

**IN THE COURT OF THE PRINCIPAL SPECIAL JUDGE FOR
CBI CASES: HYDERABAD.**

Dated : Tuesday, the 3rd day of March, 2026.

Present : **Dr. K.Pattabhi Rama Rao,**
Principal Special Judge for CBI Cases,
Hyderabad.

Crl.M.P.No. 50 of 2026

[Crl.M.P.No. 1602 of 2026 (Reg.No.)]

in

RC-04(E)/2025-CBI/BSFB/BANGALORE

Between :

Central Bureau of Investigation,
Rep. by Inspector of Police,
Bank Securities Frauds Branch,
No.36, 2nd Floor, Bellary Road,
Ganganagar, Bangalore - 560 032.

... Petitioner/Complainant

And

M/s Neeta Chemicals (India) Pvt. Ltd. (A-1),
Represented by Mr. Bhupendra B Trivedi (A-2),
Reg. Address: Flat No.106, 107, No.1-2-234/13/53,
Reliance Residency, Indira Park, Domalguda,
Hyderabad, Telangana - 500029 & 11 others.

... Respondents/Accused

This petition coming before me on 27.02.2026 for hearing in the presence of Smt. S.Ananthi - Public Prosecutor for the Petitioner/Complainant; upon hearing the arguments and perusing the material on record; and that the matter having stood over for consideration till this day, this Court made the following:

ORDER

1. This is an application filed under Section 17 of the Prevention of Corruption Act seeking for permission for conducting of the investigation in RC.04(E)/2025-CBI/BSFB/BLR to the Sub Inspectors of Police, CBI, BSFB, Bangalore.

2. (i) It is stated that CBI, BSFB has registered the case against the accused for the offences punishable under Section 120-B r/w 420, 409, 468, 471, 477-A IPC and also Section 13(2) r/w 13(1)(d) of the Prevention of Corruption Act, 1988 against Accused No.1 and its Directors, guarantors and some unknown public servants as well as private persons, on a report given by Mr. G.V.Sastrt, DGM, SBI, SAMB-II, Hyderabad. The allegation is that the accused have fraudulently and dishonestly availed various credit facilities by misrepresentation, deception, inducement, and diverted the funds received from SBI, Commercial Branch, Secunderabad and have caused wrongful loss and made corresponding wrongful gain to themselves to a tune of Rs.533.64 crore.

(ii) It is further stated that Mr. N.V.V.S.S.R. Krishna, Inspector of Police, CBI, BSFB, Bangalore was entrusted with the case for conducting the investigation.

(iii) It is further stated that voluminous documents are to be scrutinised and huge number of witnesses are required to be examined by the investigating officer in this case. Therefore, for expediting the investigation, it is felt necessary that assistance of two Sub Inspector rank officers, under the overall supervision of chief investigating officer is required in this case. The investigating officer is to be nominated under the provisions of the Prevention of Corruption Act, and as per Section 17 of the Act, a Police officer not

below the rank of Inspector is authorised to investigate the cases under the Prevention of Corruption Act, 1988 without the orders of Metropolitan Magistrate or Magistrate of the First Class. Hence, the names of Mr. Lokesh, Sub Inspector of Police and Mr. Ajay, Sub Inspector of Police, CBI, BSFB, Bangalore have been proposed for conducting the investigation in this case under the guidance and supervision of Mr. N.V.V.S.S.R. Krishna, Inspector of Police, CBI, BSFB, Bangalore. Therefore, the petitioner sought for permitting the above said two officers for conducting the investigation in this case.

3. Heard the learned Public Prosecutor. Perused the record.

4. Now, the point for consideration is:

Whether permission can be accorded for getting the investigation in this case conducted by the officers in the rank of Sub Inspector of Police?

POINT:

5. The learned Public Prosecutor has contended that in view of the dearth of the officers, it became necessary for entrusting the investigation to the officers below the rank of Inspector of Police and the Court can order the investigation by Sub Inspector of Police in view of Section 17 of the Prevention of Corruption Act. Section 17 of the Prevention of Corruption Act reads as follows:

17. Persons authorised to investigate - Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), no police officer below the rank -

- (a) in the case of the Delhi Special Police Establishment, of an Inspector of Police;
- (b) in the metropolitan areas of Bombay, Calcutta, Madras and Ahmedabad and in any other metropolitan area notified as such under sub-section (1) of section 8 of the Code of Criminal Procedure, 1973 (2 of 1974), of an Assistant Commissioner of Police;
- (c) elsewhere, of a Deputy Superintendent of Police or a police officer of equivalent rank,

shall investigate any offence punishable under this Act without the order of a Metropolitan Magistrate or a Magistrate of the first class, as the case may be, or make any arrest therefor without a warrant:

Provided that if a police officer not below the rank of an Inspector of Police is authorised by the State Government in this behalf by general or special order, he may also investigate any such offence without the order of a Metropolitan Magistrate or a Magistrate of the first class, as the case may be, or make arrest therefor without a warrant:

Provided further that an offence referred to in [clause (b) of sub-section (1)] of section 13 shall not be investigated without the order of a police officer not below the rank of a Superintendent of Police.

6. The learned Public Prosecutor has relied upon the judgment of the Hon'ble Supreme Court in ***H.N. Rishbud and Inder Singh v. The State of Delhi [AIR 1955 SC 196]***, in which it was observed as follows:

"When a Magistrate is approached for granting such permission he is expected to satisfy himself that there are good and sufficient reasons for authorising an officer of a lower rank to conduct the investigation. The granting of such permission is not to be treated by a Magistrate as a mere matter of routine but it is an exercise of his judicial discretion having regard to the policy underlying it."

7. The learned Public Prosecutor also relied upon the judgment of the Hon'ble High Court of Karnataka in ***State of Karnataka v. B.***

Narayana Reddy [2002 CRILJ 845], in which it was observed that *"Investigation can be done by the officer below the rank of Inspector of Police provided the said officer is properly authorised as per the statute."*

8. I have gone through the judgment of the Hon'ble Supreme Court in ***Union of India and others v. T. Nathamuni [(2014) 16 SCC 285]***, in which the Hon'ble Supreme Court has considered the question whether the Magistrate can permit Sub Inspector of Police, CBI to investigate a case. It was contended before the Hon'ble Supreme Court that Section 17 does not confer any power on the Magistrate to authorise Sub Inspector of Police to conduct investigation. After considering the judgments in *M.C. Sulkunte v State of Mysore [(1970) 3 SCC 513]*; *Muni Lal v. Delhi Administration [(1971) 2 SCC 48]*; and *H.N. Rishbud v. State of Delhi [AIR 1955 SC 196]*, it was held that the order of the Special Judge permitting the Sub Inspector to investigate the case does not cause any prejudice or miscarriage of justice by reason of investigation by the Sub Inspector of Police and therefore the Hon'ble Supreme Court has refused to set aside the order passed by the trial Court permitting a Sub Inspector of Police to investigate a case under the provisions of the Prevention of Corruption Act. The Court, therefore, has to find out whether any such prejudice would be caused before according permission as sought for.

9. In ***State by Central Bureau of Investigation v. S. Bangarappa [(2001) 1 SCC 369]***, the Hon'ble Supreme Court has refused to quash the proceedings on the ground that investigation was conducted by an officer below the rank of Inspector of Police. However, in ***State Inspector of Police, Visakhapatnam v. Surya Sankaram Karri [(2006) 7 SCC 172]***, it was held that such an authorisation which can be granted BLRby the Superintendent of Police shall be in writing and when it is not in writing, it was held that the accused suffered prejudice.

10. In this backdrop, the Court has to examine the request of the DIG, CBI, BSFB, Bangalore, who filed this application to permit the Sub Inspectors of Police to investigate the case. The statute envisaged that officers of a particular rank shall investigate the offences and the intention of legislature is to see that an experienced officer shall investigate into the offence and it shall not be investigated by an officer who does not have enough experience to deal with the cases under the Prevention of Corruption Act. This is a kind of safeguard provided to the accused by the statute. The language of Section 17 of the Prevention of Corruption Act in particular, the words "without the order of the Magistrate" resembles the similar words in Section 156 Cr.P.C. corresponding to Section 175 of BNSS, 2023. The words "without the order of a Magistrate" in Section 156 Cr.P.C. as well as Section 17 of the Prevention of Corruption Act enable an officer to

investigate into cognizable offence and whereas the similar words in Section 155 (2) Cr.P.C. corresponding to Section 174 BNSS, 2023 make it obligatory on the part of the police officer to obtain permission for conducting the investigation of a non-cognizable offence. Therefore, the words "without the order of the Magistrate" occurred in Section 155(2) Cr.P.C. and 156(1) Cr.P.C. shall be taken into consideration while interpreting the similar words in Section 17 of the Prevention of Corruption Act.

11. The power to appoint an officer below the rank of Inspector of Police is vested with the Superintendent of Police by the statute and the provision is abundantly clear that it is only the Superintendent of Police, who can exercise this power and not the Magistrate.

12. It is true that in *Nathamuni* and *S.Bangarappa* cases, the Hon'ble Supreme Court has refused to allow the appeals since the Hon'ble Supreme Court came to a conclusion that such investigation by the Sub Inspector of Police did not cause any prejudice to the accused. One of the judgments supports the view that the Magistrate has the power to grant permission to the Sub Inspector of Police.

13. The petitioner herein has been contending that due to dearth of the staff in the CBI, investigation is to be handed over to the Sub Inspector of Police. It is not known why the person competent to authorise the Sub Inspector of Police, as mentioned in Section 17 of

the Prevention of Corruption Act, could not act upon it. In view of the plea of the petitioner that there is dearth of the officers in the CBI and in the interest of justice and to expedite the investigation of the case and in view of the observations of the Hon'ble Supreme Court in *H.N.Rishbud's* case, stated above, I am inclined to allow the petition with the condition that every material collected by the Sub Inspectors of Police shall be examined by the competent investigating officer and the reports pertaining to the investigation as well as the case diary, if any, shall be filed before the Court only through the competent investigating officer. This condition is imposed so that no prejudice will be caused to the accused.

14. In view of my above discussion, I allow the petition permitting Mr. Lokesh, Sub Inspector of Police and Mr. Ajay, Sub Inspector of Police, CBI, BSFB, Bengaluru to conduct the investigation in RC.04(E)/2025-CBI/BSFB/BLR, on the condition that all the material/evidence collected by them shall be examined by the competent investigating officer, and all the reports and case diaries shall be sent to the Court only through the competent investigating officer. The point is accordingly answered.

15. **In the result**, the petition is allowed permitting Mr. Lokesh, Sub Inspector of Police and Mr. Ajay, Sub Inspector of Police, CBI, BSFB, Bengaluru to conduct the investigation in RC.04(E)/2025-CBI/

BSFB/BLR, on the condition that all the material/evidence collected by them shall be examined by the competent investigating officer, and all the reports and case diaries shall be sent to the Court only through the competent investigating officer.

Typed to my dictation, corrected and pronounced by me in the open Court on this the 3rd day of March, 2026.

Sd/-
PRINCIPAL SPECIAL JUDGE
FOR CBI CASES: HYDERABAD