

# LEGALFOXES LAW TIMES

## TELGI SCAM CASE AND ITS RELEVANCE WITH CRPC

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### ABSTRACT

*This paper highlights the background of the accused of the TELGI Scam, how he struggled and paid for his education. How he initially started with the scam, the parties involved in the scam. The police officer who helped Telgi to make phone calls in the jail. The researcher will also highlight three important issues i.e. about the Narco test, self-incrimination and violation of section 273 of CrPC. Also the judgment which was held in this case and all the main issues that came after the scam. In the end, the researcher has also mentioned few main suggestions. Many questions were held on the lawmakers, when Telgi continued to make phone calls even after his arrest. How was he allowed to make to phone calls in the prison? Who were those people who provided him with different phones and sim cards? Why wasn't the accused given a special security in the prison? According to the CBI, he was allowed to meet two more accuses who were put behind the bars for the same scam. The issue of whether video conference violates S.273 of CrPC also takes place. This has caused a huge harm to Indian economy and gave funding's to the terrorists. In all, the paper would discuss the case in brief.*

### INTRODUCTION

Abdul Telgi was a very hard-working child; his father had died when he was a little boy. So he used to sell fruits in train and pay for his education at SarvodayaVidyalaya.<sup>1</sup>After his schooling he completed his BCOM degree from a college in Belagavi. He then went to Saudi Arabia for further studies. On his return from Saudi to Mumbai, he was involved in scam for which he was imprisoned in the year 1991. During his imprisonment, he learnt the art of counterfeiting of

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<sup>1</sup>present local and global scenario of corporate crime,  
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stamp papers. He then bribed his way out of the prison and then he opened his own office at Mint Road in Mumbai. He had several contacts and personal relations with the officers and politicians, and this helped him to get license for printing fake stamp papers. He had allegedly named many influential people during the narco-analysis test.<sup>2</sup>

## FACTS

The TELGI SCAM, which was one of the most dreadful scams, has shaken the entire country. Abdul Karim Telgi was the mastermind behind this scam that first took place in 1991. There were total 58 charges against him. The fake stamp paper racket was exposed and became famous in the year 2000. However, the loss in this scam was estimated to be 171.33 crores (i.e. 1.71 billion) and not 30,000 crores (it was highly exaggerated figure).<sup>3</sup> In 1994, Abdul Karim Telgi had got license for stamping papers from Indian government. There on he started printing fake stamp papers. Telgi had bribed the government to get the license as well as to get into the government security press in Nasik and had bought special machines to print the fake stamp papers. The Telgi network spread across 13 states, involving 176 offices, 1000 employees, and 123 bank accounts in 18 cities, he had also appointed 300 agents in order to sell them in bulk. He sold them in banks, foreign investors, stock markers, multi-national companies. The further investigations by CBI lead to involvement of many politicians, police officers and others. The police officer who allowed Telgi to use his phone not only gave him permission but also used to give him different sim cards and mobile phones. CBI found Nokia and Samsung mobile phones from his cell.

The CBI had conducted a narco test, which lead to many other controversies like the legality of the use of narco test. The lawmakers should replace the old procedures with the new ones, using modern technology. The CBI should have been given more freedom to carry out their

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<sup>2</sup>Pti, ABDUL KAREEM TELGI: FROM A VEGETABLE VENDOR TO SCAM MASTERMIND THE ECONOMIC TIMES (2017), [https://economictimes.indiatimes.com/news/politics-and-nation/abdul-kareem-telgi-from-a-vegetable-vendor-to-scam-mastermind/articleshow/61248396.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/news/politics-and-nation/abdul-kareem-telgi-from-a-vegetable-vendor-to-scam-mastermind/articleshow/61248396.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst) (last visited Feb 6, 2020).

<sup>3</sup>supra

investigations. The involvement of politicians and police officers came into existence through a narco test which was done on Telgi. In 2007, Telgi was given 13 years of rigorous imprisonment plus fine of 202 crores.<sup>4</sup>

## ISSUES

1. Whether lending of the voice samples of the accused will be equivalent to be a witness against himself?
2. Whether video conference violates the section 273 of CrPC?
3. Whether narco test is a sufficient or reliable evidence?

## PROVISIONS/ JUDGMENT

An application was filed by the Maharashtra state to a special judge, in order to record voice samples of Telgi in the jail itself. However, the same was rejected by the special judge by impugned judgment and order. They wanted the voice samples so that they could identify the voice of the accused with the taped-recorded conversation which the CBI had found during the investigation. The same request was rejected by the Karnataka High Court against the same accused, stating that it violated the fundamental right of the accused under **Article 20(3) of the Indian constitution**, i.e. if the court allows the accused to give his voice samples then it would amount to giving witness against himself. They also added that there are many voice experts who can easily tamper with the voice of any person. The judgment has given a proper definition of **self-incrimination** “conveying such information which is based on personal knowledge of the accused or the person giving information and cannot include merely the mechanical process of producing the documents in court which may throw light on any controversial statements which is based on the accused’s knowledge.”<sup>5</sup>

The Madras High Court has given a proper definition of **video-conferencing** and has highlighted its reference under section 273 of CrPC as “*Video-conferencing is an advancement in science*

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<sup>4</sup>present local and global scenario of corporate crime, [https://shodhganga.inflibnet.ac.in/bitstream/10603/43935/9/09\\_chapter%203.pdf](https://shodhganga.inflibnet.ac.in/bitstream/10603/43935/9/09_chapter%203.pdf) chapter-3 page no- 71,72

<sup>5</sup>2004 SCC BOM 1187:2005 Cri LJ 2868

*and technology which permits one to see, hear and talk with someone far away, with the same facility and ease as if he is present before you i.e., in your presence.<sup>6</sup> In fact the person is present live on the screen, before the judge. Except touching, the judge can clearly see, hear and observe. As long as the accused and the pleader are present before court during the recording of the evidence and are able to see each other clearly then it is said to fulfil all the requirements mentioned under s.273 of CrPC.”*

The narco test was conducted on the accused in discussion in Bangalore, in the presence of two doctors, this led to disclosure of many other names which were involved in the scam. Many high profiled politicians and police officer's name came in front. However, the court did not take any action against them; because the court was of the view that the whole revelation might be videotaped and needed more strong evidence against them. They wanted Telgi to repeat the same statement in the court. Moreover, the court felt that 'the narco test is not sufficient evidence in order to convict someone but it can be used for investigation. Whatever said during the narco test is not always true and this is scientifically proven. So thus, the court does not consider it valid evidence.'

## **LOOPHOLES**

It was very difficult for the CBI to find evidence against Telgi. He did his job very clean. He firstly made good contacts with the politicians and the senior police officers, through whom he got licence to start his own office and started printing currency. He then started to record all his phone calls and later blackmailed them. He started his phone calls by giving an introduction of the party who is on the other side of the call. So that he could confirm their identity.<sup>7</sup>

In 1995 India had signed a contract with a Japanese firm, Komori to print Indian currency. However, this firm had a disastrous experience when it used to print currency for Russia. Russia

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<sup>6</sup>Telgi scam, ABDUL KARIM TELGI @ LALA @ KARIM ... VS STATE ON 17 SEPTEMBER, 2007, <https://indiankanoon.org/doc/426405/> (last visited Feb 6, 2020).

<sup>7</sup>Akansha Jah, STAMP PAPER SCAM- TELGI [HTTPS://CHRISTUNIVERSITY.IN/UPLOADIMAGES/CHAANAKYA\\_6\\_19.PDF](https://christuniversity.in/uploadimages/chaanakya_6_19.pdf) STAMP , <https://christuniversity.in>.

had to stop use of Komori machines to print currency because counterfeiters had a field day.<sup>8</sup> Before the Komori, India used the Gioris for more than 10 decades. The RBI tried to highlight the disadvantages and the danger in using the Japanese machineries, which has already caused so many problems in other country. The RBI also argued that the Gioris has a proven technology and India has been using their machines since a very long time and had no complains. They were worried for the future threat of which they had no signs. The anticipated escalation of fake notes did occur. It had become very difficult for the banks to distinguish between fake notes and real notes. They had copied certain series of notes which was exact and then the RBI had to cancel all the notes of that series. This was a huge loss for our country economically. In 2002, the government then signed a new contract Gioris. This incident gave a great boost to terrorism. The fake currency was used to fund their operations.

## CONCLUSION

Telgi Scam case pointed out many loopholes in our judicial system and administration system, where a person from fruit seller becomes a Fraudster with the help of politicians and becomes rich. This shows how weak our administrative system is where a fraudster becomes rich and powerful and a normal person working whole life couldn't even fulfil his own and his family demand by doing right things. This thing makes wise people to get change and start following the footsteps of these fraudster and criminal and become criminal in order to become rich.

Other issues which came in front of us after this case is that how corruption is spreading in our different admin systems; where a prisoner is getting all sorts of facilities in jail which other poor people never even imagine. This case also highlighted the nature of judiciary where after two years of person's death; he got acquitted from the Scam case and that too because of less or no evidence. This shows the failure of our Police and CBI and other investigative agencies as they took more than sufficient amount of time but couldn't gather an appropriate amount of evidence so that they can prove charges against criminals.

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<sup>8</sup>RajinderPuri, THE TELGI SAGA [HTTPS://WWW.OUTLOOKINDIA.COM/](https://www.outlookindia.com/) (2006), <https://www.outlookindia.com/website/story/the-telgi-saga/232275> (last visited Feb 6, 2020).

This is just one case which highlights many loop holes of our system and now it's a time to change and make things faster and to implement the concept of equality in every sector, so that crimes can be decreased in numbers and this only possible when Police works efficiently, and after that the Judiciary should also be strengthen and work fast so that the criminals gets his punishment at right time and after getting punishment again the administration should see that no one should get special treatment in jail because everyone isa criminal there and because of some crime they are there so it makes no sense to give any special facilities to any one criminal over another. In Short this is a time where everyone should understand their responsibility and work together to make the country a better place which is equal to each and every one and laws are over everyone then only people will be happier and safe and country will progress in a better way.

### **SUGGESTIONS**

1. Speedy Trial should be there because he got acquitted from the case after he died.
2. No Self Incrimination according to principles of natural justice; no one can be forced by any form to incriminate himself, one should have all rights to defend themselves in front of court.
3. Narco Test Ban, there are many instances where Narco Test findings came to be vague, so it's not good to waste tax payers' money on something which is most of the time vague plus time taking as it includes very hectic procedures.
4. Police and CBI should be given a proper time frame to finish the case charge sheet which will help in speedy justice.
5. Equal treatment to all kind of prisoners should be given as we have seen in many cases political criminals, rich people get different kind of cells and treatment in the jail as compared to poor ones as in this case Telgi used to get mobile phones to speak and all but usually poor prisoners don't get this type of facilities, so proper laws should be made regarding this where prisoners should be treated same irrespective of their background whether rich or poor.



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