transactions concerning the transfer of the BNR Hotels at Ranchi and Puri to IRCTC, the subsequent award of the contracts for their operation and management to M/s Sujata Hotel Pvt. Ltd. (A-14), the transfer of land situated at Bailey Road, Patna, to M/s DMCPL, and the subsequent transfer of shares in the said company to members of the family of A-1, Sh. Lalu Prasad Yadav.

107. The prosecution case broadly proceeds along two, allegedly, interconnected sets of events. The ***first*** concerns the alleged manipulation of the tender process for the BNR Hotels, while the ***second*** concerns the land transaction involving M/s DMCPL and the subsequent transfer of shares in that company. According to the CBI, these transactions are not to be viewed independently, since they form part of a larger criminal conspiracy involving both public servants and private individuals.

108. The existence of such a connection, however, is itself a matter to be assessed on the material brought on record by the prosecution.

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The fact that such transactions took place, or that the valuation and terms of a transaction, whether that of land or of shares, are disputed, cannot by itself establish the alleged criminal conspiracy. The Court must, therefore, examine whether the material collected by the prosecution, when considered cumulatively and at the standard applicable to the stage of charge, discloses sufficient grounds to proceed against the accused for the offences alleged. In doing so, the Court is not required to conduct a detailed evaluation of the evidence as would be undertaken at trial, nor to determine conclusively the guilt or innocence of any accused. At the same time, the mere existence of allegations or the association of the accused with the transactions in question cannot substitute for the requirement that the material collected during investigation should disclose a *prima facie* case and a strong suspicion against the accused.

109. It is in this background that the rival submissions of the petitioners before this Court are to be considered. The allegations relating to the tender process, the land transaction and the subsequent share transfers will also have to be examined both in their individual context and in the manner in which the prosecution seeks to connect them to show the alleged conspiracy. The respective roles attributed to the accused persons as well as the material relied upon against each of them, will accordingly require consideration before determining whether the impugned order framing charges calls for any interference by this Court.

110. For a clearer appreciation of the prosecution case, the roles

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attributed to each of the accused persons can be broadly summarised as follows:

Accused	Set of Event/ Transaction	Role attributed by the prosecution
A-1 – Lalu Prasad Yadav	Tender process and alleged link to the land/share transactions	As the then Union Railway Minister, he is alleged to have influenced the process concerning the transfer of BNR Hotels to IRCTC and the award of the contracts to M/s Sujata Hotel. The prosecution further alleges that the subsequent transactions involving M/s DMCPL and the transfer of its shares to members of his family constituted the alleged quid pro quo.
A-2 – Rabri Devi	Land/share transactions	She is alleged to have acquired shares in M/s DMCPL from A-7 in 2010 and 2014, in a dubious manner, as part of the subsequent transfer of the company holding the Patna land to members of A-1's family.
A-3 – Tejashwi Prasad Yadav	Land/share transactions	He is alleged to have acquired shares in M/s DMCPL, in a dubious manner and for a substantially lower consideration, as part of the subsequent transfer of the company holding the Patna land to members of A-1's family.

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A-4 – M/s Lara Projects LLP	Land/share transactions and corporate ownership	Formerly known as M/s DMCPL, the entity is alleged to have acquired the Patna land from the Kochhar family and thereafter become the vehicle through which the interest in the land was transferred to A-2 and A-3 by way of share transactions.
A-5 – Vijay Kochhar	Land transaction; alleged link to the tender process	He is alleged to have been involved in the transfer of the Patna land to M/s DMCPL and, as a director of M/s Sujata Hotel, in the bidding process for the BNR Hotels. The prosecution relies on these two sets of transactions to allege the larger quid pro quo.
A-6 – Vinay Kochhar	Land transaction; alleged link to the tender process	He is similarly alleged to have been involved in the transfer of the Patna land to M/s DMCPL and, as a director of M/s Sujata Hotel, to be connected with the award of the BNR hotel contracts to the said entity.
A-7 – Sarla Gupta	Land/share transactions	She is alleged to have held substantial shares in M/s DMCPL and to have transferred shares to A-2 in 2010 and 2014, forming part of the alleged subsequent transfer of the company holding the Patna land.

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A-8 – P.K. Goel	Tender process	As Managing Director of IRCTC, alleged to have approved and facilitated various proposals relating to the tender process, including changes in eligibility criteria and the subsequent award of the BNR contracts to M/s Sujata Hotel.
A-9 – Prem Chand Gupta	Land/share transaction; alleged link to the tender process	He is alleged to have exercised indirect control over M/s DMCPL, facilitated the acquisition of the Patna land, and remained involved in its subsequent financial and share transactions. His proximity to A-1 is relied upon to connect these transactions with the alleged quid pro quo.
A-10 – Rakesh Saksena	Tender process	As Director, IRCTC, he is alleged to have initiated and advanced proposals concerning the BNR Hotels and subsequently proposed changes to the tender conditions, including the eligibility criteria, as part of the alleged manipulation of the tender process.

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A-11 – B.K. Agarwal	Tender process	As a member of the Tender Committee, he is alleged to have participated in the assessment of bidder eligibility and evaluation of the technical bids in a manner which favoured M/s Sujata Hotel.
A-12 – R.K. Gogia	Tender process	As a member of the Tender Committee, he is alleged to have participated in the assessment of bidder eligibility and evaluation of the technical bids in a manner which favoured M/s Sujata Hotel.
A-13 – V.K. Asthana	Tender process	As a member of the Tender Committee, he is alleged to have participated in the assessment of bidder eligibility and evaluation of the technical bids in the award process for the BNR Hotels.
A-14 – M/s Sujata Hotel Pvt. Ltd.	Tender process; alleged beneficiary of the land transaction	It is alleged to have benefited from the relaxation and manipulation of the tender conditions and evaluation process, resulting in the award of the BNR Hotels at Ranchi and Puri. Its association with A-5 and A-6 and the subsequent land transaction is relied upon to allege the larger quid pro quo.

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111. This Court however clarifies that the above classification is only broadly indicative of the alleged roles of the accused persons, and is intended only to briefly identify the allegations levelled by the CBI.

IV. Earlier Proceedings and the Alleged Previous Investigation

(a) Railway Vigilance Proceedings

112. The first submission which requires consideration is the contention raised on behalf of the accused persons that the allegations concerning the award of the tenders for BNR Hotels had already been examined by the Railway Vigilance authorities and that the said proceedings had resulted in a finding that no irregularity had been committed in the award of the tenders in favour of M/s Sujata Hotel Pvt. Ltd. It was argued that, in view of the said finding, the present criminal proceedings, insofar as they relate to the tender process, could not have been initiated afresh.

113. In this regard, this Court is of the view that there is no dispute that the Railway Vigilance authorities had examined the tender process relating to the BNR Hotels at Ranchi and Puri. The Vigilance report dated 23.11.2008 records, *inter alia*, that the tender process had been followed and that no irregularity was noticed in the award of the contracts to M/s Sujata Hotel. The report, thus, undoubtedly contains findings, *apparently* favourable to the accused persons insofar as the regularity of the tender process, as examined by the

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Vigilance authorities, is concerned. The subsequent Railway Board proceedings also proceeded on the basis of the said report.

114. However, the effect which can be attributed to the aforesaid Vigilance report has to be examined keeping in view the nature and scope of the proceedings in which it came to be made. It is material to note that the Railway Vigilance authorities were examining the matter in the context of vigilance and departmental scrutiny. Such an exercise cannot be equated with an investigation into a cognizable offence under the Code of Criminal Procedure. Concededly, the Vigilance authorities were not acting as the investigating agency in a criminal case, nor did their report have the character of a police report submitted upon completion of an investigation under Cr.P.C. It is necessary to keep in mind such distinction in the present case, since the prosecution case and the allegations against the accused are not confined to the question whether the tender process suffered from any irregularity. Rather, the prosecution case is that the tender process formed one part of a larger *quid pro quo* arrangement involving the transfer of land by the Kochhar brothers to M/s DMCPL and the subsequent transfer of the shares of M/s DMCPL to the family of A-1. The alleged criminality, therefore, cannot be examined only by examining whether the procedural requirements of the tender process were followed.

115. In this regard, the Railway Vigilance report dated 23.11.2008 is noteworthy. The said report took note of the allegation concerning the transfer of land by the Kochhar brothers to M/s DMCPL and its

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alleged connection with the award of the BNR Hotel contracts. At the same time, the report recorded that the persons involved in the land transaction were private parties and that the question whether there was any connection between the land transfer and the award of the BNR Hotel contracts could not be investigated by Railway Vigilance, as such persons were outside its jurisdiction. The report, therefore, recommended that the matter be handed over to the CBI, which was considered to have the requisite jurisdiction and resources to undertake a detailed investigation into that aspect.

116. Therefore, the Railway Vigilance report cannot be treated as a finding on the alleged criminal conspiracy or as an exoneration of the persons involved in the land transaction, inasmuch as its finding was confined to the vigilance examination of the tender process, while the alleged nexus between the land transaction and the award of the BNR Hotel contracts was expressly left for examination by the CBI.

117. This Court is further of the opinion that the scope of the earlier Vigilance proceedings was also substantially narrower than the case now before this Court. The Railway Vigilance proceedings were undertaken in 2008 and the report was submitted on 23.11.2008. The present prosecution, on the other hand, rests upon a chain of events which extends over several years. In particular, the subsequent transfer of shares of M/s DMCPL to A-2 and A-3, including transactions between 2011 and 2014, forms an important part of the prosecution case. Those subsequent events had not taken place when the Railway Vigilance report was submitted and, consequently, could

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not have formed part of the subject matter examined by the Vigilance authorities at that stage.

118. The distinction between a departmental or vigilance proceeding and a criminal prosecution is also well settled. In ***The Karnataka Lokayuktha, Bagalkote District, Bagalkot v. Chandrashekar & Anr.:*** *2026 INSC 31*, the Hon'ble Supreme Court has reiterated that exoneration in a departmental proceeding does not, by itself, result in the quashing of a criminal prosecution. It was held that the two proceedings are conducted in different fields and that the criminal case has to be decided on the evidence placed before the criminal court. The said principle applies with greater force where, *as in the present case*, the earlier proceedings were conducted by a departmental Vigilance authority, whereas the present prosecution is being undertaken by an independent investigating agency pursuant to the registration of a criminal case; and more so, when the Railway Vigilance report did not examine the entire chain of events and transactions and when the Vigilance report itself records the limitation on its jurisdiction in examining the alleged nexus between the private land transaction and the award of the BNR Hotel contracts.

119. The learned Special Court has also considered this aspect of the matter and has correctly observed in the impugned order, that the earlier Railway Vigilance proceedings cannot be treated as a criminal investigation of the nature contemplated under the Cr.P.C. The learned Special Court has further held that the earlier exercise was

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concerned substantially with the fidelity of the tender process, with the land transaction forming part of the surrounding material, whereas the present case proceeds on a wider factual canvas which includes the subsequent transfer of the land-holding company's shares to members of the family of A-1. This Court finds no error in the approach adopted by the learned Special Court in this regard.

(b) CBI Verification Proceedings

120. The next submission which requires consideration is the contention raised on behalf of the accused persons that the CBI had already 'investigated' the allegations concerning the BNR Hotels and the land transaction during the period 2009-2011 and had, after examining the relevant documents and conducting field verification, concluded that the allegations could not be substantiated. It has been argued that the earlier exercise was, in substance, an 'investigation', irrespective of the nomenclature being now used by the CBI, and that the registration of the present PE and FIR therefore amounted to a second or *de-novo* investigation into the same allegations. Reliance has also been placed on the reports dated 12.08.2010 and 26.11.2010, the subsequent correspondence within the CBI, and the communication dated 14.06.2012 whereby the records were returned to the Railway Board.

121. Having considered the aforesaid contentions as well as the material on record, this Court is of the opinion that there is no dispute that the CBI had, pursuant to complaints received in the years 2009-

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2010, undertaken an exercise in relation to the allegations concerning the BNR Hotels. The record shows that a CBI team had visited Patna, examined the relevant material and thereafter reports were prepared. The report dated 12.08.2010 of the DIG, CBI recorded that the allegations under verification could not be established and recommended closure. Similarly, the report dated 26.11.2010 of the SP, CBI recorded that the allegations in the complaints could not be substantiated and that due process had been followed in the award of the BNR Hotel contracts to M/s Sujata Hotel.

122. Be that as it may, the question before this Court, at the stage of framing of charge, is not whether the CBI had undertaken any exercise at all in respect of the earlier complaints, but as to the legal character of that exercise and whether it can be treated as an investigation under the Cr.P.C. so as to render the subsequent registration of a PE and FIR impermissible. On this aspect, the mere fact that officers of the CBI visited the concerned places, collected some documents or examined the records cannot, by itself, determine the legal character of the proceedings.

123. Section 2(h) of the Cr.P.C. defines 'investigation' as including all proceedings under the Code for the collection of evidence conducted by a police officer or by a person authorised by a Magistrate. In the present case, however, during the period from 2009 to 2011, no FIR or Regular Case had been registered by the CBI in relation to the earlier complaints. The material on record also shows that the earlier exercise was treated within the CBI as verification of

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complaints. The relevant record of the CBI itself refers to the allegations as being "under verification", to efforts to "verify at Patna" the land transaction and to "field verification". The CBI Manual, in Chapter 8, contemplates such verification of complaints, which may thereafter result in closure of the complaint or, where the material so warrants, registration of a Preliminary Enquiry or a Regular Case. No such preliminary enquiry or Regular Case was registered in the present case at that stage.

124. Insofar as the accused persons rely upon the fact that the CBI officers had visited places, collected documents and examined the records, this Court is of the opinion that such acts, by themselves, cannot determine the legal character of the proceedings. The material shows that the earlier exercise did not result in registration of an FIR or submission of a police report under Section 173 of the Cr.P.C. The CBI ID No. CO2022009A0002/178 dated 06.11.2009, relied upon by the accused persons, is also of no help to them, since no PE Registration Report or Regular Case followed from the complaints, as also noticed in the impugned order.

125. There is also a material difference between the earlier exercise undertaken by the CBI and the present prosecution. It is pertinent to note that the earlier CBI verification was undertaken during 2009-2010, whereas the present case proceeds on a chain of events extending beyond that period. In particular, the transfer of shares of M/s DMCPL to A-2, Smt. Rabri Devi, and A-3, Sh. Tejashwi Prasad Yadav, between 2011 and 2014, which according to the prosecution

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forms an important part of the alleged *quid pro quo*, had not taken place when the earlier verification was undertaken. The learned Special Court has also compared the earlier CBI material with the registration report of the present preliminary enquiry and noted the wider factual basis on which the present proceedings were initiated.

126. Insofar as the argument that the present proceedings amount to a second or *de novo* investigation is concerned, this Court is of the opinion that the same is unmerited. Such a situation would arise where a registered criminal case had already been investigated and a further investigation was thereafter sought to be undertaken in respect of the same case contrary to law. That is not the position here, inasmuch as the earlier CBI exercise did not arise from an FIR or a Regular Case and did not culminate in a police report under Section 173 of Cr.P.C. The present proceedings commenced with PE No. 220202017E0002, registered on 28.06.2017, and thereafter culminated in registration of the present FIR and filing of the charge-sheet.

127. The learned Special Court has examined the earlier CBI proceedings in detail and has found that they remained at the stage of verification and did not mature into a preliminary enquiry or a Regular Case. This Court finds no error in that conclusion. Accordingly, the contention that the present prosecution amounts to an impermissible second or *de novo* investigation is rejected.

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V. Criminal Conspiracy: Nature, Scope and Principles

128. Prior to examining the role attributed to the individual accused, it would be appropriate to briefly consider the nature of the offence of criminal conspiracy.

129. A conspiracy, by its very nature, is ordinarily formed and carried out in secrecy. Those who participate in it have little reason to leave behind a complete account of the agreement which they have entered into, or of the respective parts which each of them has undertaken to perform. The prosecution, therefore, will rarely have the benefit of direct evidence of the agreement itself. The existence of the conspiracy may, depending upon the facts of the case, have to be gathered from the surrounding circumstances, the conduct of the accused and the manner in which their respective acts fit into the alleged common design.

130. The very nature of conspiracy also makes it unnecessary that all persons alleged to be conspirators should act together, at the same place or at the same time. There is no requirement in law that every conspirator should personally meet every other conspirator, communicate with every other conspirator or participate in every act carried out in furtherance of the alleged design. A conspiracy may develop through different persons performing different parts at different stages. What is relevant is not physical proximity between the participants, but whether the acts attributed to a particular person, when viewed in the context of the surrounding circumstances, are

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capable of connecting that person with the common design alleged by the prosecution. This distinction is important, since the absence of a meeting between two persons, or the absence of direct communication between them, does not by itself exclude the possibility of a conspiracy. Equally, the mere fact that two persons have interacted, know each other or have participated in transactions with each other cannot, by itself, establish a conspiracy. The connecting circumstance must lie in the nature of the acts attributed to the accused and their relationship with the object which the prosecution alleges was sought to be achieved.

131. A conspiracy may thus involve persons who perform entirely different functions. One person may conceive or facilitate the arrangement, another may undertake a particular transaction, a third may deal with the documentation, a fourth may perform an official act, and yet another may receive or deal with the benefit which is alleged to have resulted from the arrangement. The fact that their individual acts appear different in character does not necessarily make them unrelated. If the material on record discloses, *prima facie*, that the different acts were directed towards achieving the same unlawful object, the absence of participation by each person at every stage cannot, by itself, be treated as destructive of the allegation of conspiracy.

132. This is also why the role of an individual accused cannot always be examined in complete isolation from the acts attributed to the other alleged conspirators. A person may not have performed the

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principal act which constitutes the ultimate offence. He may nevertheless have performed an act which, though, at first blush, may appear a separate act, but would become significant when placed in the context of the alleged common design. The converse is also important, i.e., an act which is merely capable of being connected with an offence cannot be treated as participation in a conspiracy unless there is some material which connects the person performing that act with the alleged common design.

133. The requirement, therefore, is not that every conspirator should know every detail of the plan, since in this Court's view, a conspiracy can be compartmentalised. Persons participating in it may know only that part of the arrangement which concerns their own role, while leaving the other parts to others. Particularly where an unlawful arrangement involves several stages or different kinds of activity, it may be neither necessary nor possible for every participant to know the precise manner in which every other participant is acting. What is material is whether the person concerned is shown, *prima facie*, to have consciously associated himself with the object of the conspiracy and to have performed an act in furtherance of that object.

134. The same principle also explains why the passage of time between different acts does not, by itself, negate the allegation of conspiracy. An unlawful design may be executed immediately, or it may unfold over a considerable period. The nature of the arrangement, the persons involved, the circumstances in which it is carried out and the object sought to be achieved would determine

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whether apparently separate acts form part of a common design. Therefore, proximity in time is not an indispensable requirement. What must ultimately be shown is the connection between the acts and the common object.

135. Significantly, in today's time, the development of methods of communication and the manner in which transactions are now carried out make the requirement of physical proximity even less meaningful. Persons may participate in a common design while being situated in different cities, States or even countries. They may communicate directly, through intermediaries, or through electronic means. The law thus looks to the substance of the association and the connection between the acts, and not merely to the physical distance between the persons who are alleged to have participated in it.

136. There may also be situations where one participant performs an act without knowing the identity or precise role of another participant. For instance, if one person arranges for the disposal of a body of a person killed by another accused, the person carrying out the disposal may not necessarily know the exact reasons or the circumstances leading to the killing of the victim, or even the identity of every person responsible for it. If other circumstances establish that such a person knowingly participated in the overall conspiracy for the unlawful object, the absence of knowledge of every detail or every participant cannot, by itself, be sufficient to hold such a person not guilty of the offence of criminal conspiracy. *However*, at the same time, this Court is also conscious that this principle cannot be

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stretched to dispense with the requirement of establishing an agreement altogether. Conspiracy is not established merely because the acts of several persons ultimately produce a common result. Nor can a person be treated as a conspirator merely because he happens to be acquainted with another accused or has entered into a transaction with him. There must be some material from which the participation of that person in the alleged common design can, at least *prima facie*, be inferred.

137. Thus, there are two equally important aspects of the law. On the one hand, the prosecution is not required, particularly at the stage of charge, to demonstrate that every conspirator met every other conspirator, communicated with every other conspirator, knew every detail of the plan, or personally participated in every step by which the alleged object was achieved. On the other hand, the prosecution must place material which connects each person sought to be proceeded against with the alleged common design. The acts attributed to a person must have a meaningful nexus with the object of the conspiracy alleged against him.

138. This is particularly significant at the stage of framing of charge. The Court, at this stage, is not required to reconstruct the entire conspiracy as though conducting a trial, nor is it required to establish the agreement by direct evidence at this stage. The material has to be viewed cumulatively and in the light of the broad probabilities emerging from the record. If the acts attributed to an accused, when considered along with the surrounding circumstances

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and the acts attributed to others, disclose a *prima facie* connection with the alleged common object, the absence of direct evidence of a meeting of minds cannot by itself justify discharge of the accused.

139. This is so, since a conspiracy, if successfully executed, may leave behind evidence of its consequences rather than evidence of the agreement itself. The investigation, therefore, often proceeds in the reverse direction – from the acts which occurred, the transactions which took place, the benefits which changed hands and the manner in which different persons acted, the investigating agency seeks to ascertain whether these events were independent events/transactions or parts of a coordinated design. It is thereafter for the Court, on the material placed before it, to determine whether the circumstances are sufficient to proceed against the persons alleged to have participated in that design. There must be a discernible thread connecting the relevant circumstances. But that thread need not necessarily be a single document, a single conversation or a single meeting. It may emerge from a combination of circumstances which, when viewed together, acquire a significance which they may not possess when viewed separately.

140. In this sense, a conspiracy may be compared to a structure assembled through several components. One person may provide one component, another may arrange another, and a third may undertake the final act which brings the arrangement to fruition. No individual component, viewed in isolation, may reveal the complete structure. The question at the stage of charge is whether the material placed

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before the Court discloses, *prima facie*, that the different components were not merely coincidental but were capable of forming part of a common unlawful design.

141. The Court must, therefore, be careful to maintain the distinction between *participation in the common design* and *participation in every act undertaken pursuant to that design*. The former is material; the latter is not an essential requirement.

142. Ultimately, the nature of conspiracy requires the Court to look beyond isolated acts without losing sight of the requirement that each accused must have a *prima facie* connection with the alleged common design. The prosecution case cannot be assessed by insisting upon a degree of proximity, communication or participation which the very nature of a secret and coordinated arrangement may make impossible to establish by direct evidence. At the same time, the Court cannot infer conspiracy merely from association, suspicion or hindsight. The material must disclose a rational connection between the acts attributed to the accused and the unlawful object alleged by the prosecution.

143. It is against this legal framework that the role of each accused in the present case has to be examined by the Court. The question is not whether each accused was present at every stage of the alleged transactions, whether each accused communicated with all the others, or whether each accused was aware of every step taken by the other participants. The relevant question is whether the material on record,

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taken cumulatively, discloses a *prima facie* connection between the acts attributed to the particular accused and the common object alleged by the prosecution.

144. The aforesaid principles are of utmost significance in the present case, where the prosecution/CBI alleges a sequence of events involving different persons, different transactions and different points in time. The alleged tender process, the transfer of the Patna land, the subsequent dealings in M/s DMCPL and the alleged benefits said to have accrued to different persons cannot, therefore, be assessed merely by asking whether every accused was directly involved in each of these events. The question is whether the material relied upon by the prosecution provides a *prima facie* basis for treating the respective acts attributed to them as parts of the larger arrangement alleged in the charge-sheet.

VI. The Alleged Criminal Conspiracy in the Present Case

145. Having noticed the scope and contours of criminal conspiracy, it is now necessary to examine the nature of the conspiracy alleged by the prosecution in the present case.

146. Concededly, the prosecution case is not founded upon a single transaction or a single act. According to the CBI, the alleged conspiracy unfolded through a series of events involving the BNR Hotels at Ranchi and Puri, the tender process for their operation, the transfer of land at Bailey Road, Patna, to M/s DMCPL, and the subsequent transfer of the shares of M/s DMCPL to A-2 and A-3.

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The prosecution seeks to establish a connection between these events and contends that they constituted different stages of a common arrangement.

(a) The BNR Hotels and their transfer to IRCTC & The alleged involvement of A-1 in the BNR Hotel process

147. It is the prosecution's case that IRCTC was incorporated on 27.09.1999 as a public sector enterprise under the Ministry of Railways, *inter alia*, for upgrading and managing railway catering and hospitality services. Under the MoU dated 12.04.2001 executed between the Ministry of Railways and IRCTC, railway land and buildings could be leased or licensed to IRCTC for being sub-leased or sub-licensed to third parties for specified passenger amenities and services, including budget hotels. By letters dated 18.09.2001 and 04.02.2003, the Railway Board communicated its decision to transfer catering services, Rail Yatri Niwas and Railway Hotels to IRCTC on an '*as is where is basis*'. A second MoU was executed between IRCTC and the Railway Board on 19.03.2004.

148. A-1, Sh. Lalu Prasad Yadav, served as Minister of Railways from 22.05.2004 to 22.05.2009. The CBI alleges that A-1 was aware of the Railway Board's decision concerning transfer of the BNR Hotels at Ranchi and Puri to IRCTC for possible sub-leasing to private entrepreneurs. In this regard, CBI has placed reliance on the letter dated 18.08.2004 communicating approval for immediate transfer of, *inter alia*, the Railway Hotels at Puri and Ranchi to

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IRCTC. The CBI particularly relies upon a note dated 31.08.2004 recorded by the then Chairman, Railway Board, which referred to a telephone discussion with the Minister of Railways (A-1) and recorded that only catering managed by private contractors should be transferred to IRCTC, while departmental catering should continue to remain with the Railways.

149. According to the CBI, the aforesaid direction was acted upon and departmental catering was retained with the Railways at that stage. It is alleged that the BNR Hotels formed part of departmental catering, being existing railway properties managed by departmental staff. At its meeting dated 25.11.2004, the Railway Board decided that ownership of the Railway Hotels at Puri and Ranchi would remain with the Railways, while their transfer to IRCTC would be on an '*as is where is basis*'. The minutes were also sent to A-1. A subsequent letter dated 25.02.2005 reiterated that ownership of the BNR Hotels would remain with the Indian Railways.

150. The CBI further relies upon a second note of the Chairman, Railway Board, dated 26.09.2006. The note recorded that the OSD to the Minister of Railways had conveyed that the Minister desired withdrawal of the proposal for more budget hotels, including those for which advertisements had already been issued, until the policy in that regard was finalised. According to the CBI, the policy concerning budget hotels was intertwined with the policy governing the BNR Hotels. It is alleged that the subsequent changes concerning the BNR Hotels have to be viewed in this context and that the

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budget-hotel policy was used as a means to effect those changes. The CBI further points to common advertisements dated 03.11.2006 and 15.11.2006 and contends that the omission of the BNR Hotels from the direction dated 26.09.2006 is crucial in this context.

151. The CBI accordingly relies upon the two notes of the Chairman, Railway Board, as well as the fact that copies of Railway Board decisions concerning the BNR Hotels were sent to A-1, to allege that A-1 was aware of the proposed transfer, management and operation of the BNR Hotels through IRCTC and private parties. The BNR Hotel at Ranchi was handed over to IRCTC on 19.01.2006 and the BNR Hotel at Puri on 10.02.2006.

(b) The alleged manipulation of the tender process in favour of A-14

152. The charge-sheet thereafter sets out the steps taken by IRCTC for development and operation of the BNR Hotels. After Sh. P.K. Goel (A-8) joined IRCTC as its Managing Director on 27.06.2006, Sh. Rakesh Saksena (A-10) proposed on 10.07.2006 that the RYN and BNR Hotels be developed, maintained and operated through the public-private partnership model adopted for Budget Hotels. The proposal was approved by A-8 and provided for a licence tenure of 15 years.

153. On 06.10.2006, IRCTC approved revised minimum eligibility criteria for RYN and BNR Hotels. The criteria included, *inter alia*, a minimum annual turnover of ₹3 crore, net worth of ₹1 crore as on

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31.03.2006, positive net profit in at least two of the preceding three financial years, and at least five years' experience in operating and maintaining a hotel of at least two-star category. The proposal was routed through A-11, A-10 and A-12 and was approved by A-8.

154. Pursuant thereto, an NIT was issued on 09.10.2006. However, in respect of BNR Hotels, the NIT incorrectly specified three years' experience in operating and maintaining a two-star hotel instead of the five years approved on 06.10.2006 and subsequently reflected in the advertisement dated 03.11.2006.

155. The CBI further alleges that on 01.11.2006, A-10 proposed extension of the tender schedule, which was approved by A-8. The advertisement dated 03.11.2006 prescribed five years' experience. The note concerning the extension also referred to road shows and participation in the FHRAI conference in relation to Budget Hotels, but made no mention of RYN or BNR Hotels. The CBI relies upon this distinction to contend that the stated justification for the subsequent changes concerning the BNR Hotels was not genuine.

156. On 13.11.2006, A-10 allegedly proposed further relaxation of the eligibility criteria for BNR Hotels. The minimum turnover requirement was retained but the period for which it was to be demonstrated was reduced from three years to two years; the requirement of five years' experience in operating and maintaining a two-star hotel was reduced to two years; and the requirement of a certificate of star classification was relaxed to permit self-

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certification in specified circumstances.

157. According to the CBI, these relaxations were introduced deliberately to make M/s Sujata Hotel (A-14) eligible, as it would otherwise not have qualified under the criteria approved on 06.10.2006. The CBI points out that A-14 submitted its bid only after the corrigendum relaxing the conditions was issued. It further alleges that no road show concerning BNR Hotels had been conducted and that no feedback concerning those hotels had been obtained at the FHRAI conference. The CBI therefore alleges that the justification given for relaxing the conditions was false and that the changes were intended to favour A-14.

158. The CBI further alleges irregularities in the opening and evaluation of the bids. Apart from A-14, only one other bidder participated in each of the two tenders. It is alleged that the other bidders were asked to sign certain papers and leave before the scheduled opening of the bids on 01.12.2006 and were informed that the tenders would not be opened that day. Nevertheless, the bids were subsequently shown as having been opened on the same date by subordinate officials allegedly acting on verbal instructions of A-11 and A-12.

159. The CBI further alleges that A-8 constituted a Tender Committee comprising A-11, A-12 and A-13. It relies upon the sequence and placement of the relevant notings to allege that the constitution and proceedings of the Committee were ante-dated.

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160. According to the CBI, the Tender Committee thereafter departed from the criteria disclosed in the tender documents and introduced a threshold-based evaluation system, contrary to CVC Circular No. 33/7/03 dated 09.07.2003. The CBI further alleges that the proforma used for technical evaluation did not disclose the star-category status of A-14 and that the competing bidder for BNR Hotel, Puri, was rejected after obtaining 53 marks against the threshold of 60. It is also alleged that A-14 had not submitted the requisite documents establishing its star-category status or the prescribed self-certification, yet its bid was accepted.

161. On 23.12.2006, A-8 accepted the recommendations of the Tender Committee and, on 27.12.2006, IRCTC issued letters of award in favour of A-14 for the BNR Hotels at Ranchi and Puri. The CBI alleges that the tender process had thus been manipulated to favour A-14.

(c) The acquisition of the Patna land by M/s DMCPL

162. The prosecution case concerning the Patna land relates to 11 sale deeds executed on 25.02.2005, whereby 358 decimals of land were transferred by the Kochhar brothers, including A-5 and A-6, to M/s DMCPL for a total consideration of ₹1,61,67,000/-. The CBI alleges that the land was prime property situated on Bailey Road, Patna, and that it was registered at a value below the applicable circle rate.

163. According to the CBI, the sale deeds described the land as

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agricultural and adopted a circle rate of ₹45,000/- per decimal, whereas the applicable rate for residential land on the main road was ₹55,000/- per decimal. It is alleged that no land in Mauja Jalalpur was categorised as agricultural land at the relevant time. On this basis, the CBI calculates the minimum value of the land at ₹1,96,90,000/-, resulting in a difference of ₹35,23,000/- from the sale consideration.

164. The CBI further relies upon the location of the land on 286-foot-wide Bailey Road and the subsequent increase in circle rates and commercial development in the area. It assessed the value of the land at ₹85.92 crore as of 09.10.2014 and ₹93.08 crore at the time of filing the charge-sheet. These circumstances are relied upon by the CBI to allege that the land was acquired by M/s DMCPL for a consideration substantially below its value.

(d) The alleged control of M/s DMCPL by A-7 and A-9

165. The charge-sheet states that M/s DMCPL was incorporated on 10.06.1981 by Late Harish Chander Bhasin and Sh. Prem Chand Gupta (A-9), who were its first directors. A-9 had also opened the company's bank account and, according to the CBI, initially managed its affairs. The CBI describes A-9 as a close associate of A-1 and alleges that, although A-9 subsequently resigned from the company, he and A-7 continued to exercise indirect control over its affairs and those of group companies.

166. The CBI relies, *inter alia*, upon the shareholding pattern of M/s

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DMCPL and alleges that A-7 acquired approximately 71% of its shares, either directly or through companies under her control, shortly before the purchase of the Patna land. Most of these transfers took place on 10.02.2005 and 14.02.2005, shortly before the execution of the sale deeds.

167. The CBI further alleges that A-9 arranged a loan or advance of ₹2 crore from M/s Abhishek Finance Company Ltd., which was used to facilitate the acquisition of the Patna land for approximately ₹1.61 crore. The sale deed was executed on behalf of M/s DMCPL by Late M.L. Rustagi. The CBI also points out that A-9 and his family were residents of Delhi, that no other land was subsequently purchased by their companies in Patna, and that the land was not used by M/s DMCPL. These circumstances are relied upon to allege that the acquisition was arranged through a company controlled by A-7 and A-9 pursuant to the alleged conspiracy.

168. The CBI further alleges that, after the land was acquired, M/s DMCPL's shares were transferred among persons associated with A-7 and A-9 so as to retain their control over the company and its assets. It also relies upon the issue and subsequent buyback of preference shares, the alleged use of the funds for repayment of the loan, and subsequent investment by M/s DMCPL in shares of M/s Ahluwalia Contracts India Ltd., from which the company allegedly earned a profit of approximately ₹2.68 crore.

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(e) The subsequent transfer of shares to A-2 and A-3

169. The CBI alleges that, prior to the acquisition of the Patna property, the 4,002 shares of M/s DMCPL were held by employees of companies associated with A-9. After the acquisition of the property, the shareholding became concentrated in A-7 and companies under her control.

170. The CBI alleges that the transfer of shares to members of A-1's family commenced in 2010. In that year, A-7 transferred 1,500 shares to A-2 for ₹75 lakh. In 2011, one share was transferred to A-3. In 2014, A-2 acquired a further 1,101 shares from A-7 for ₹63.30 lakh and 750 shares from another company for approximately ₹43.12 lakh. A-3, during the same period, acquired 650 shares from shareholders stated to be employees of A-9 or his group companies for ₹1.30 lakh in cash.

171. The CBI relies upon the circumstances surrounding these transactions, including the source of funds attributed to A-2, the statements of certain shareholders who allegedly claimed ignorance of the financial transactions and stated that they acted on the instructions of A-9, and the disparity between the price paid by A-2, stated to be approximately ₹5,750/- per share, and the price paid by A-3, stated to be ₹200/- per share.

172. According to the CBI, the transfer of shares to A-2 and A-3 was completed by February 2014, when they came to hold all 4,002 shares of M/s DMCPL. Tej Pratap Yadav and Chanda Yadav were

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thereafter appointed as directors on 29.09.2014. The company was renamed M/s Lara Projects Pvt. Ltd. on 22.11.2016 and was subsequently converted into M/s Lara Projects LLP in January 2017, with A-2 having a 60% obligation and Tej Pratap Yadav and A-3 having 20% each.

(f) The alleged nexus between the two sets of transactions

173. The CBI's case, in substance, is that the aforesaid events were not independent transactions. It alleges that the tender process for the BNR Hotels was manipulated in favour of A-14, whose promoters simultaneously sold the Patna land to M/s DMCPL at a price allegedly below the applicable circle rate. The shares of M/s DMCPL were subsequently transferred to A-2 and A-3, who ultimately came to hold the entire shareholding of the company.

174. On this basis, the CBI alleges that A-1, while aware of the transfer and proposed private operation of the BNR Hotels, entered into a conspiracy with the concerned IRCTC officials, the promoters of A-14 and persons controlling M/s DMCPL, with the object of obtaining undue pecuniary advantage for himself and his family.

175. Now, whether the material relied upon by the CBI establishes, at the stage of framing of charge, the requisite connection between these transactions and discloses the existence of a common design so as to constitute a *prima facie* case of criminal conspiracy against the respective accused, is considered hereafter by this Court.

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VII. Examining the Material Against the Accused Persons

(a) Material against A-1 – Sh. Lalu Prasad Yadav

176. A-1, Sh. Lalu Prasad Yadav, served as the Minister of Railways in the Government of India from May, 2004 to May, 2009. The allegations against him are that during the relevant period, he used his position to influence the process concerning the BNR Hotels at Ranchi and Puri, so as to ultimately favour M/s Sujata Hotel Pvt. Ltd. (A-14). The allegation is that such favour formed part of a larger *quid pro quo* arrangement, under which the land owned by persons associated with A-14 was first transferred to M/s DMCPL and, several years thereafter, the effective control of the said company came to be acquired by A-2 and A-3, the wife and son of A-1. The charge against A-1 thus proceeds on the alleged connection between his interventions in the Railway Ministry, the subsequent tender process and the land/share transactions.

177. For the purpose of this judgment, the first aspect which requires consideration is the position of A-1 as the then Minister of Railways and the material placed on record by the CBI concerning his knowledge of the proposed transfer of the BNR Hotels to IRCTC. The record shows that the BNR Hotels were part of the departmental catering system and were proposed to be transferred to IRCTC pursuant to the existing policy framework. The learned Special Court has noticed in the impugned order that the Railway Board decisions concerning the BNR Hotels were also communicated to the Minister

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of Railways (A-1); and thus, evidently, A-1 was not merely aware of the general policy of the Ministry but was aware of the specific process concerning the BNR Hotels.

178. As regards the material relied upon by the prosecution, *firstly*, this Court has to take note of the two notes of the Chairman, Railway Board dated 31.08.2004 and 26.09.2006, recording oral directions attributed to A-1.

179. However, prior to examining these two notes, it is necessary to deal with the contention raised on behalf of the accused persons that a Minister may issue directions in the course of administration and that the mere fact that a direction was issued orally cannot, by itself, reveal any criminal conspiracy. Certainly, there is no dispute with respect to the same, *however*, in the present case, while considering the issue of framing of charge, this Court has to not only look into these two notes, allegedly containing the oral instructions of A-1, but also the circumstances in which they were issued, as well as consider the subsequent events with which the prosecution seeks to connect them. In the impugned order also, the learned Special Court has proceeded on the basis that the aforesaid two notes are required to be read along with the alleged manipulation of the tender process, the land transaction involving the Kochhar brothers and M/s DMCPL, and the subsequent transfer of the shares of M/s DMCPL to A-2 and A-3.

180. The *first note* dated 31.08.2004 records that the then Railway

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Minister had desired that departmental catering should continue to remain with the Railways. It is pertinent to note that since the BNR Hotels at Ranchi and Puri formed part of the departmental catering system, this direction had the effect of holding back, at least temporarily, the transfer process. Therefore, this Court is of the view that such material *prima facie* shows that A-1 was aware of the process for transfer of the BNR Hotels to IRCTC, and it is in this backdrop that he had allegedly issued a direction that departmental catering should continue to remain with the Railways. Further, the BNR Hotels were ultimately handed over to IRCTC during his tenure, with Ranchi being handed over on 19.01.2006 and Puri on 10.02.2006. The material, therefore, discloses that A-1 was directly concerned with the manner in which the transfer of the BNR Hotels was being dealt with, and his intervention in the process is a relevant circumstance while examining the subsequent tender process.

181. The *second note* dated 26.09.2006 records that the OSD to the Railway Minister had communicated that the Minister desired that the proposal for more budget hotels, including those for which advertisements had already been issued, be withdrawn until the policy in that regard was finalised. This second note is also noteworthy in view of the events which followed, i.e. the advertisements issued in November 2006 in respect of the BNR Hotels.

182. The material on record further shows that decisions taken by the Railway Board concerning the transfer of the BNR Hotels were

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communicated to the Minister of Railways (A-1). The letter dated 26.12.2005 issued by A-8, Sh. P.K. Goel, seeking updates regarding the transfer process is also relied upon by the prosecution in this regard.

183. This Court has also gone through the statements of the witnesses recorded by the CBI, during the course of investigation. PW-2 R.K. Singh, the then Chairman, Railway Board, who authored the note dated 31.08.2004 has confirmed that the note recorded the telephonic direction of the Railway Minister that only privately managed catering should be transferred to IRCTC, while departmental catering, including the BNR Hotels, should continue with the Railways. PW-1 Kamal Kant has also stated that approval of the Railway Minister was required for transfer of such departmental units to IRCTC, while PW-4 Rajendra Nath Aga has spoken about the prevailing practice of oral instructions being issued by the Minister directly or through his OSD.

184. The above material placed before this Court, thus, *prima facie* indicates the involvement of A-1 in the policy decisions concerning the budget hotels and the BNR Hotels at the time when the process leading to their award was underway.

185. Moreover, the role of other accused persons is also relevant while considering the role of A-1. It is the specific case of prosecution that, after the BNR Hotels were transferred to IRCTC, the eligibility conditions for the tender were altered and the

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evaluation process was conducted in a manner favouring A-14. The learned Special Court has also considered the role of A-1 in the context of the subsequent actions of the railway officials, as well as A-5 and A-6, A-7 and A-9, and A-2 and A-3. The role attributed to A-1, therefore, has to be examined against the entire sequence of events placed before the Court.

186. In this regard, one important event, which throws further light on the larger conspiracy, is of 25.02.2005. On the said date, the Railway Board had communicated the transfer of the BNR Hotels to IRCTC, and on the same day, A-5 and A-6 (Kochhar brothers) had executed the sale deeds of the Patna land through which approximately 358 decimals of land – allegedly at undervalued consideration – were transferred to M/s DMCPL. The purchaser company (M/s DMCPL) was allegedly under the effective control of A-7, Smt. Sarla Gupta and A-9, Sh. P.C. Gupta, with A-9 being closely associated with A-1. The said land acquired by M/s DMCPL in 2005 continued to remain with the company, while its shareholding was subsequently transferred to A-2, Smt. Rabri Devi, and A-3, Sh. Tejashwi Prasad Yadav, between 2010 and 2014, resulting in the company ultimately coming under the control of immediate family members of A-1. The specific role of other accused persons is, however, discussed in succeeding paragraphs.

187. In view of the above discussion, the prosecution case against A-1, Sh. Lalu Prasad Yadav, as it emerges from the material on record, can be summarised as follows :

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(i) As the Union Minister of Railways, he was aware of the policy and the process concerning the transfer of the BNR Hotels to IRCTC.

(ii) He intervened in that process through the oral directions recorded in the notes dated 31.08.2004 and 26.09.2006.

(iii) The railway officials thereafter altered the tender conditions and evaluation process in a manner favourable to A-14, which is discussed in succeeding paragraphs.

(iv) A-5 and A-6, who were associated with A-14, transferred the Patna land to M/s DMCPL, allegedly at undervalued consideration and upon payment of deficient stamp duty.

(v) M/s DMCPL, which was allegedly controlled by A-7 and A-9, with A-9 being closely associated with A-1, purchased the Patna land at undervalued consideration.

(vi) The shares of M/s DMCPL were subsequently transferred to A-2 and A-3, and thus, the company owning the Patna land ultimately came under the control of the wife and son of A-1.

188. It is therefore the case of CBI, which at this stage is *prima facie* supported by the material on record, that the benefit extended to A-14, M/s Sujata Hotel, through the tender process and the benefit ultimately received by A-1's family through the land and share transactions constituted the two sides of the same *quid pro quo* arrangement.

189. As far as the argument of the accused, that there is nothing to show any criminality in the actions of A-1 or to connect these

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separate events is concerned, this Court is of the view that, as already discussed, a conspiracy may be carried out through successive acts and different conspirators may perform different roles at different stages. It is, therefore, not necessary that every accused should participate in every act or remain in direct communication with every other accused throughout. The fact that the transactions in question took place over a period of several years does not, by itself, exclude the existence of the alleged conspiracy, and the material available on record has to be examined to determine whether the different acts disclose a *prima facie* connection with the common object alleged by the prosecution.

190. In the opinion of this Court, the two notes, when read with the material concerning the BNR Hotel transfer and the subsequent tender proceedings, *prima facie* disclose A-1's intervention in matters concerning the BNR Hotels, and the subsequent land transaction involving persons associated with A-14, the role attributed to A-7 and A-9 in M/s DMCPL, the transfer of the shares of M/s DMCPL to A-2 and A-3, and its eventual control in the hands of members of A-1's immediate family, when considered cumulatively, support the prosecution's case of existence of criminal conspiracy and a *quid pro quo* arrangement. The material, at this stage, gives rise to a grave suspicion that A-1, while holding the office of Minister of Railways, abused his position by influencing the process leading to the initiation and award of the BNR Hotel tenders in favour of M/s Sujata Hotel, including through the oral directions recorded in the

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aforesaid notes, and that such influence was exercised in lieu of the valuable thing or pecuniary advantage alleged to have been received through the land and share transactions. There is also material giving rise to a grave suspicion that, by such acts, A-1 dishonestly induced the award of the tenders in favour of M/s Sujata Hotel, thereby causing wrongful loss to IRCTC/public exchequer and enabling wrongful gain to M/s Sujata Hotel, A-5 and A-6. The material against A-1, therefore, crosses the threshold of mere suspicion and gives rise to the requisite grave suspicion regarding his involvement in the alleged offences.

(b) Material against the IRCTC Officials: A-8 – Sh. Rakesh Saksena, A-10 – Sh. Pradeep Kumar Goel, A-11 – Bhupendra Kumar Agrawal, A-12 – Sh. Rakesh Kumar Gogia and A-13 – Sh. Vinod Kumar Asthana.

191. The allegations against A-8, A-10, A-11, A-12 and A-13 arise from the tender process for the BNR Hotels at Ranchi and Puri. The material placed on record shows that the tender process underwent changes at different stages, including the formulation and subsequent relaxation of the minimum eligibility criteria, extension of the time for submission of bids, and the manner in which the technical bids were evaluated. The prosecution alleges that the tender process was accordingly tweaked and manipulated at different stages, from the formulation of the eligibility conditions to the evaluation of the competing bids, with the object of facilitating the award of the tenders to M/s Sujata Hotel.

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192. At the stage of consideration of charge, the investigation conducted by the CBI, in relation to the tender process, has brought forth certain aspects which require this Court's consideration. In a nutshell, the CBI has projected its case in the following manner: the original tender conditions required, *inter alia*, experience of operating a two-star hotel for the preceding five years. *Vide* note dated 13.11.2006, this requirement was reduced to operation of a two-star hotel during the financial years 2004-05 and 2005-06, with provision for either a certificate of star classification or, in the circumstances specified therein, a self-certification. The Tender Committee thereafter accepted the bid of M/s Sujata Hotel, allegedly, despite the absence of a star-classification certificate covering the relevant preceding period and in the absence of a self-certification. As regards the manner in which the competing bids were evaluated, it was revealed during investigation that the evaluation sheet contained a break-up of marks which was not part of the disclosed tender conditions. In the case of M/s Hotel Keshri, the Tender Committee recorded its net worth as ₹1.06 crores and found that it met the minimum eligibility requirement, but the evaluation sheet subsequently recorded its net worth as ₹0.96 crores and awarded zero marks under that head, and consequently M/s Hotel Keshri obtained 53 marks against the qualifying requirement of 60 marks.

193. The statements of PW-13, Ashwani Kumar Bhatia, PW-17, Ashok Singh, and PW-19, Sudipta Nandi, recorded by the CBI during investigation, also require consideration while examining the manner

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in which the tender process was conducted.

194. PW-13 had participated in the tender process for BNR Ranchi and he has disclosed in his statement, about certain circumstances surrounding the submission and opening of the bids. He has stated that, shortly before the closing of the tender, he had received a telephone call from a person who had introduced himself as a leader of Rashtriya Janata Dal (RJD). The caller had asked him to participate in the IRCTC tender and quote a licence fee of ₹4–5 crores and had allegedly threatened him with consequences if he did not follow the instructions. PW-13, however, could not identify the caller, and at that time, did not make any complaint to the police in this regard due to fear. PW-13 has further stated that, shortly before the closing of the bids, he saw an aged and bespectacled person at the IRCTC office who introduced himself as Kochhar from Patna and as the owner of Hotel Chanakya. According to PW-13, the said person appeared confident that he would obtain the tender. PW-13 has also stated that, although the NIT provided for opening of the tenders at 12:15 p.m. on 01.12.2006, he was asked by an IRCTC official to leave on the representation that the tender would be opened later. He was, accordingly, not present when the technical bids were actually opened. He subsequently identified his signatures on documents bearing the dates 01.12.2006 and 16.12.2006, but stated that an unidentified IRCTC official had asked him to sign the documents and had dictated the dates on them. Clearly, the statement of PW-13 raises questions not only about the ultimate evaluation of the bids but

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also about the manner in which the competing bidders were permitted to participate in the opening of the technical bids.

195. The CBI has further pointed out that, although IRCTC claimed to have sold 15 tender documents for BNR Ranchi and 17 for BNR Puri, the concerned records were not available, and even the records subsequently traced showed certain hotels as having purchased tender documents when the representatives of those hotels categorically denied having purchased any such documents. In this regard, PW-17, Ashok Singh, representing Vivaswan Hotels, has categorically stated that his company had not purchased the tender document for BNR Ranchi/Puri, despite the IRCTC records showing the company as having purchased the same. Similarly, PW-19, Sudipta Nandi, has stated, on the basis of the records of New Kenilworth Hotel, that the hotel had not purchased any tender document for BNR Ranchi/Puri. This, in the opinion of this Court, *prima facie* indicates irregularities in the maintenance of the tender records and the manner in which the tender process was conducted.

196. The material concerning the subsequent stages of the tender process also requires consideration. PW-6, L. Ravi Kumar, and PW-7, Sukhvinder Pal Singh, who were associated with IRCTC at the relevant time, have stated that no road show concerning the BNR Hotels at Puri and Ranchi was conducted at the FHRAI convention at Chandigarh from 10.11.2006 to 12.11.2006 and that no BNR-specific feedback was received there. This is despite the fact that the extension of the tender period was sought on the ground that road

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shows, including the FHRAI convention at Chandigarh, were to be conducted for promoting the BNR Hotels and obtaining feedback from prospective bidders.

197. The material concerning the star-classification requirement is also relevant. PW-11, Sagnik Chowdhury, Assistant Director General, Ministry of Tourism, has stated during investigation that Hotel Chanakya had a four-star classification from 14.01.1999 to 13.01.2002 and that its next classification was valid from 21.08.2006 to 20.08.2011. Thus, there was no classification certificate covering the intervening period, including the financial years 2004-05 and 2005-06.

198. *Most importantly*, PW-16, Sanjay Kumar Mehrotra, Corporate General Manager, Hotel Chanakya, who had submitted the bids on behalf of M/s Sujata Hotel, has stated that Hotel Chanakya had a four-star classification certificate valid from 14.01.1999 to 13.01.2002 and thereafter another certificate valid from 21.08.2006 to 20.08.2011, with no classification certificate for the period 13.01.2002 to 21.08.2006. He has further stated that although an application for re-classification had been made in 2003, it was not accepted as a case for re-classification and was ultimately treated as a fresh classification, which was granted only on 21.08.2006. PW-16 has also admitted that the original NIT required the bidder to have operated at least a two-star hotel for the preceding five financial years, which was subsequently relaxed to the financial years 2004-05 and 2005-06, with provision for a classification certificate or, where

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applicable, a self-certification. He has also specifically admitted that, since Hotel Chanakya had no classification certificate for 2004-05 and 2005-06, no such certificate was submitted with the bid. He has further stated that although the bid mentioned Hotel Chanakya as a "GOI approved FOUR Star Hotel", no separate self-certification contemplated by the revised eligibility condition was submitted.

199. The manner in which the competing bids were evaluated also requires consideration. PW-14, Dilip Kumar Nanda, representing M/s Hotel Keshri, has stated that the benchmarks for awarding marks under various heads, including the quantum of investment proposed, were not disclosed in the tender document. The evaluation sheet, however, contained such a break-up of marks. The material further shows that, while the Tender Committee recorded the net worth of M/s Hotel Keshri as ₹1.06 crore and found that it satisfied the minimum eligibility requirement, the evaluation sheet treated its net worth as approximately ₹0.96 crore and awarded zero marks under that head, resulting in a technical score of 53/100. PW-9 has stated that the Tender Committee comprised A-11, A-12 and A-13 and that the Committee was responsible for examining the technical bids after the initial screening. PW-6 has also stated that the evaluation sheet prepared during the initial screening was prepared at the instance of the Tender Committee and that the Committee was required to examine the documents furnished by the bidders and determine their eligibility.

200. The aforesaid material, taken together, *prima facie* reveals

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irregularities in the tender process at different stages, including the formulation and relaxation of eligibility conditions and the evaluation of the bids. The individual acts and decisions attributed to A-10, A-8, A-11, A-12 and A-13, therefore, now have to be considered in the context of this material to determine whether they give rise to the requisite grave suspicion regarding their participation in the alleged manipulation of the tender process, including the manner in which the bids were evaluated and the award of the BNR Hotel tenders was facilitated in favour of M/s Sujata Hotel.

201. As far as **A-10, Sh. Rakesh Saksena**, is concerned, this Court notes that he was the then Director (T&M), IRCTC and was involved in the tender process from its initial stages. The note dated 10.07.2006 concerning development, maintenance and operation of the RYN and BNR Hotels through the PPP model was initiated by A-10 and was thereafter approved by A-8. This was followed by the note dated 06.10.2006 concerning the eligibility criteria for the RYN and BNR Hotels. The said note was routed through A-11, A-10 and A-12 and was finally approved by A-8 on the same day. Thus, the material *prima facie* establishes the direct involvement of A-10 in the initiation and formulation of the tender process.

202. A-10 was also involved in the extension of the tender process. On 01.11.2006, he had moved a proposal for extending the date for sale of tender documents and the date for submission of bids. The reason given was, *inter alia*, the proposed road shows and the FHRAI convention at Chandigarh. As noted above, PW-6 and PW-7 have

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specifically stated during investigation that no road show concerning the BNR Hotels was conducted at the Chandigarh convention and that no BNR-specific feedback was received there.

203. Thereafter, on 13.11.2006, A-10 had moved the proposal for relaxation of the eligibility conditions, reducing the requirement of hotel-operation experience from five years to two years, reducing the period for which turnover documents were required from three years to two years and permitting self-certification in place of a certificate of star classification from the competent authority. The treatment subsequently accorded to M/s Sujata Hotel's eligibility, as discussed above, therefore has to be read in the context of A-10's repeated involvement in the formulation and alteration of the tender conditions.

204. In view thereof, the material collected by the prosecution against A-10 shows that he was involved in initiating the PPP proposal for the BNR Hotels, in the formulation of the eligibility criteria, in seeking extension of the tender period and, most importantly, in moving the proposal dated 13.11.2006 which materially altered the eligibility conditions. The subsequent treatment of M/s Sujata Hotel's star-classification requirement and the manner in which the competing bids were evaluated provide the necessary context in which these acts have to be considered by the Court while examining the larger conspiracy alleged in the present case. At the stage of charge, the aforesaid material gives rise to a grave suspicion

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that A-10 abused his position as a public servant so as to facilitate the award of the BNR Hotel tenders to M/s Sujata Hotel Pvt. Ltd. and thereby enable it to obtain a valuable thing or pecuniary advantage.

205. Insofar as the alleged role of **A-8, Sh. Pradeep Kumar Goel**, is concerned, this Court notes that he was the Managing Director of IRCTC and had approved the proposals at different stages of the tender process. The note dated 10.07.2006 for development, maintenance and operation of the RYN and BNR Hotels through the PPP model was approved by him. The proposal dated 06.10.2006 concerning the minimum eligibility criteria was also approved by him on the same day. Thereafter, he approved A-10's proposal dated 01.11.2006 extending the dates for sale of tender documents and submission of bids, as well as the proposal dated 13.11.2006 modifying the minimum eligibility criteria.

206. The role of A-8, however, was not confined to approval of the proposals preceding the tender. The Tender Committee comprising A-11, A-12 and A-13 examined the technical bids and its report was ultimately accepted by A-8, following which both BNR Hotels were awarded to M/s Sujata Hotel. Thus, A-8 was involved at the stages of approval of the eligibility framework, its subsequent modification and the final acceptance of the Tender Committee's evaluation.

207. The common material discussed above *prima facie* shows that M/s Sujata Hotel was treated as satisfying the revised star-classification requirement despite the absence of the relevant

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classification certificate or self-certification, while the competing bids were assessed on the basis of an undisclosed marking scheme. A-8's approvals at the preceding stages and his subsequent acceptance of the Tender Committee's evaluation have to be considered in this context. At the stage of charge, the material gives rise to a grave suspicion that A-8 abused his position as a public servant so as to facilitate the award of the BNR Hotel tenders to M/s Sujata Hotel Pvt. Ltd. and thereby enable it to obtain a valuable thing or pecuniary advantage.

208. As regards **A-11, Bhupendra Kumar Agrawal, A-12, Sh. Rakesh Kumar Gogia** and **A-13, Sh. Vinod Kumar Asthana**, the material placed on record shows that all three were members of the Tender Committee which was constituted for examining the technical bids for the BNR Hotels at Ranchi and Puri. PW-9 has identified the constitution of the Tender Committee as comprising A-11, A-12 and A-13, while PW-6 has stated that A-8 had nominated these officers as members of the Committee. The said Committee was responsible for examining the eligibility and technical bids submitted by the participating bidders and for making the final assessment in this regard.

209. The material already discussed above shows that the Tender Committee had accepted the bid of M/s Sujata Hotel despite the absence of a star-classification certificate covering the relevant period, i.e. 2004-05 and 2005-06, and in the absence of the self-certification in this regard contemplated by the revised tender

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conditions. At the same time, the competing bids were evaluated on the basis of a break-up of marks which was not disclosed in the tender document. In the case of M/s Hotel Keshri, the Committee recorded its net worth as ₹1.06 crore and found that it satisfied the minimum eligibility requirement, whereas the evaluation sheet subsequently reflected its net worth as approximately ₹0.96 crore and awarded zero marks under that head, resulting in a technical score of 53 marks against the qualifying requirement of 60 marks. The Tender Committee reports containing the assessment of the technical bids were signed by A-11, A-12 and A-13.

210. Thus, all three accused were members of the very Committee which examined the technical bids and took the decisions concerning the eligibility and evaluation of the participating bidders. The fact that M/s Sujata Hotel was accepted despite the absence of the requisite star-classification certificate, coupled with the manner in which the competing bids were evaluated, therefore directly bears upon the role of all three members of the Tender Committee. At the stage of charge, this material gives rise to a grave suspicion that A-11, A-12 and A-13 participated in the manipulation of the technical evaluation so as to facilitate the award of the BNR Hotel tenders to M/s Sujata Hotel.

211. There is, also, additional material which specifically connects A-11, Bhupendra Kumar Agrawal, and A-12, Sh. Rakesh Kumar Gogia, with the conduct of the tender process immediately preceding the evaluation. PW-6, during investigation, has stated that he had

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acted on the oral instruction of A-11 for opening the bids, while PW-8 has stated that he had acted on the oral instruction of A-12. Further, A-11 and A-12 were also part of the routing chain of the proposal dated 06.10.2006 concerning the minimum eligibility criteria. Thus, their involvement in the opening of the bids, their participation in the routing of the proposal concerning the eligibility criteria, their membership of the Tender Committee and their signatures on the final evaluation reports, considered cumulatively with the treatment accorded to M/s Sujata Hotel and the competing bidders, give rise to a grave suspicion regarding their participation in the alleged manipulation of the tender process. As regards A-13, Sh. Vinod Kumar Asthana, he was also admittedly a member of the Tender Committee which examined the technical bids and signed the reports containing its evaluation. The Committee's decision to accept M/s Sujata Hotel despite the absence of the requisite star-classification certificate or self-certification, as well as the manner in which the competing bids were evaluated, in itself is sufficient to give rise to a grave suspicion regarding his participation in the alleged manipulation of the tender process. Accordingly, the material on record is sufficient to proceed against A-11, A-12 and A-13 for the offences alleged against them.

(c) Material against A-5 – Vijay Kochhar, A-6 – Vinay Kochhar, and A-14 – M/s Sujata Hotel

212. Insofar as the allegations regarding the sale of Patna land by

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A-5 and A-6, along with other sellers, to M/s DMCPL in the year 2005 is concerned, this Court notes that the investigation has revealed that land measuring approximately 358 decimals was transferred through 11 sale deeds for a total consideration of about ₹1.61 crores and was treated as agricultural land for the purpose of payment of stamp duty. According to the CBI, it was found during investigation that the applicable circle rate for the land, being situated on the main road, was ₹55,000/- per decimal, whereas stamp duty was paid on the basis of the rate of ₹45,000/- per decimal. The prosecution consequently alleges that the minimum value of the land ought to have been about ₹1.96 crores and that, on account of the difference of ₹35.23 lakhs, stamp duty of approximately ₹6.13 lakhs remained unpaid, resulting in loss to the State/public exchequer.

213. At this stage, this Court deems it apposite to clarify that at the stage of framing of charge, it is not required to venture into the questions of market value *versus* circle rate, as raised by the learned counsels appearing on behalf of the accused persons. The market value of an immovable property is ordinarily dependent upon several factors, including its location, access, nature of use, surrounding development and other relevant circumstances, and its actual determination is essentially a matter of evidence. In the present case, however, the CBI's allegation is not premised on market value of the land, but its specific case is that a particular circle rate notified by the Government was applicable to these land parcels, but that the land was sold at a lower circle rate. A circle rate, unlike the general

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market value of a property, is a rate notified by the competent governmental authority for a particular area and category of property, and forms the statutory basis for determination of stamp duty and registration charges. Therefore, at this stage, this Court has to only examine whether the material collected during investigation *prima facie* discloses that the land fell within a category for which a higher circle rate was applicable, but the land was sold at a lower rate and by paying less amount of stamp duty. Nevertheless, the precise applicability of the particular rate, and the factual basis on which the land was required to be placed in a particular category, would remain matters to be finally determined during trial.

214. The learned senior counsel appearing for A-5 and A-6 has also questioned the manner in which the CBI has treated the 11 land parcels as falling within the same belt, particularly on the assertion that the entire land was situated on the main road. It has been contended that most of the individual parcels did not directly abut the main road and that the question of valuation would therefore have to take into account their respective locations. The learned Special Court has also noted, in the impugned order, the reliance placed by A-5, A-6 and A-14 upon the principle of belting adopted in land valuation cases. *Having considered these aspects too*, this Court is of the view that such contentions cannot be conclusively adjudicated at the stage of charge. Whether each of the 11 parcels was situated on the main road, whether some of them fell in a second or subsequent belt, and what effect such location would have on the applicable

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valuation are matters which would require appreciation of evidence, especially the examination and cross-examination of the witnesses cited by the CBI in this regard; and at the stage of framing of charge, the Court has to find out whether the material placed by the prosecution, if taken at its face value, gives rise to the requisite grave suspicion regarding the alleged offence.

215. At this stage, this Court notes that the statements of witnesses recorded during investigation, especially PW-22, PW-24 and PW-27, support the prosecution's case regarding the location and valuation of the land. PW-22, Arvind Kumar, the Revenue officer, who participated in the physical verification, has stated during investigation that the plots had access through Bailey Road and that the surrounding area had substantial commercial development. More importantly, PW-24, the District Sub-Registrar, after examining the relevant registration records and the applicable Minimum Value Register (MVR), stated that although the land had been described as agricultural in the sale deeds, there was no agricultural category available in Mauza Jalalpur in the MVR applicable as on 25.02.2005. He further stated that the plots were situated on the main Bailey Road and that the applicable minimum circle rate was ₹55,000/- per decimal, whereas the sale deeds were registered at the rate of ₹45,000/- per decimal. On this basis, the total value of the plots was required to be ₹1.96 crores, resulting in a difference of approximately ₹35.23 lakhs and corresponding additional stamp duty of approximately ₹6.13 lakhs. Furthermore, PW-27, a former District

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Sub-Registrar, has also stated that the MVR applicable to Mauza Jalalpur on 25.02.2005 did not contain any category for agricultural land. According to him, the categories available in the MVR were Residential-I (Main Road), Residential-II (Branch Road), Commercial-I (Main Road) and Commercial-II (Branch Road). He further stated, upon examining the relevant maps, that the plots in question were situated on the main Bailey Road and that the applicable minimum circle rate was ₹55,000 per decimal under the Residential Main Road category.

216. Thus, this Court is of the view that the material collected during investigation, in the form of statements of the witnesses under Section 161 of Cr.P.C., *prima facie* indicates not merely an undervaluation of the property, but also that the land was described in the sale deeds under an agricultural classification which, according to the applicable MVR, was not available for Mauza Jalalpur on the date of registration.

217. More importantly, the CBI's case against A-5 and A-6 is not premised only upon the alleged deficiency of ₹6.13 lakhs in the stamp duty. In addition to the same, the circumstances in which the land transaction took place are also of significance and are to be examined along with the subsequent events relied upon by the prosecution.

218. This Court notes that the sellers of the land in question i.e., A-5 and A-6, were associated with A-14, M/s Sujata Hotel, the

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company which was subsequently awarded the contracts in respect of the BNR Hotels at Ranchi and Puri. The purchaser of the land, on the other hand, was M/s DMCPL, which, as revealed during investigation, was allegedly under the effective control of A-9 and A-7, who were close associates of A-1, the then Minister of Railways. The shareholding of M/s DMCPL was eventually transferred, beginning in 2010 and culminating in 2014, to A-2 and A-3, i.e. Smt. Rabri Devi and Sh. Tejashwi Prasad Yadav, respectively. By February 2014, the entire shareholding of the company was held by A-2 and A-3, i.e. wife and son of A-1. Thus, while the legal title to the land continued to remain with M/s DMCPL, the effective control over the company owning the land ultimately came to vest in members of the immediate family of A-1.

219. At the same time, it has also emerged from the material on record that A-1 was, at the relevant time, the Union Minister for Railways and that the tender process concerning the BNR Hotels was *prima facie* manipulated in favour of A-14, M/s Sujata Hotel, controlled by A-5 and A-6, and it was awarded the tenders. The prosecution has therefore characterised the two sets of transactions as interconnected steps forming part of a *quid pro quo* arrangement.

220. As regards A-14, there is no allegation that the company itself executed the sale deeds of the Patna land; its role in relation to the land transaction is therefore not identical to that of A-5 and A-6. However, it is material to note that A-5 and A-6, who were the directors of A-14, were the persons who had transferred the land in

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question to M/s DMCPL, and that the subsequent transfer of control over M/s DMCPL to A-2 and A-3 formed part of the same alleged *quid pro quo* arrangement pursuant to which A-14 had obtained the tenders for BNR Hotels. The relevance of the land transaction to A-14 is thus through the alleged connection between its directors, the land sellers and the subsequent transfer of the company.

221. This Court is also conscious, that the fact that A-5 and A-6 sold land to M/s DMCPL, or that they were directors of A-14, cannot be the sole ground to frame charges against the them, and likewise, A-14 cannot be held criminally liable merely because its directors were involved in the land transaction. However, for the said reason itself, this Court has to not only consider the allegation *qua* the deficiency in stamp duty to establish the criminal liability of A-5, A-6 or A-14, but also examine the circumstances surrounding the land transaction, which when considered cumulatively with the subsequent transfer of M/s DMCPL to A-2 and A-3, give rise to a grave suspicion of the larger conspiracy alleged by the prosecution, since the prosecution has brought material on record to *prima facie* place the land transaction in a sequence in which the sellers were persons associated with A-14, which was awarded the tender for BNR Hotels, the purchaser was M/s DMCPL, and the effective control over M/s DMCPL was subsequently transferred to A-2 and A-3, members of the immediate family of A-1. The learned Special Court has, therefore, rightly considered the alleged under-valuation of the land, the subsequent transfer of M/s DMCPL's shares to A-2

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and A-3, and the alleged manipulation of the BNR Hotel tender process as interconnected circumstances rather than as isolated transactions.

222. Consequently, insofar as the land transaction is concerned, the material against A-5, A-6 and A-14 cannot be discarded merely on the basis of the disputed aspects of valuation or location of the individual land parcels. Whether the prosecution will ultimately be able to establish the alleged undervaluation, the resulting loss to the exchequer, and, more importantly, the connection of this transaction with the alleged *quid pro quo*, is a matter to be determined during trial.

223. Further, the role of A-5, Vijay Kochhar, and A-6, Vinay Kochhar, also requires consideration in relation to the tender process for the BNR Hotels. M/s Sujata Hotel Pvt. Ltd., of which A-5 and A-6 were directors, had submitted bids for both BNR Hotel, Ranchi and BNR Hotel, Puri and was ultimately awarded both tenders.

224. As discussed earlier, PW-16, Sanjay Kumar Mehrotra, has revealed in his statement recorded during investigation that the authorisation dated 30.11.2006 permitting him to submit the bids on behalf of M/s Sujata Hotel was issued under the signature of A-5, Vijay Kochhar. He has further stated that the bid documents for both BNR Hotels were prepared by a team of officers and experts under the guidance of A-5. PW-16 has also stated that the bids were submitted by him and A-5 on 01.12.2006. After submission of the

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bids, PW-16 had left, whereas A-5 had remained at the IRCTC office. He has further stated that A-5 had interacted with some of the other bidders. Thus, clearly, it is *prima facie* evident that A-5 was personally involved in the preparation and submission of the bids and he had remained present at the IRCTC office at the time when the technical bids were to be opened. This is to be now read along with the statement of PW-13, who has stated that, shortly before the closing of the bids, he had met a person at the IRCTC office who had introduced himself as Kochhar from Patna and as the owner of Hotel Chanakya and had appeared confident of obtaining the tender.

225. Further, the conduct of M/s Sujata Hotel after the submission of the bids also has to be considered, inasmuch as the material collected during investigation has revealed that M/s Sujata Hotel did not possess a star-classification certificate covering the relevant financial years 2004-05 and 2005-06 and had not submitted the prescribed self-certification. Nevertheless, the Tender Committee treated the requirement as satisfied and proceeded with the bid of M/s Sujata Hotel for both BNR Hotels.

226. When this material is considered along with the land transaction discussed above, this Court is constrained to note that A-5 and A-6, the Kochhar brothers, were the persons from whom the land forming the subject matter of the subsequent share transaction was acquired by M/s DMCPL, while M/s Sujata Hotel, of which they were directors, was declared the successful bidder for both BNR Hotels. The tender process, in turn, allegedly had been structured and

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evaluated in a manner which conferred the benefit of the two hotel contracts upon M/s Sujata Hotel.

227. Thus, the material available on record at this stage, particularly the active involvement of A-5 in the preparation and submission of the successful bids, the benefit obtained by M/s Sujata Hotel from the manner in which its eligibility was treated, and the land transaction involving A-5 and A-6, gives rise to a grave suspicion requiring the accused persons, i.e., A-5, 6 and 14 for their alleged participation in the conspiracy. The material further gives rise to a grave suspicion that the undervalued sale of the land resulted in wrongful loss to the State/public exchequer and corresponding wrongful gain to A-5 and A-6, on account of the deficient payment of stamp duty, and that the IRCTC was thereafter deceived and the award of the BNR Hotel tenders was dishonestly induced in favour of M/s Sujata Hotel, thereby causing wrongful loss to IRCTC/public exchequer and enabling wrongful gain to M/s Sujata Hotel, A-5 and A-6. The material, therefore, is sufficient to proceed against A-5, A-6 and A-14 for the offences alleged against them.

(d) Material Against A-9 – Sh. P.C. Gupta

228. This Court notes that the material concerning A-9, Sh. P.C. Gupta, primarily relates to his alleged control over M/s DMCPL, the acquisition of the Patna land by the said company, the manner in which the acquisition was financed, and the subsequent transfer of its shares to A-2 and A-3.

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229. As per the chargesheet, M/s DMCPL was incorporated on 10.06.1981 by A-9 and Harish Chander Bhasin, who were its first directors. A-9 had also opened the company's bank account and was its authorised signatory and, according to the prosecution, initially managed its affairs. Though he subsequently resigned from the company after entering politics, the CBI alleges that he continued to exercise indirect but effective control over M/s DMCPL and other group companies. In this regard, the prosecution relies upon, *inter alia*, the allotment of 4,000 equity shares in 1994–95 to persons stated to be largely employees of A-9's group companies or members of his family. The chargesheet further alleges that A-7, Smt. Sarla Gupta, i.e. wife of A-9, acquired approximately 71% of the shareholding of M/s DMCPL, either in her own name or through companies controlled by her, shortly before the purchase of the Patna land. Most of these transfers took place on 10.02.2005 and 14.02.2005, whereas the land was purchased on 25.02.2005. According to the CBI, this placed effective control of M/s DMCPL, and consequently of its assets, with A-7 and A-9 immediately before the acquisition of the land.

230. More importantly, this Court notes that the chargesheet attributes a direct role to A-9 in arranging the finance for the undervalued land transaction. It is alleged that A-9 had arranged a loan/advance of ₹2 crores from M/s Abhishek Finance Company Ltd., which was utilised to facilitate M/s DMCPL's purchase of approximately 358 decimals of land from the Kochhar brothers, at an

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undervalued consideration of about ₹1.61 crores. In this regard, noteworthy is the statement of PW-66, Rajiv Kumar Relan, who has stated during investigation that M/s Abhishek Finance Company had advanced ₹2 crores to M/s DMCPL in 2004-05, which was repaid in the same financial year. He has further stated that no security or guarantee was taken for the said amount and that no written agreement recording the terms of the loan was executed for the loan.

231. Further, the prosecution case is that the repayment of the aforesaid loan was facilitated through issuance of 1,90,000 preference shares by M/s DMCPL, through which approximately ₹1.90 crores was raised. The accused, on the other hand, has sought to explain the transaction as a *bona fide* raising of funds for repayment of the loan from a legitimate source.

232. However, at this stage of framing of charge, this Court notes that the chargesheet indicates that the preference shares issued to various persons were subsequently transferred back to entities connected with A-7 and A-9, and that the purchasers allegedly did not receive any return on their investment. The learned Special Court has referred to transactions involving Ahluwalia Contracts, Bikramjeet Ahluwalia, Neil Builders, Modland and Bala Kaul, where the shares were ultimately transferred back to entities connected with A-7 and A-9. For instance, the material referred to by the learned Special Court in the impugned order indicates that ₹1.37 crores was raised from Ahluwalia Contracts and ₹12.60 lakhs from Bikramjeet Ahluwalia, with the shares subsequently transferred back through

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Neil Builders, of which A-7 was a director. Similar transactions are alleged to have taken place in respect of the shares issued to Modland and Bala Kaul. The prosecution further relies upon the role of PNR Securities in relation to some of these entities and upon the material connecting the said entities with A-7 and A-9.

233. This Court has also taken note of the statement of PW-43, the Chartered Accountant who conducted the audit of M/s DMCPL till 2013-14, who has also furnished material concerning the financial affairs and subsequent shareholding of the company. He has stated that M/s DMCPL had received an amount of ₹2 crores from M/s Abhishek Finance Company in December 2004/February 2005, which was repaid in March 2005, although he could not state the purpose for which the amount had been taken. He has further stated that the company issued 1,90,000 preference shares of ₹100 each in 2004-05 and identified the records relating to the subsequent transfer of shares of M/s DMCPL. The records examined by him show, *inter alia*, transfer of 1,101 shares by A-7 Smt. Sarla Gupta to A-2 Smt. Rabri Devi for ₹63,30,750 at ₹5,750 per share on 12.02.2014. He has also stated that – except for limited rental or bank-deposit income – there was no actual business activity in M/s DMCPL till 2014.

234. As far as the allegation that A-9, Sh. P.C. Gupta, continued to exercise influence over M/s DMCPL is concerned, this Court notes that PW-52, Deoki Nandan Tulshyan, who was associated with the IST Group and remained a director of M/s DMCPL during the relevant period, has stated in his statement recorded during

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investigation that although A-9 had formally resigned from the directorship of various companies after entering politics, he continued to take important decisions concerning the affairs of the companies. PW-52 has further stated that he was only a formal director of M/s DMCPL and that the affairs of the company were being looked after by A-9, Sh. P.C. Gupta, and M.L. Rustagi, with PW-52 signing the requisite documents on the instructions of A-9.

235. Similarly, PW-61, Vijay Pal Tripathi, who was associated with the IST Group and remained a director of M/s DMCPL, has stated that he was made a director of M/s DMCPL by A-9 after the death of M.L. Rustagi and that he was only a nominal director, and the decisions concerning the company were taken by A-9. He has further stated that in 2011, A-9 had informed him that his shares in M/s DMCPL were to be transferred to the family of Sh. Lalu Prasad Yadav and that, in 2014, the said shares were transferred to A-3 for a consideration of ₹40,000/-.

236. This Court also notes that PW-64, N.M. Kakrania, who was associated with the IST Group and was a director/shareholder of M/s DMCPL, has stated during investigation that A-9, Sh. P.C. Gupta, continued to exercise control over the affairs of the companies of the IST Group and that he himself acted as a formal/nominal director. He further stated that, in 2011, A-9 had informed him that the shares of M/s DMCPL were being transferred to the family of A-1 and that, in 2014, on the instructions of A-9, he had transferred his 200 shares of M/s DMCPL to A-3 for ₹40,000/-. *Similarly*, PW-65, Gokul Singh,

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who had been associated with the IST Group for several years, has stated during investigation that A-9 and his family were looking after the affairs of the group companies and that he had himself been made to sign documents relating to shares – without having knowledge of the companies, their value or the subsequent transfers.

237. Thus, the statements of the witnesses associated with M/s DMCPL disclose that, despite their formal positions as directors/shareholders, they were not involved in the actual affairs of the company and that A-9 continued to exercise control over its functioning and took important decisions concerning the company. The statements further disclose that the transfer of shares of M/s DMCPL to the family of A-1 was undertaken on the instructions of A-9, with some of the witnesses having little or no knowledge of the shares, their value or the transactions in which they were asked to sign documents. In light of such material, the contention raised on behalf of A-9 that the allegation of his 'indirect control' over M/s DMCPL is entirely fictional, is unmerited and cannot be accepted at this stage.

238. Furthermore, the subsequent transfer of M/s DMCPL's shares to A-2 and A-3 is also relevant to the present discussion. The learned Special Court, in the impugned order, has noted that the loan of ₹2 crores was obtained and repaid in the year 2005, followed by the eventual transfer of the majority shareholding of M/s DMCPL to the family of A-1 at substantially different rates, with A-2 acquiring shares at an effective rate of ₹5,750/- per share and A-3 at ₹200/- per

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share. The learned Special Court also, in the impugned order, on a cumulative assessment of the material, has found that M/s DMCPL appeared to have little consistent business activity and that the sequence of its acquisition of the land, the subsequent financial transactions and the transfer of its shares to A-2 and A-3 raised grave suspicion regarding the purpose for which the company was being operated. The learned Special Court has consequently considered the transactions relevant not merely to the issue of the land's valuation, but to the larger allegation concerning transfer of the effective interest in the land to the family of A-1.

239. The above facts and circumstances are also to be viewed in light of the close political association between A-9, Sh. P.C. Gupta, and A-1, Sh. Lalu Prasad Yadav. In this regard, PW-63, an officer of the Election Commission of India, has stated during investigation that A-1 was the founder and President of the Rashtriya Janata Dal and that A-9 had been the Treasurer of the party for a long period. He has further stated that A-9 was elected to the Rajya Sabha in 1996, 2002, 2008 and 2014 from the said political party. *Nevertheless*, the material on record at this stage, against A-9, extends beyond his past association with M/s DMCPL or his relationship with A-1.

240. In this Court's view, at the stage of framing of charge, this Court has to consider the material cumulatively to determine whether it discloses a *prima facie* case giving rise to grave suspicion against the accused. In that respect, this Court notes that the material collected during investigation *prima facie* reveals that A-9, Sh. P.C.

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Gupta, continued to exercise effective influence over M/s DMCPL; that A-7, Smt. Sarla Gupta, acquired approximately 71% of its shares immediately before the land purchase; that A-9 arranged the finance for acquisition of the land at an undervalued consideration and upon payment of deficient stamp duty thereby causing loss to State/public exchequer; that the loan was repaid through the subsequent preference-share transactions; and that the shares were thereafter transferred to A-2 and A-3, i.e. wife and son of A-1, Sh. Lalu Prasad Yadav, who as the Minister of Railways during 2004 to 2009 had allegedly ensured that tender for BNR Hotels was awarded in favour of A-14, whose directors i.e. A-5 and A-6 had sold the Patna land to M/s DMCPL in the year 2005 at an undervalued consideration.

241. On a cumulative consideration of the material discussed above, this Court finds that there is sufficient *prima facie* material to proceed against A-9 for the offences for which he has been charged.

(e) Material Against A-7 – Smt. Sarla Gupta

242. Insofar as A-7, Smt. Sarla Gupta, is concerned, the role attributed to her is closely connected with that of A-9, but the chargesheet attributes to her certain specific acts which require separate consideration. The principal allegation against her is that she acquired approximately 71% of the shareholding of M/s DMCPL, either in her own name or through companies controlled by her, shortly before the acquisition of the Patna land and thereby obtained effective control over the company which was to acquire the said

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land.

243. It is to be noted that PW-59, who produced the banking records of A-7, Smt. Sarla Gupta, during investigation, has stated that her bank account was opened only on 02.04.2003 and that the KYC records identified her as the wife of A-9, and her occupation was mentioned as 'house wife'. However, what transpired thereafter is noteworthy. It is to be noted that most of the transfers of shares of M/s DMCPL in favour of A-7 or the companies controlled by her took place on 10.02.2005 and 14.02.2005, whereas the 11 sale deeds for the Patna land were executed on 25.02.2005. Thus, apparently, the consolidation of the majority shareholding in A-7 immediately preceded the acquisition of the land.

244. It is to be noted that the prosecution's case against A-7 is not that she was a shareholder of M/s DMCPL when the land was purchased, but that she had acquired majority control in the company for the purpose of facilitating the acquisition and subsequently retaining control over the land through the company. Such allegation has to be considered along with the material already noticed regarding the manner in which M/s DMCPL functioned and the transactions undertaken by it. The material concerning the issuance of preference shares, the entities through which the funds were raised and the subsequent return of such shares to entities connected with A-7 and A-9, has already been discussed hereinabove, and A-7's substantial shareholding in M/s DMCPL and her connection with the entities to which the preference shares were ultimately returned also

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provide independent material concerning her alleged control over the company.

245. Further, the subsequent conduct attributed specifically to A-7, Smt. Sarla Gupta, is of greater significance. The investigation has revealed that, after the acquisition of the Patna land, the majority shareholding of M/s DMCPL continued to remain consolidated in A-7 and two companies controlled by her, and that she thereafter transferred shares of M/s DMCPL to A-2 and A-3. In particular, 1,500 shares were transferred by A-7 to A-2, Smt. Rabri Devi, in 2010, followed by a further transfer of 1,101 shares to A-2 in 2014 for a consideration of ₹63.30 lakhs, calculated at ₹5,750/- per share. The prosecution therefore attributes to A-7 a direct role not only in the first stage of the alleged conspiracy, i.e., acquisition of control over M/s DMCPL before the purchase of the land, but also in the subsequent stage whereby control over the company and, consequently, the effective interest in the land was transferred to the immediate family members of A-1.

246. The fact that the share transfers to A-2 and A-3 took place several years after the acquisition of the land does not, at the stage of charge, by itself sever the alleged connection between the two sets of transactions. As noticed while considering the role of A-9, Sh. P.C. Gupta, the investigation in the present case has *prima facie* revealed that the acquisition of the land through M/s DMCPL constituted the first part of the conspiracy and the subsequent transfer of the company's shares to A-2 and A-3 constituted the means by which the

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effective interest in the land ultimately came to the family of A-1, after A-1 ceased to be the Minister of Railways in the year 2009. In this regard, this Court also notes that the learned Special Court in the impugned order has opined A-7 as a key actor in the alleged acquisition of the land and subsequent transfer of the company to the family of A-1.

247. Nevertheless, the accused, A-7, may ultimately establish that the acquisition of shares by her, the purchase of land by M/s DMCPL and the subsequent transfer of shares were independent and *bona fide* commercial transactions, and that there was no connection between these transactions and the tender awarded to M/s Sujata Hotel Pvt. Ltd., as has also been vehemently argued before this Court. However, such an assessment would require appreciation of the evidence at trial. At the present stage, the Court is only required to determine whether the material placed by the prosecution gives rise to the requisite grave suspicion.

248. For the above reasons, this Court is of the view there is *prima facie* material on record against A-7, Smt. Sarla Gupta, specifically connecting her to both material stages of the alleged arrangement/conspiracy – *first*, the acquisition of majority control over M/s DMCPL, immediately before its purchase of the Patna land which was purchased at an undervalued consideration and by paying deficient stamp duty; and *secondly*, the subsequent transfer of shares of M/s DMCPL at an undervalued consideration to A-2 and A-3, i.e. immediate family members of A-1; and the material on record give

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rise to grave suspicion of her participation in the alleged conspiracy and for commission of the alleged offences.

(f) Material against A-2 – Smt. Rabri Devi, and A-3 – Sh. Tejashwi Prasad Yadav

249. As regards A-2 and A-3, the allegations against them are principally that the Patna land, which had initially been acquired by M/s DMCPL in 2005, was ultimately brought under their effective control through the transfer of the shares of M/s DMCPL between 2010 and 2014. The CBI, on the basis of its investigation, alleges that this subsequent transfer was not an isolated share transaction, but culmination of the arrangement alleged between the persons involved in the acquisition of the land and the grant of the BNR Hotel tenders.

250. Firstly, the relationship of A-2 and A-3 with A-1 is relevant in the present case. It is noteworthy that at the time when the Patna land was acquired by M/s DMCPL in 2005, A-1, Sh. Lalu Prasad Yadav, was the Union Minister for Railways and A-2, Smt. Rabri Devi, was the Chief Minister of Bihar. A-3, Sh. Tejashwi Prasad Yadav, is their son. The prosecution alleges that A-1 was instrumental in the manipulation of the tender process relating to BNR Hotels at Ranchi and Puri and that the Patna land was ultimately transferred a few years later, through the mechanism of M/s DMCPL's shareholding, to his wife and son. These circumstances are then to be considered along with the manner and terms in which the shares of M/s DMCPL were subsequently transferred to A-2 and A-3.

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251. The chargesheet reveals that, after the acquisition of the Patna land, the shareholding of M/s DMCPL was gradually consolidated in A-7, Smt. Sarla Gupta, and companies under her control. Thereafter, transfer of the shares to the family of A-1 commenced in 2010 and was completed by February 2014. This Court notes that A-7 had transferred 1,500 shares to A-2, Smt. Rabri Devi, in 2010 for ₹75 lakh, i.e. at ₹5,000/- per share. In 2014, A-2 had acquired a further 1,101 shares from A-7 for ₹63.30 lakh, at approximately ₹5,750/- per share, and 750 shares from M/s IST Technology & Infrastructure Pvt. Ltd. for approximately ₹43.12 lakh, again at the same rate. Thus, A-2 ultimately acquired a substantial part of the shareholding of M/s DMCPL at the stage when the company held the Patna property.

252. The source of funds used by A-2 for purchase of shares also requires consideration at this stage of framing of charge. The investigation has revealed that the ₹75 lakh paid in 2010 was sourced from money received from one Amrendra Kumar Sinha, proprietor of M/s Shreya Construction, under a development agreement concerning plots belonging to A-2. The chargesheet further points to the unusual circumstance that, in respect of one of the plots, the deed was executed on 09.12.2005 whereas the consideration was allegedly paid as far back as 1980. In 2014, A-2 had also received ₹1 crore from the joint account of her daughter and son-in-law around the time of the subsequent acquisition of M/s DMCPL shares. Thus, the source and manner of receiving these funds have been found to be dubious during the course of investigation.

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253. The position regarding A-3, Sh. Tejashwi Prasad Yadav, is somewhat different in terms of the amount paid, but the circumstances are equally relevant. This Court notes that A-3 had acquired 650 shares of M/s DMCPL in 2013 for ₹1.30 lakhs, at ₹200/- per share, and such consideration is stated to have been paid in cash. The CBI has particularly relied upon the stark disparity between the price at which A-2 had acquired her shares, i.e. approximately ₹5,750/- per share, and the price at which A-3 had acquired his shares, i.e. ₹200/- per share.

254. The chargesheet further records that the shareholders from whom A-3 had acquired the shares of M/s DMCPL were stated to be employees of A-9, Sh. P.C. Gupta, or his group companies and that some of them – namely Vijay Pal Tripathi, Deoki Nandan Tulshyan, Gokul Singh and N.M. Kakrania – claimed ignorance of the financial transactions and stated that they had signed financial documents only on the instructions of A-9. Their statements recorded during investigation by the CBI have already been discussed above while examining the material against A-9, Sh. P.C. Gupta. These facts and circumstances, when viewed along with the material already discussed regarding the control exercised by A-7 and A-9 over M/s DMCPL, *prima facie* require consideration and cannot be treated, at this stage, as unrelated private transactions.

255. The argument on behalf of A-3 that he was a minor when the Patna land was purchased in 2005 also does not, at this stage, assist him, inasmuch as the allegation against A-3 is not that he personally

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participated in the purchase of the land in 2005; rather his alleged role arises from the subsequent acquisition of shares of M/s DMCPL, beginning with the transfer of one share to him in 2011 and followed by his acquisition of 650 shares in 2014. By the time these share transactions took place, A-3 was an adult. Therefore, his age at the time of the original acquisition of the land cannot by itself exclude consideration of the subsequent transactions in which he personally acquired shares and, according to the prosecution, obtained an interest in the company which owned the Patna land.

256. It is also relevant to note that by February 2014, the entire 4,002 shares of M/s DMCPL had come to be held by A-2 and A-3. Thereafter, Tej Pratap Yadav and Chanda Yadav were appointed as directors on 29.09.2014. The company was subsequently renamed Lara Projects Pvt. Ltd. and was converted into Lara Projects LLP, with A-2 having 60% obligation and A-3 and Tej Pratap Yadav having 20% each. Thus, the ultimate effect of the transactions was that the company, which held the Patna land, came under the control of immediate family members of A-1.

257. The considerable time gap between the acquisition of the land in 2005 and the subsequent transfer of the shares between 2010 and 2014 cannot also, at this stage, be of any help to the accused persons. The question whether the subsequent transfer of shares was an independent transaction or formed part of an arrangement contemplated at the time of the original land transaction is ultimately a matter for trial, and at the stage of charge, the Court is required to

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consider the broad probabilities emerging from the material and not to test each circumstance in isolation.

258. The subsequent value of the property, i.e. Patna land is also a relevant circumstance in the present context. As discussed above, the CBI has shown the applicable circle rate in 2005 and has assessed the minimum value of the land at approximately ₹1.96 crores at that time. The material relied upon by the CBI further shows that by 2014, when the effective interest in M/s DMCPL had come to be transferred to A-2 and A-3, the value of the same land had increased multifold and was assessed at approximately ₹85.92 crores. Thus, the land which had been acquired in 2005 for about ₹1.61 crores had – by the time it ultimately came under the control of members of the family of A-1 – acquired a value of about ₹80-90 crores.

259. It is true that the original land transaction took place in 2005 and that the subsequent increase in the value of the property cannot, by itself, establish that the transaction was entered into pursuant to a criminal conspiracy. But at the same time, as already discussed, a conspiracy may be conceived and carried out over a period of time, and the mere interval between two events cannot by itself sever the alleged connection between them. It is also relevant that A-2, Smt. Rabri Devi, was the Chief Minister of Bihar at the time when the land was acquired. Whether the persons involved in the transaction, including A-2, had any knowledge or understanding of the possibility of the substantial increase in the value of the property, or whether the subsequent transfer of the shares was an independent transaction, are

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matters which would have to be examined on evidence at the stage of trial. At the present stage, however, the material showing the multifold increase in the value of the property and its eventual vesting, through the shareholding of M/s DMCPL, in A-2 and A-3 is a circumstance which cannot be disregarded while considering the larger conspiracy alleged by the prosecution.

260. The Court is also conscious that A-2 and A-3 cannot be held criminally liable merely because they are the wife and son of A-1. In the present case, however, the material relied upon by the CBI *prima facie* goes beyond their relationship with A-1, and the timing of the transfer of shares, the persons from whom the shares were acquired, the consideration paid, the questioned source of funds in the case of A-2, the cash consideration paid by A-3, the substantial disparity in the consideration paid by the two accused and, ultimately, the manner in which the entire shareholding of M/s DMCPL came to be vested in A-2 and A-3, are all factors which clearly weigh against these accused persons at this stage.

261. This Court is, therefore, of the view that the material against A-2 and A-3, when considered cumulatively with the material concerning A-7 and A-9 and the alleged manipulation of the BNR Hotel tender process, gives rise to the requisite grave suspicion at the stage of framing of charge, that the transfer of shares to A-2 and A-3 *prima facie* formed part of the *quid pro quo* for the alleged favour extended in the award of the BNR Hotel tenders.

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262. The contentions of the accused persons *qua* the genuineness of the consideration and source of funds, the purpose for which the shares were transferred at the stated values, etc. are all matters which cannot be finally determined at this stage, and would require appreciation of evidence at trial. For the present, however, there is *prima facie* material to proceed against A-2 and A-3 for the offences alleged against them.

(g) Material against A-4 – M/s Lara Projects LLP

263. This Court notes that A-4 is the successor entity of M/s DMCPL, which had acquired the Patna land in 2005. The company was subsequently renamed as M/s Lara Projects Pvt. Ltd. in 2016 and converted into M/s Lara Projects LLP in January 2017. By that stage, the entire shareholding of M/s DMCPL had come to be held by A-2, Smt. Rabri Devi and A-3, Sh. Tejashwi Prasad Yadav.

264. The material brought on record by the prosecution, already discussed above, shows that the acquisition of the Patna land by M/s DMCPL, the subsequent transfer of its shares to A-2 and A-3 and the eventual consolidation of control over the company *prima facie* form part of the same transaction. The ultimate effect of such transactions was that the company holding the Patna land came under the control of A-2 and A-3, members of the immediate family of A-1, and allegedly, this transfer of effective control over the land formed part of the *quid pro quo* for the alleged manipulation of the BNR Hotel tender process in favour of M/s Sujata Hotel.

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265. A-4, being the successor entity of M/s DMCPL, continued to hold the property and came under the control of A-2 and A-3. Thus, the material *prima facie* connects A-4 with the transactions through which the land was acquired and subsequently brought under the control of A-1's family. The fact that A-4 is a separate legal entity does not, at this stage, sever its connection with the transactions forming the subject matter of the prosecution. Considered cumulatively with the material against A-7, A-9, A-2 and A-3 and the alleged manipulation of the BNR Hotel tenders, the material gives rise to the requisite grave suspicion against A-4.

266. Accordingly, there is *prima facie* material to proceed against A-4 for the offences under Section 420 of IPC and Section 120B read with Section 420 of IPC and the relevant provisions of the PC Act, as charged.

CONCLUSION

267. A conspiracy rarely unfolds in the open. It is woven through separate acts, divided among different hands, and is revealed only when the threads are seen together.

268. However, all the petitioners before this Court, in unison, have contended that the various transactions and events relied upon by the CBI are independent of one another and that the CBI has sought to artificially weave them into a single narrative of conspiracy. According to them, there is no common thread connecting the land transaction, the BNR Hotel tender process and the subsequent

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transfer of shares of M/s DMCPL.

269. However, it is difficult to accept, at this stage, that it is merely a coincidence that A-9, who was closely associated with A-1 as both belonged to the same political party and A-9 was a Member of Parliament, was involved in the acquisition of the land by M/s DMCPL, and before that acquisition his wife, A-7, had already obtained a substantial shareholding in the company; the company then acquired the land from the Kochhar brothers at an undervalued consideration; the Kochhar brothers were later awarded the tender for BNR Hotels by the Ministry of Railways, when A-1 was the Minister of Railways, and the tender process was *prima facie* tailored and manipulated in their favour; and thereafter, M/s DMCPL transferred its entire shareholding to A-2 and A-3, the wife and son of A-1, again at undervalued consideration; and in this manner, the Patna land, originally owned by the Kochhar brothers, ultimately came into the hands of the family of the Railway Minister.

270. Each of the accused is, of course, entitled to contend during the course of trial that the transactions discussed above were *bona fide*, independent and wholly unconnected, and to establish the same by leading evidence. But at the stage of charge, the Court is required to consider all the material collected during investigation, cumulatively. When the land transaction, the tender process and the subsequent transfer of the shares are considered together and in the sequence in which they occurred, the same cannot, at this stage, be written off as unconnected. This Court is not required to record a final finding on

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the alleged *quid pro quo* or to determine whether the prosecution will ultimately establish the conspiracy beyond reasonable doubt. The limited question at this stage is whether the material gives rise to a grave suspicion against the accused persons. In the opinion of this Court, it does.

271. In view of the aforesaid discussion, this Court finds no infirmity in the impugned order dated 13.10.2025 passed by the learned Special Court. The material on record, considered in its entirety, discloses sufficient grounds to proceed against the accused persons, i.e. petitioners herein, for the offences for which charges have been framed against each of them. The impugned order does not call for any interference by this Court in exercise of its revisional jurisdiction.

272. The impugned order dated 13.10.2025 is upheld.

273. Accordingly, all petitions, along with all pending applications, are dismissed.

274. It is, however, clarified that nothing expressed in this judgment shall tantamount to an expression of opinion of this Court on the merits of the case.

275. The judgment be uploaded on the website forthwith.

DR. SWARANA KANTA SHARMA, J

NOVEMBER 26, 2026/ns

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