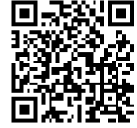

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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% ***Reserved on: 17.02.2026***
Date of decision: 06.04.2026

\+ **W.P.(C) 12845/2025**

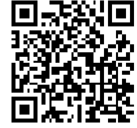
SHRI SHASHI SHEKHAR PRASAD .....Petitioner

Through: Mr. Apurv Kurup, Sr. Adv. with Mr. Kanu Agrawal, Ms. Mehak Kumar, Mr. Gaurav Vats, Mr. Akhil Hasija & Ms. Nidhi Mittal, Advs.

versus

LOKPAL OF INDIA AND ORS .....Respondents

Through: Mr. Nishant R. Katneshwarkar with Mr. Vijay Singh Mehra & Mr. Shrirang Katneshwarkar Advs. R-1/ Lokpal of India.
Mr. Anupam S. Sharma, SPP with Mr. Vashisth Rao, Ms. Amisha P. Dash, Ms. Riya Sachdev & Mr. Deepak Rawat, Advs. for R-2/CBI.
Mr. Premtosh K. Mishra, CGSC with Mr. Shrey Sharma, Mr. Anubhav Upadhyay, Mr. Arpit Bamal, Advs. for R-3/UoI.
Mr. N. Venkataraman, ASG with Mr. Anurag Ojha, Sr. SC for R-4.
Mr. Abhimanyu Bhandari, Sr. Adv. with Ms. Rooh-e-hin Dua, Mr. Harshit Khanduja, Ms. Shreya Arora, Mr. Ricky Chaudhary and Ms. Aroha Kadyan, Advocates for R-5.

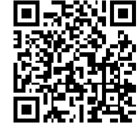


CORAM:
HON'BLE MR. JUSTICE VIVEK CHAUDHARY
HON'BLE MS. JUSTICE RENU BHATNAGAR

JUDGMENT

1. The Petitioner prays for a writ of *certiorari* for quashing of the Order dated 24.07.2025 passed by Respondent No.1/The Lokpal of India. By the impugned order, the Lokpal has directed an investigation under Section 20(3) of the Lokpal and Lokayuktas Act, 2013 ("the Act") by the Respondent No.2/Central Bureau of Investigation (CBI) against the Petitioner and certain other custom department officials from Kolkata [Kolkata RPSs] impleaded as respondents.

2. The facts, *inter alia*, are that the Respondent No.5, the complainant before the Lokpal, is alleged to have masterminded a huge smuggling syndicate controlling more than 20 dummy firms. Over the period several show-cause notices were issued to Respondent No.5 proposing confiscation of goods and raising demands running into several hundred crores of rupees. At the relevant time, the petitioner was serving as Senior Intelligence Officer, Directorate of Revenue Intelligence (DRI), Delhi Zonal Unit, Ministry of Finance, and was part of the investigation team of the said matter. Respondent no.5 lodged a Complaint bearing no. 196/2024, before the Lokpal on 13.09.2024 alleging corruption, misuse of office and other misconduct against the petitioner and Kolkata RPSs. By an order dated 27.09.2024 passed under Section 20(1) of the Act, the Lokpal

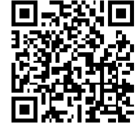


directed a preliminary inquiry by the CBI against all officials. The CBI after conducting a thorough inquiry, and finding no material against the Petitioner, submitted its preliminary inquiry report dated 11.12.2024 in his favour. The report, however, did not absolve the Kolkata RPSs. The Lokpal thereafter sought comments from the Director General of Vigilance (DGoV), who concurred with the findings of the CBI. The DGoV endorsement was also accepted by the Finance Minister of India, as the Competent Authority of the Ministry of Finance.

3. After taking into consideration the findings of preliminary inquiry report and the defence of only the Kolkata RPSs, the Lokpal by its Order dated 21.05.2025, issued show-cause notice under Section 20 (3) of the Act to the Kolkata RPSs, but along with the same the Lokpal also added the petitioner and issued notice to him. After considering the replies, the Lokpal by the impugned order dated 24.07.2025 has directed an investigation under Section 20(3)(a) of the Act by the CBI against the Kolkata RPSs and the petitioner, holding that "Preliminary Inquiry has brought in fore counter allegations supported with verifiable facts". Aggrieved by the said order, the petitioner has approached this Court by way of this petition.

4. We have heard learned counsels for the parties at length and have perused the record.

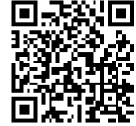
5. Learned counsel for the petitioner submits that the preliminary inquiry conducted by the CBI, after finding no material against the Petitioner, had exonerated him. It is submitted that Respondent No.1/



Lokpal was required to indicate specific reasons, material or infirmities in the preliminary report and material available against the petitioner constituting a *prima facie* case for directing an investigation under Section 20(3) of the Act. The Lokpal without referring to any material whatsoever against the Petitioner could not have passed the impugned order against him. Petitioner claims that neither the order of Lokpal dated 21.05.2025 and show-cause notice dated 23.05.2025, nor the impugned order dated 24.07.2025 contains anything against the Petitioner; still he is being harassed by the said proceedings without any basis.

6. It is further submitted for the petitioner that though the alleged acts of bribery and threats were committed in 2019, the Complaint 196/2024, on the basis of which the impugned order has been passed, was made against the petitioner only in the year 2024, i.e., after a delay of 5 years. The complaint was in fact in retaliation of several show-cause notices issued to the Respondent No. 5 by the Directorate of Revenue Intelligence, Delhi Zonal Unit (DRI).

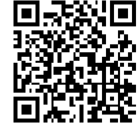
7. Per contra, learned counsels for the Respondent no. 1/Lokpal and Respondent no.5/Complainant submit that Section 20(3) of the Act confers discretion to the Lokpal to either direct an investigation by the CBI, or initiation of a departmental proceedings or any other appropriate action against the concerned public servants by the competent authority, or for closure. It is submitted that the Lokpal is not bound by the preliminary inquiry report of the CBI and has power to form an independent view.



8. Learned ASG for Respondent No. 4/ DRI supports the submissions advanced on behalf of the petitioner, that in absence of any supportive material, the Lokpal could not have taken a view adverse to the preliminary report of CBI and that of DGoV, which was also accepted by the Minister of Finance.

9. In the present matter, the preliminary inquiry of the CBI found the allegations against the petitioner to be unsubstantiated but found sufficient material against the Kolkata RPSs. The DGoV concurred with those findings, and the concurrence was also accepted by the competent authority in the Ministry of Finance. This formed the complete record placed before the Lokpal along with the complaint for passing order under Section 20(3) of the Act. Once these materials favoured the petitioner, the statute required the Lokpal to record reasons explaining why, notwithstanding such exculpatory material, a *prima facie* case still existed. Solely, the complaint filed after years could not have constituted the basis on which *prima facie* satisfaction under Section 20(3) could rest, because the statutory scheme contemplates that the complaint is to be tested through a preliminary inquiry before any further steps may be taken.

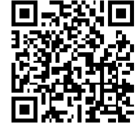
10. The Order of the Lokpal dated 21.05.2025, by which show-cause notices under Section 20(3) of the Act were issued, concerns itself only with the role, conduct, replies and defences of the Kolkata RPSs and not that of Petitioner. Notwithstanding this complete absence of any discussion about Petitioner, the Order dated 21.05.2025 directs notice to be issued to all the RPSs, including the Petitioner. Thus, a Notice dated 23.05.2025



under Section 20(3) came to be issued to the petitioner along with the Kolkata RPSs. This Order dated 21.05.2025 and Notice dated 23.05.2025 based upon the same, are not supported by any material or discussion with regard to the Petitioner. Issuing notices mechanically, without any discussion as to the role of the person proceeded against, undermines the very integrity of the statutory mechanism. Thus, both Order dated 21.05.2025 and Notice dated 23.05.2025, being without any basis to the extent they relate to Petitioner, are perverse and illegal**.**

11. The statutory framework under Section 20 of the Act is structured with precision and must be followed in letter and spirit. There must first be a preliminary inquiry under Section 20(1), followed by the comments of the competent authority under Section 20(2), and finally a consideration of every report received under sub-section (2) together with the explanation of the public servant under Section 20(3). On the basis of above, the Lokpal has to decide whether there exists a *prima facie* satisfaction under Section 20(3). This is not a procedural formality but a mandatory requirement. The Lokpal must show that this satisfaction is based upon some material and after due application of mind. This ensures that further actions are not taken merely on the basis of mere allegations or assumptions.

12. The impugned Order dated 24.07.2025 also does not disclose any clear articulation of facts or material by the Lokpal for arriving at its *prima facie* satisfaction. No defects, contradictions, or omissions in the preliminary inquiry report have been identified. No cogent reasoning has been recorded to reject the findings of the CBI and the DGoV. Instead, the



impugned order appears to rely on general assertions and allegations, which do not satisfy the statutory mandate. In the absence of such reasons, the impugned order does not reflect the application of mind as required by law, particularly when the effect of such an order is to set in motion an investigation against a public servant. Merely because power is vested in Lokpal to hold investigation under section 20(3), it does not mean that the same can be exercised in a whimsical or arbitrary manner. There should exist sufficient material duly considered in the order to support such exercise of power. In absence of the same it becomes arbitrary and illegal.

13. It is well settled that an order passed by a quasi-judicial authority or even an administrative authority affecting the rights of the parties must be supported by clear and cogent reasons. Mere allegation or suspicion cannot lead or form the basis of a finding of *prima facie* satisfaction.

14. The Supreme Court in ***The Siemens Engineering & Manufacturing Co. Of India Ltd. v. The Union Of India & Anr.***, **(1976) 2 SCC 981**, held that: -

> *"6. ...*
>
> ***It is now settled law that where an authority makes an order in exercise of a quasi-judicial function, it must record its reasons in support of the order it makes. Every quasi-judicial order must be supported by reasons. That has been laid down by a long line of decisions of this Court ending with N.M. Desai v. Testeels Ltd.*** *[C. A. No. 245 of 1970, decided on December 17, 1975].*
>
> *xxx xxx xxx xxx*
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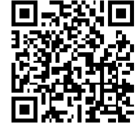
> *If courts of law are to be replaced by a administrative authorities and tribunals, as indeed, in some kinds of cases, with the proliferation of Administrative Law, they may have to be so replaced, it is essential that administrative authorities and*



tribunals should accord fair and proper hearing to the persons sought to be affected by their orders and ***give sufficiently clear and explicit reasons in support of the orders made by them. Then alone administrative authorities and tribunals exercising quasi-judicial function will be able to justify their existence and carry credibility with the people by inspiring confidence in the adjudicatory process. The rule requiring reasons to be given in support of an order is, like the principle of audi alteram partem, a basic principle of natural justice which must inform every quasi-judicial process and this rule must be observed in its proper spirit and mere pretence of compliance with it would not satisfy the requirement of law…"***

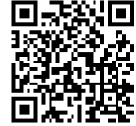
(emphasis added)

15. In ***Mohinder Singh Gill & Anr. v. The Chief Election Commissioner, New Delhi & Ors.,*** **(1978) 1 SCC 405**, the Supreme Court held: -

> *"8. The second equally relevant matter is that when a statutory functionary makes an order based on certain grounds,* ***its validity must be judged by the reasons so mentioned and cannot be supplemented by fresh reasons in the shape of affidavit or otherwise.*** *Otherwise, an order bad in the beginning may, by the time it comes to court on account of a challenge, get validated by additional grounds later brought out. We may here draw attention to the observations of Bose, J. In Gordhandas Bhanji [Commr. of Police, Bombay v. Gordhandas Bhanji, 1951 SCC 1088 : AIR 1952 SC 16] :*
>
> *"Public orders, publicly made, in exercise of a statutory authority cannot be construed in the light of explanations subsequently given by the officer making the order of what he meant, or of what was in his mind, or what he intended to do. Public orders made by public authorities are meant to have public effect and are intended to affect the actings and conduct of those to whom they are addressed and must be construed objectively with reference to the language used in the order itself."*

(emphasis added)

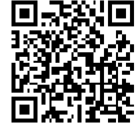
16. The Supreme Court in ***S.N. Mukherjee v. Union of India*****, (1990) 4 SCC 594**, held that the requirement of recording reasons by an



administrative authority while exercising quasi-judicial functions serves an important purpose and reasons must be recorded. It ensures that the authority has applied its mind to the issues involved, introduces clarity in the decision-making process, and minimizes the possibility of arbitrariness. Essentially, recording of reasons enables the appellate or supervisory Courts to effectively exercise their jurisdiction. Reasons must be clear and explicit so as to indicate that the authority has given due consideration to the points in controversy.

17. In the present case, the impugned order does not reflect adherence to fundamental principles. Para 19 of the impugned order refers to "counter allegations supported with verifiable facts" but does not identify what those facts are, how they reject or overcome the findings of the CBI, approval of DGoV and of the Minister of Finance, or how they justify a deeper probe. Without such clarity, the statutory satisfaction required under Section 20(3) of the Act cannot be achieved. A direction for investigation under the said provision carries serious consequences and, therefore, demands strict adherence to statutory requirements and the principles of fairness in decision-making.

18. In the present case, neither the Order dated 21.05.2025, nor the Notice dated 23.05.2025, nor the impugned Order dated 24.07.2025 disclose any reasoning justifying further investigation against the petitioner. The Lokpal has failed to indicate any concrete or verifiable material, or any infirmity in the preliminary inquiry report, warranting a



departure from findings which, along with the concurrence of the DGoV, and Minister of Finance are in favour of the petitioner.

19. It is made clear that this Court has examined the Order dated 21.05.2025, Notice dated 23.05.2025 and impugned Order dated 24.07.2025 only to the extent they relate to the Petitioner and not with regard to Kolkata RPSs.

20. In view of the foregoing discussion, the present writ petition deserves to succeed and is allowed. The impugned Order dated 24.07.2025 passed by Respondent No.1/ Lokpal is hereby quashed in so far as it relates to the petitioner.

VIVEK CHAUDHARY
(JUDGE)

RENU BHATNAGAR
(JUDGE)

APRIL 6, 2026/nc