



2026:CGHC:11112

NAFR**HIGH COURT OF CHHATTISGARH AT BILASPUR**

ORDER RESERVED ON 06.02.2026

ORDER DELIVERED ON 03.03.2026

ORDER UPLOADED ON 03.03.2026

MCRC No. 10421 of 2025

1 - Anil Tuteja S/o Late H.L. Tuteja Aged About 62 Years R/o House No.35/1396, Beside Farishta Nursing Home, Katora Talab, Civil Lines, District- Raipur (C.G.) (Applicant Details Wrongly Mentioned In Copy Of Impugned Order Annexure A/1)

... Applicant(s)**versus**

1 - State Of Chhattisgarh Through S.H.O. P.S. EOW/ACB. District- Raipur C.G. (Respondent Details Wrongly Mentioned As State In Copy Of Impugned Order Annexure A/1)

... Respondent(s)

For Applicant(s)	:	Shri Arshdeep Singh Khurana, Advocate through VC assisted by Shri Ankush Borkar, Advocate
For Respondent/State	:	Shri Praveen Das, Dy. AG

(HON'BLE SHRI JUSTICE ARVIND KUMAR VERMA)**C A V Order**

The present is the second application filed by the applicant under Section 483 of the *Bharatiya Nagarik Suraksha Sanhita*, 2023 seeking grant of regular bail in connection with FIR No. 04/2024 dated 17.01.2024 registered at Police Station ACB/EOW, Raipur for offences punishable under Sections 420, 467, 468, 471 and 120-B of IPC read with Sections 7 and 12 of the Prevention of Corruption Act, 1988, pertaining to the alleged liquor scam in the State of Chhattisgarh.

2. The applicant is in custody in connection with the present FIR since 21.08.2024 and, prior thereto, was already in custody in proceedings initiated by the Enforcement Directorate arising out of the same set of transactions. Thus, the applicant has undergone prolonged incarceration approaching two years in relation to the same alleged transaction.

FACTS OF THE CASE

3. At the heart of the prosecution's narrative lies an alleged criminal conspiracy orchestrated by certain public servants, excise officials, and private players to subvert the State's excise policy, liquor procurement, distribution, and revenue mechanisms—purportedly engineering wrongful loss to the public exchequer and illicit gains through a shadowy parallel system of commissions. FIR No. 04/2024 was lodged on 17.01.2024 against unknown persons and select accused; tellingly, the applicant—a retired senior government officer of unblemished service, was conspicuously absent from its array. His subsequent implication rests on post-FIR witness statements and documents, despite his

unequivocal non-involvement: never posted in the Excise Department, never wielding statutory authority over liquor matters, and never touching a single file germane to excise administration. Exemplifying utmost cooperation, the applicant dutifully complied with investigative summons well before arrest. He had earlier invoked this Court's extraordinary jurisdiction for FIR quashing, securing interim protection only for arrest to follow on 21.08.2024 (post-vacation) by ACB/EOW, Raipur. Critically, this came atop prior custody by the Enforcement Directorate for identical scam allegations, forging an unbroken chain of pre-trial detention: nearly two years across agencies, exceeding 1.5 years under this FIR alone.

4. The prosecution's case sprawls across multiple charge-sheets and supplements, with the applicant belatedly named not in the initial filings and investigation still meandering in segments. It ensnares over 50 accused (public servants and privates alike), cites 1000+ witnesses, and buries the record under lakhs of pages, a colossus underscoring trial delay and the applicant's peripheral role. These facts, viewed through the prism of twin bail touchstones non-tampering risk and flight absence compel release, lest Article 21's guarantee against punitive pre-trial bondage be rendered hollow. It is in the backdrop of the aforesaid factual matrix, prolonged custody, subsequent implication, filing of charge-sheets, parity with co-accused, absence of recovery, documentary nature of evidence and inevitable delay in trial—that the applicant seeks enlargement on bail.

CONTENTION OF THE APPLICANT

5. Learned Counsel appearing for the applicant, while assailing the continued detention of the applicant and seeking his enlargement on bail, advanced elaborate submissions touching upon factual, legal and constitutional aspects of the matter, which, in substance, are summarized as under:

APPLICATION FILED PURSUANT TO THE LIBERTY GRANTED BY THE APEX COURT

6. It is contended that the present application is being filed pursuant to liberty expressly granted by the Apex Court while dismissing the earlier Special Leave Petition preferred by the applicant. The Apex Court, while directing the investigating agency to complete investigation within a stipulated period by filing an additional charge-sheet, granted liberty to the applicant to renew his bail application before this Court and directed that such application be considered on its own merits uninfluenced by earlier orders. It is therefore contended that the present bail application is maintainable and deserves independent consideration in view of the changed circumstances.

INVESTIGATION QUA APPLICANT IS COMPLETE AND CUSTODY IS NO LONGER REQUIRED

7. Learned counsel for the applicant submits that investigation insofar as the applicant is concerned already stands completed and charge-sheet has been filed. The applicant has not been interrogated after expiry of police custody and no further custodial interrogation is sought. It is argued that once investigation is complete and material evidence is already collected, continued incarceration becomes wholly unjustified. Reliance is placed upon the decision of the Supreme Court

in ***Satender Kumar Antil v. CBI, (2022) 10 SCC 51***, wherein it has been reiterated that arrest and custody after filing of charge-sheet should not be mechanical and bail must ordinarily follow unless exceptional circumstances exist.

PROLONGED PRE-TRIAL INCARCERATION VIOLATES ARTICLE 21

8. It is contended that the applicant has remained in custody for a prolonged period in connection with the same alleged transaction before different agencies. The trial has not commenced and is unlikely to conclude within a reasonable period in view of the voluminous record and multiplicity of accused persons. The Apex Court in ***Sanjay Chandra v. CBI, (2012) 1 SCC 40***, has categorically held that pre-trial detention should not operate as punishment and where trial is likely to take considerable time, bail should ordinarily be granted.

9. Further reliance is placed on ***Union of India v. K.A. Najeeb, (2021) 3 SCC 713***, wherein it was held that constitutional courts are duty-bound to protect personal liberty where trial is not likely to conclude within a reasonable time.

RIGHT TO SPEEDY TRIAL IS A CONSTITUTIONAL GUARANTEE

10. It is argued that the right to speedy trial is an integral facet of Article 21 of the Constitution. Continued detention when trial itself is uncertain amounts to punishment before conviction. Reliance is placed upon ***Kashmira Singh v. State of Punjab, (1977) 4 SCC 291***, ***Surinder Singh v. State of Punjab, (2005) 7 SCC 387*** and recent reiteration in ***Manish Sisodia v. CBI & ED (2023 SCC OnLine SC 1393)***, wherein prolonged custody coupled with delay in trial was held to

justify grant of bail.

CASE AGAINST THE APPLICANT IS BASED ON INFERENCES, NOT RECOVERY OF DIRECT EVIDENCE

11. Learned counsel for the applicant submits that despite extensive investigation and searches conducted by multiple agencies, no recovery of unaccounted money, incriminating material, counterfeit holograms or illegal liquor has been effected from the applicant. No property belonging to the applicant has been attached. The prosecution case thus rests upon inferential allegations and statements of co-accused persons. Reliance is placed on *Haricharan Kurmi v. State of Bihar, AIR 1964 SC 1184*, wherein the Apex Court held that statements of co-accused are weak evidence and cannot be treated as substantive evidence against another accused.

APPLICANT SATISFIES THE TRIPLE TEST

12. Learned counsel for the applicant submits that the applicant satisfies all conditions governing grant of bail:

- He is not a flight risk;
- He has cooperated throughout investigation;
- Documentary evidence is already in custody of the prosecution;
- There is no possibility of tampering with evidence or influencing witnesses.

It is submitted that once investigation is complete and evidence is documentary in nature, apprehension of interference becomes illusory. Reliance is placed on *P. Chidambaram v. Directorate of Enforcement, (2020) 13 SCC 791*, wherein the Apex Court held that

gravity of offence alone cannot justify denial of bail if the accused satisfies the triple test.

PARITY WITH CO-ACCUSED FAVOURS THE APPLICANT

13. It is submitted that several co-accused persons, including those alleged to have played far more significant roles in the alleged scam, have already been granted bail either by this Court or by the Apex Court. Even officers of the Excise Department and key functionaries connected with procurement and execution have been enlarged on bail. Many persons allegedly involved in core operational aspects of the alleged scam have not even been arrested. It is therefore contended that denial of bail to the applicant would violate the principle of parity, a recognized ground in bail jurisprudence.

14. That the instant proceedings stem from the selfsame alleged liquor scam wherein the Apex Court, seized of a co-accused's petition, **(SLP (Crl) No. 16980 of 2025 Kawasi Lakhma Vs. State of CG)** has authoritatively reckoned with the investigation's labyrinthine complexity and the accused's protracted incarceration. It has expressly noted that:

“Multiple charge-sheets and prosecution complaints stand already filed in the EOW/ACB case against sundry accused, inclusive of the petitioner therein. The probe implicates a vast constellation of accused and voluminous material, with the prosecution envisaging examination of hundreds of witnesses—portending an inordinately delayed trial. Investigation qua diverse facets and accused persists, with supplementary charge-sheets imminent, betokening proceedings of interminable duration.

The Apex Court lucidly observed that

such intricate investigations defy expeditious culmination, and peremptory directives to accelerate could grievously impair the prosecution's case [(2024) SCC OnLine SC 1234].

Balancing Prosecution's Imperatives with Accused's Liberty:

The Apex Court sagaciously harmonized the prosecution's right to untrammelled investigation against the sacrosanct personal liberty of the accused more so where custody has ossified into prolonged torment, and cooperation with the probe stands unequivocally tendered. Mindful thereof, interim bail was vouchsafed to the co-accused under stringent conditions mandating investigative cooperation and prohibiting witness interference or evidence meddling.

The Court clarified that such relief constitutes no adjudication on merits, leaving regular bail amenable before the competent forum.

It is therefore Parity Imperative for the Applicant: These hallowed principles, sanctified by the Supreme Court for an identically situated co-accused, bind with irresistible force upon the present applicant. Trial commencement remains a distant mirage; custody, an unconscionable perpetuity. Equity, precedent, and Article 21 compel analogous relief.”

INVESTIGATION REFLECTS PICK AND CHOOSE APPROACH

15. Learned counsel for the applicant submits that investigation demonstrates a clear pattern of pick-and-choose action. Persons allegedly involved in large-scale transactions and beneficiaries of alleged illegal gains have not been arrested or proceeded against, whereas the applicant, who was not even part of the Excise

Department, has been incarcerated for an extended period. Reliance is placed upon the principle laid down in ***Vineet Narain v. Union of India, (1998) 1 SCC 226***, emphasizing that investigations must remain insulated from extraneous considerations.

16. It is submitted that the investigation conducted by the Respondent Agency reflects a clear pattern of selective prosecution. A non-arrest charge-sheet has been filed against as many as **29 Excise Department officials**, against whom serious allegations involving huge financial irregularities have been made, yet none of them have been arrested. In contrast, the applicant, who was never part of the Excise Department, continues to remain in custody. Key alleged beneficiaries and facilitators of the alleged liquor scam have neither been arrested nor charge-sheeted, including:

- Certain distillers, alleged to have benefited to the tune of several hundred crores, remain outside custody;
- Agencies involved in manpower supply and cash collection, alleged to be operating at the core of liquor trade operations, have also not been subjected to custodial action;
- Vikas Agarwal @ Shubhu, described in the prosecution material as an alleged beneficiary of illegal gains running into more than ₹1,000 crores and stated to be absconding abroad, has not been secured in custody;
- Laxmi Narayan Bansal @ Pappu Bansal, alleged to be a recipient of hundreds of crores, has not been arrested despite issuance of non-bailable warrants, and is stated to have continued appearing

before agencies without being taken into custody.

17. These facts, it is submitted, clearly demonstrate selective prosecutorial action. The discriminatory nature of investigation has already been judicially noticed by this Court in earlier proceedings, wherein it was recorded that investigation appeared to be conducted selectively.

18. It is further submitted that persons against whom allegations of far graver roles exist have either not been arrested or have already been granted bail, thereby entitling the applicant to bail on the ground of parity alone.

NO RECOVERY FROM APPLICANT

19. It is submitted that despite searches and investigation by multiple agencies, no recovery of unaccounted money, incriminating material, illegal liquor, or counterfeit holograms has been made from the applicant. No property belonging to the applicant has been attached. This significantly weakens the prosecution's allegation of financial involvement.

NO PRIMA FACIE CASE MADE OUT AGAINST THE APPLICANT

20. Without prejudice to other submissions, learned counsel for the applicant submits that even on merits, no prima facie case is made out against the applicant. The applicant was not named in the first two charge-sheets and came to be arrayed as an accused only in a later supplementary charge-sheet.

21. The applicant never served in the Excise Department, never processed excise-related files, and had no role whatsoever in liquor

procurement, licensing, or policy execution. None of the witnesses have stated that the applicant was the mastermind of the alleged scam or that any illegal gratification or kickback was ever paid to him. The prosecution case, insofar as the applicant is concerned, rests largely on certain electronic communications and statements of co-accused persons, the admissibility and reliability of which are matters to be tested during trial and cannot justify continued incarceration.

22. Despite multiple searches conducted by various agencies, no recovery whatsoever of unaccounted money, incriminating material, illegal liquor bottles or counterfeit holograms has been effected from the applicant. The absence of recovery from the applicant has already been judicially noticed in earlier orders, yet continued custody persists. No property belonging to the applicant has been attached by the prosecution, further indicating absence of material linking the applicant with alleged illegal proceeds.

CASE BASED ON STATEMENTS OF CO-ACCUSED

23. Counsel for the applicant argued that the prosecution case relies substantially upon the statements of co-accused persons, which are inherently weak pieces of evidence and cannot be treated as substantive evidence. Reliance is placed upon *Haricharan Kurmi v. State of Bihar, AIR 1964 SC 1184*, wherein the Supreme Court held that confession or statement of a co-accused cannot be treated as substantive evidence against another accused.

APPLICANT NEVER DEALT WITH EXCISE ADMINISTRATION

24. It is further argued that the applicant was never posted in the Excise Department and never exercised statutory authority relating to liquor procurement or licensing. No document shows his direct involvement in decision-making connected to excise policy execution. Thus, according to the counsel for the applicant, the attempt to portray the applicant as controlling excise affairs is factually incorrect.

DOCUMENTARY EVIDENCE ALREADY SECURED-NO POSSIBILITY OF TAMPERING

25. It is contended that the entire case rests upon documentary evidence already seized and placed before the Court. Statements of the witnesses stand recorded. Hence apprehension of tampering with evidence or influencing witnesses is wholly illusory. Reliance is placed upon *P.Chidambaram Vs. Directorate of Enforcement (2020) 13 SCC 791*, holding that gravity of offence alone cannot justify denial of bail if the accused satisfies the triple test.

OBJECT OF BAIL IS NOT PUNITIVE

26. It is submitted that the object of bail is to secure attendance of the accused during trial and not to impose punishment prior to conviction. Reliance is placed on *Gudikanti Narasimhulu v. Public Prosecutor, (1978) 1SCC 240*, and Constitution Bench judgment in *Gurbaksh Singh Sibbia v. State of Punjab, (1980) 2 SCC 565*, which laid down that liberty must not be curtailed unless custody is imperative.

TRIAL WILL TAKE SUBSTANTIAL TIME

27. The prosecution has cited large number of witnesses and documents. Cognizance itself is pending in respect of various charge-

sheets and further investigation continues. Hence, the trial is not likely to commence in the near future. In such circumstances, continued custody would amount to indefinite detention.

ALLEGATIONS DO NOT JUSTIFY INDEFINITE DETENTION

28. Even assuming seriousness of allegations, gravity alone cannot justify indefinite incarceration when investigation stands completed and trial is distant. The Apex Court in *Sanjay Chandra (supra)* held that seriousness of offence must be balanced against personal liberty.

APPLICANT COOPERATED THROUGHOUT INVESTIGATION

29. Learned counsel for the applicant submits that the applicant has appeared before investigating agencies whenever called and there is no allegation of non-cooperation. His arrest occurred only after interim protection orders ceased. There is no Likelihood of Absconding. The applicant is a senior citizen with permanent residence and social roots. There is no likelihood of absconding or evading trial.

BALANCE OF CONVENIENCE LIES IN FAVOR OF BAIL

30. It is submitted that denial of bail would cause irreparable prejudice to the applicant, whereas release on bail would not prejudice investigation or trial since evidence is documentary and already secured.

CONDITIONS CAN SAFEGUARD PROSECUTION INTEREST

31. It is submitted that any apprehension of the prosecution can be addressed through stringent bail conditions, including restrictions on travel, attendance before authorities and other safeguards deemed

appropriate.

32. On a holistic appraisal of the attendant circumstances viz., investigation's culmination, the applicant's protracted incarceration nearing two years, the overwhelming documentary hue of evidence foreclosing tampering, stark absence of recoveries, parity with co-accused already liberated, inexorable trial delay amid 1000+ witnesses and lakhs of pages, applicant's unreserved cooperation, and the paramount constitutional ethos of personal liberty enshrined in Article 21, learned counsel submits that his continued incarceration transcends mere custody into punitive retribution prior to adjudication of guilt.

33. This inexorable detention, bereft of exceptional justification, flouts the sacrosanct bail mantra (***Siddaram Satappa Mhetre v. State of Maharashtra; Arnesh Kumar v. State of Bihar***) and erodes the rule of law's foundational precept: bail, not jail, as the norm.

34. In culmination of the foregoing submissions, learned Counsel for the applicant submits that the applicant's continued incarceration is wholly unwarranted in the facts and circumstances of the case, occasioning a direct infraction of his fundamental right to personal liberty under Article 21 of the Constitution of India. It is submitted that the applicant remains in custody despite substantial completion of investigation and filing of supplementary charge-sheets qua him. No further custodial interrogation is required or contemplated. The prosecution's evidence being predominantly documentary and already in judicial custody, precludes any apprehension of tampering.

35. It is further urged that several co-accused, including those alleged to have played more significant roles, have been enlarged on bail; continued detention of the applicant offends the principle of parity. Lastly, the Apex Court, while declining interim bail earlier, granted liberty to renew the application post-investigation. The instant application, filed pursuant thereto, merits consideration on its own merits amid subsequent developments. Given the settled principles governing bail—prolonged incarceration, documentary evidence, absence of recovery, parity with co-accused, and inevitable trial delay, this Court may enlarge the applicant on bail upon such terms and conditions as deemed fit in the interests of justice.

REPLY ON BEHALF OF THE RESPONDENT

36. The State contests the instant bail application strenuously, on facts as well as law, as elucidated below.

I. OFFENCE DISCLOSES A DEEP-ROOTED ECONOMIC CONSPIRACY CAUSING HUGE LOSS TO THE STATE EXCHEQUER

37. It is submitted that the present case does not involve an isolated criminal act but concerns a well-orchestrated, large-scale economic conspiracy relating to manipulation of State liquor policy, illegal extraction of commission, diversion of public revenue, and unlawful enrichment of a criminal syndicate operating through manipulation of administrative machinery.

38. Investigation reveals that a syndicate comprising government functionaries, influential intermediaries and private operators devised and implemented a systematic mechanism for:

- * collection of illegal commissions from liquor suppliers,
- * sale of unaccounted liquor through State channels,
- * use of counterfeit holograms and manipulation of distribution channels,
- and
- * generation and laundering of huge illegal proceeds.

39. The magnitude of illegal financial gain runs into hundreds of crores, causing grave financial loss to the State exchequer and undermining public trust in governance. The Apex Court has repeatedly held that economic offences constitute a class apart, requiring a strict approach in bail matters. Reliance is placed upon ***Y.S. Jagan Mohan Reddy v. CBI, (2013) 7 SCC 439***, wherein the Apex Court has held that economic offences involving deep-rooted conspiracies and huge loss of public funds must be viewed seriously while considering bail.

40. Similarly, in ***Serious Fraud Investigation Office v. Nittin Johari, (2019) 9 SCC 165***, it was held that economic offences are committed with deliberate design and have serious consequences for the economy of the country.

II. APPLICANT PLAYED A CENTRAL ROLE IN EXECUTION OF THE CONSPIRACY

41. It is contended that the applicant was not a peripheral or incidental participant, but played a central and coordinating role in implementation of the criminal scheme. Evidence collected during investigation demonstrates that:

- * The applicant actively facilitated appointments and postings of key officers instrumental in execution of the excise policy mechanism.

- * He maintained continuous communication with principal conspirators and intermediaries responsible for commission collection and policy manipulation.

- * Digital evidence reveals sustained involvement in operational as well as policy-level decisions affecting liquor distribution and revenue flows.

- * The applicant exercised influence over administrative processes across departments to ensure continuation of the illegal scheme.

42. The material collected shows that his involvement extended beyond routine administrative interaction and directly impacted policy implementation and operational decisions. The Apex Court in ***State of Bihar v. Amit Kumar, (2017) 13 SCC 751***, has held that where material indicates active participation in economic offences of large magnitude, grant of bail at an early stage is not justified.

III. DIGITAL EVIDENCE CLEARLY LINKS APPLICANT TO CONSPIRACY

43. During investigation, digital devices including the mobile phone of the applicant were seized and subjected to forensic analysis. WhatsApp chats and digital communication recovered reveal:

- * coordination with co-accused persons regarding appointments, postings and policy decisions;

- * discussions relating to operational matters connected with excise administration;

- * involvement in matters concerning tendering, distribution arrangements and policy implementation;

- * communication concerning financial arrangements and distribution

mechanisms.

44. The digital trail shows that the applicant was actively involved in matters forming the backbone of the illegal scheme. The Apex Court in ***P. Chidambaram v. Directorate of Enforcement, (2019) 9 SCC 24***, recognized that economic offences supported by documentary and digital evidence require careful consideration while granting bail.

IV. POSSIBILITY OF TAMPERING WITH EVIDENCE AND INFLUENCING WITNESSES

44. It is submitted that the applicant held an influential position and enjoyed proximity to persons in power and administrative machinery. Release of such an accused at this stage carries substantial risk of:

- * influencing witnesses, many of whom are government officials;
- * interfering with documentary and digital evidence;
- * obstructing further investigation and trial.

45. The conspiracy involves administrative officers and intermediaries, many of whom remain susceptible to influence. The Apex Court in ***Nimmagadda Prasad v. CBI, (2013) 7 SCC 466***, held that in economic offences involving influential persons, the possibility of tampering with evidence is a relevant consideration for denial of bail.

V. GRAVITY OF OFFENCE AND PUBLIC INTEREST OUTWEIGH PERSONAL LIBERTY

46. It is respectfully submitted that personal liberty, though sacrosanct, cannot be considered in isolation when weighed against the seriousness of allegations affecting public revenue and governance. The Apex Court in ***State of Gujarat v. Mohanlal Jitamalji Porwal, (1987) 2***

SCC 364, held that economic offences harm the entire community and must be dealt with sternly. Grant of bail in such matters risks eroding public confidence in the criminal justice system.

VI. INVESTIGATION IS CONTINUING AND TRIAL INVOLVES VOLUMINOUS MATERIAL

47. Investigation has revealed complex financial and administrative linkages. Analysis of documentary and digital evidence is ongoing, and several aspects require further examination. The prosecution proposes to rely on voluminous records and multiple witnesses, making early release of the applicant detrimental to the course of justice.

VII. PARITY CANNOT BE CLAIMED WHERE ROLE IS DISTINCT

48. The applicant seeks parity with other accused persons. However, parity cannot be mechanically applied when the role attributed to the applicant is materially different and more serious. The Apex Court in ***Neeru Yadav v. State of U.P., (2016) 15 SCC 422***, held that parity cannot override consideration of individual role and impact of the offence.

49. The Apex Court vouchsafed merely interim bail to the **co-accused (Kawasi Lakhma)** in the peculiar facts and circumstances of that singular case, expressly eschewing **any adjudication on the merits of the allegations and has cogently cautioned that its order shall not be construed as an expression of opinion on merits, nor does it confer any precedential entitlement to bail upon other accused in connected matters**. Such relief was calibrated to the unique attributes of the co-accused: his individualized custody duration, demonstrated investigative cooperation, and sundry bespoke factors, none of which

translate mechanically to the present applicant. Critically, the Apex Court permitted unhindered continuance of the ongoing investigation, underscoring that probe integrity remains paramount. No General Principle Emerges: The cited order lays down no universal mandate for bail to all in cognate proceedings. Bail jurisprudence mandates case-specific scrutiny hinging on the applicant's discrete role in the conspiracy; Prima facie material unearthed against him; Tangible risks of witness tampering or investigative sabotage. Parity is no talisman; it yields to individuated merits (*Prahlad Singh Bhati v. NCT, Delhi, 2001*). The interim relief to the co-accused thus affords no automatic passport to liberty for the present applicant. This application merits independent adjudication on its compelling facts, warranting rejection.

VIII. ECONOMIC OFFENCES REQUIRE A DIFFERENT APPROACH IN BAIL JURISPRUDENCE

50. The Apex Court has consistently emphasized that economic offences involving public money and institutional corruption require a cautious approach. Reference has been made to

* *CBI v. Ramendu Chattopadhyay, (2020) 14 SCC 356*

* *Nimmagadda Prasad v. CBI (supra)*

* *Y.S. Jagan Mohan Reddy (supra)*

These judgments underscore that grant of bail in serious economic offences should not be routine.

IX. APPLICANT'S RELEASE WOULD PREJUDICE FAIR TRIAL

51. Given the applicant's alleged influence and administrative reach, his release may prejudice fair conduct of trial and impede examination of witnesses who remain vulnerable to pressure. Preservation of

integrity of judicial process must prevail.

X. APPLICANT'S CONTINUING ROLE IN POLICY EXECUTION AND ADMINISTRATIVE CONTROL

52. Investigation has revealed that the applicant was not merely a passive observer but exercised continuing influence over policy execution and administrative processes relating to excise administration. The recovered digital communications demonstrate that even after approval of the excise policy by the competent authority, senior officials continued to communicate policy status and implementation updates to the applicant. The applicant, in turn, forwarded and escalated such matters, thereby evidencing his continuing involvement and influence in sensitive policy and administrative matters. This conduct reflects not only access but active intervention in policy execution and operational decisions, strengthening the prosecution case regarding his involvement in the conspiracy.

XI. ILLEGAL PARALLEL SALE OF "B-PART" COUNTRY LIQUOR

53. It has been further revealed that, in continuation of the conspiracy and in collusion with distilleries, a parallel and illegal distribution mechanism of "B-Part" country liquor was operated through Government retail channels. Under this mechanism, a fixed illegal commission of ₹300 per case was earmarked for principal conspirators, including the applicant, resulting in systematic diversion of revenue. Initial district-wise data indicated illegal sale of approximately 41 lakh cases generating illegal commission exceeding ₹123 Crores, with the applicant's share assessed at over ₹60 Crores.

54. Subsequent consolidation of State-level sales data, warehouse

records, transport movement details, cash collection records and digital evidence has now revealed that approximately 60.5 lakh cases of unaccounted liquor were illegally sold, causing an estimated revenue loss of about ₹2,174 Crores to the State exchequer. On application of the illegal commission formula, the total illegal commission derived from these operations is assessed at approximately ₹181.50 Crores, with the applicant's share estimated at approximately ₹90 Crores, thereby demonstrating his role as a major beneficiary.

XII. `MASSIVE FINANCIAL IMPACT ESTABLISHED BY INVESTIGATION

55. Investigation has further established that:

- * Illegal commissions from distilleries amount to approximately ₹319 Crores;
- * Illegal B-Part liquor sales have caused revenue loss exceeding ₹2,174 Crores;
- * Additional illegal collections under supply zone determinations approximate ₹52 Crores.

Thus, from country liquor operations alone, illegal proceeds exceeding ₹2,545 Crores have been traced. Further investigation in respect of foreign liquor operations shows:

- * Illegal commission of about ₹88 Crores during 2019–20;
- * Additional illegal collections of approximately ₹21 Crores under market share arrangements; Further illegal collections of approximately ₹171 Crores through licensee channels over subsequent years.

56. Collectively, illegal commissions attributable to foreign liquor operations approximate ₹281 Crores, raising the total illegal commission

derived from both country and foreign liquor operations to nearly ₹2,828 Crores. Apart from illegal commissions, misuse of licensing mechanisms further resulted in undue profit of approximately ₹248 Crores to private entities, which otherwise constituted revenue legitimately accruable to the State.

57. Thus, the consolidated financial impact of the scam presently established exceeds ₹3,000 Crores, with investigation indicating that the total figure may eventually exceed ₹4,000 Crores upon tracing additional streams.

XIII. REAL APPREHENSION OF TAMPERING WITH EVIDENCE

58. The investigation presently involves extensive digital, financial and documentary evidence, including:

- * digital chats and communication trails,
- * layered financial transactions and hawala routing,
- * intermediary handlers and money trails, and
- * beneficiary identification and asset tracing.

59. Protection of witnesses and preservation of digital and documentary evidence are critical at this stage. Release of the applicant carries a real and substantial risk of influencing witnesses, tampering with evidence, and obstructing investigation, particularly as several financial linkages and beneficiary trails remain under examination.

XIV. INVESTIGATION IS STILL EXPANDING AND CHARGE-SHEETS CONTINUE TO BE FILED

60. The present case reflects a multi-layered economic conspiracy. After filing of the charge-sheet against the applicant, multiple

supplementary charge-sheets have been filed against other accused persons, and investigation continues to trace additional links, intermediaries, handlers and end-use beneficiaries. Material relating to several accused persons continues to emerge and investigation remains active in quantifying proceeds of crime and tracing fund flows. Grant of bail at this stage would seriously prejudice ongoing investigation.

XV. ROUTING OF PROCEEDS AND PROPERTY INVESTMENTS UNDER INVESTIGATION

61. It is contended that attempts to legitimize illegal proceeds through banking entries routed via various entities and investments in immovable properties. Suspicious banking entries and investments exceeding several crores have surfaced, and the identification of linked entities and properties is presently under verification. Premature disclosure or release of the applicant may seriously hamper these efforts.

XVI. APPLICANT'S INVOLVEMENT IN OTHER ECONOMIC OFFENCES

62. It is further submitted that the applicant is also an accused in other organized economic offences involving procurement and departmental irregularities. Investigation in those matters also reveals financial and documentary linkages which are presently under examination. Release of the applicant may adversely affect investigation across interconnected streams.

XVII. OFFENCE IS PART OF AN ORGANIZED ECONOMIC SYNDICATE

63. The offence under investigation is not an isolated transaction but

part of an organized and systematic economic conspiracy involving manipulation of policy, diversion of public revenue, generation of illegal funds and concealment of proceeds through layered transactions. Such offences have grave consequences on public finance and governance, and therefore require a cautious judicial approach at the stage of bail.

XVIII. PARAMETERS GOVERNING BAIL ARE NOT SATISFIED

64. It is respectfully submitted that the Apex Court in ***State of U.P. v. Amarmani Tripathi, (2005) 8 SCC 21***, has laid down guiding parameters for grant of bail, requiring courts to consider:

- * existence of a prima facie case;
- * nature and gravity of accusation;
- * severity of punishment in the event of conviction;
- * likelihood of accused absconding;
- * character, behaviour and standing of the accused;
- * likelihood of repetition of offence;
- * possibility of witness tampering; and
- * danger of justice being thwarted.

Applying these parameters, it is submitted that the present case involves grave economic offences, large-scale loss to public funds, strong prima facie material, and a real apprehension of interference with investigation and witnesses. Hence, the applicant does not satisfy the criteria for grant of bail.

XIX. ECONOMIC OFFENCES REQUIRE STRICTER APPROACH

65. The Apex Court in ***Gulabrao Baburao Deokar v. State of Maharashtra, (2013) 16 SCC 190***, has held that economic offences,

due to their societal impact, demand careful scrutiny while considering bail.

66. Similarly, in *Mahipal v. Rajesh Kumar, (2020) 2 SCC 118*, it has been reiterated that courts must consider the seriousness of allegations and likelihood of obstruction of justice before granting bail. Further, in *Nimmagadda Prasad v. CBI, (2013) 7 SCC 466*, the Supreme Court categorically held that economic offences form a class apart and require a stricter approach in bail matters. Likewise, in *Y.S. Jagan Mohan Reddy v. CBI, (2013) 7 SCC 439*, it has been held that economic offences involving public money demand stringent consideration while dealing with bail applications. In *Subramanian Swamy v. CBI, (2014) 8 SCC 682*, the Apex Court observed that corruption strikes at the root of governance and requires strong judicial response. Further, in *Neeru Yadav v. State of U.P., (2016) 15 SCC 422*, it has been reiterated that courts must consider the nature of accusation and possibility of tampering with evidence while adjudicating bail. These authoritative pronouncements clearly indicate that grant of bail in cases involving organized economic crime requires exceptional caution.

XX. PRIMA FACIE MATERIAL LINKS THE APPLICANT TO THE CONSPIRACY

67. The WhatsApp chats and other digital communications placed on record reveal the involvement of the applicant in matters connected with policy execution and operational functioning, thereby lending prima facie support to the prosecution case. At the stage of bail, meticulous evaluation of evidence is impermissible; existence of prima facie material is sufficient to decline bail.

XXI. FREE AND UNHINDERED INVESTIGATION MUST BE PROTECTED

68. It is a settled principle that courts must ensure that investigation proceeds in a free and unhindered manner. Considering the complexity and magnitude of the present case, grant of bail at this stage would risk interference with ongoing investigation. The offences alleged involve enormous financial loss to the State and a network-based economic conspiracy. Release of the applicant may adversely affect witness protection and preservation of digital and documentary evidence.

XXII. MANIFEST APPREHENSION OF WITNESS INFLUENCE AND EVIDENCE TAMPERING

69. In view of the applicant's commanding position of influence and the sensitive nature of evidence at stake, there subsists a manifest and imminent danger of the applicant menacingly influencing witnesses, brazenly tampering with records, and derailing the investigation or trial if enlarged on bail. The prima facie material on record unequivocally substantiates these perils, rendering bail wholly untenable.

XXIII. BAIL APPLICATION MUST BE REJECTED OUTRIGHT

70. Confronted with the heinous gravity of accusations, the astronomical scale of financial devastation wrought, irrefutable prima facie evidence, the critical infancy of investigation, and the palpable threat of witness intimidation and evidence manipulation, the applicant is emphatically disentitled to bail. Every contrary averment in the bail application stands categorically repudiated as patently frivolous, legally bankrupt, and deserving of outright dismissal.

FINDINGS AND CONCLUSION

71. Arguments advanced by learned counsel for the parties heard in extenso; rival contentions weighed and material on record scrutinized with utmost care.

72. This Court is conscious of the gravity of the allegations levelled against the applicant. The prosecution has contended that the applicant is one of the principal conspirators and a key architect of the alleged liquor syndicate, and that the activities attributed to the accused persons have resulted in substantial loss to the State exchequer.

The instant application, second bail application, filed post dismissal of **SLP (Crl.) No. 17659/2024 on 16.09.2025**—wherein the Supreme Court expressly granted liberty to renew before this Court, discloses material alteration in circumstances. Applicant languishes in custody **exceeding 18 months (since 21.08.2024 in the present case)**; chargesheet stands filed, investigation concludes *sans* further material discoveries. Prior rejections (*Ld. Special Judge order dt. 09.09.2024; this Court' in MCRC 6496/2024 dt. 04.12.2024*) turned on nascent investigation stage, now overtaken by prolonged incarceration *sans* trial commencement. This shift invokes *Kalyan Chandra Sarkar v. Rajesh Ranjan (2004) 7 SCC 528*, holding extended custody post chargesheet as prima facie change meriting reconsideration. Article 21 mandates liberty as rule, detention exception balance tilts decisively here.

I. Earlier Bail Proceedings and Liberty Granted by the Hon'ble Supreme Court

73. It is not disputed that the applicant's maiden bail application preferred before this Court stood rejected vide order dated **04.12.2024** in **M.Cr.C. No. 6496 of 2024**. Aggrieved thereby, the applicant approached the Supreme Court by way of SLP (Crl.) No. 17659 of 2025 wherein, vide order dated 16.09.2025, their Lordships were pleased to grant liberty to the applicant to renew his prayer for bail after the expiry of three months from that date, expressly in the event no substantial progress had been made in the investigation or trial of the subject matter. This Court also takes into consideration the order passed by the Supreme Court in the proceedings arising out of the same set of allegations, wherein the Apex Court directed the investigating agencies, including the Enforcement Directorate and the concerned State agencies, to complete the investigation and file the complaint by way of an additional charge-sheet within a stipulated period.

74. The Supreme Court thereafter granted liberty to the accused persons to apply for regular bail or anticipatory bail before the competent Court, directing that such applications shall be considered on their own merits without being influenced by the earlier orders passed in the matter. It has held that :

By way of a conclusion, we would only direct the Investigating Agencies ie. the Enforcement Directorate and the concerned State agencies to file the complaint and conclude the investigation by way of an additional charge sheet, within a period three months from the date of receipt of copy of this order.

Thereafter, liberty is granted to the petitioner(s) to file application(s) for regular

bail or anticipatory bail, as the case may be, which will have to be considered on their own merits, without being influenced by any of the orders passed earlier or by the impugned orders(s). For seeking the aforesaid relief of bail, the petitioners can approach the High Court. The interim orders granted earlier stand vacated.”

75. The Supreme Court further clarified that the accused persons would be at liberty to approach the High Court for seeking appropriate relief. The present application has been preferred in pursuance of the liberty so granted by the Hon'ble Supreme Court and therefore deserves independent consideration on its own merits.

II. Length of Custody and Right to Speedy Trial

76. The Applicant has remained in custody for a period of more than 18 months. During this period, although the prosecution has filed a supplementary charge-sheet, the trial has not progressed in any meaningful manner. It is well settled that prolonged incarceration without commencement of trial amounts to violation of Article 21 of the Constitution, particularly where the delay is not attributable to the accused. **A person confined in judicial custody cannot be expected to remain incarcerated indefinitely awaiting completion of investigation, filing of supplementary charge-sheets, framing of charges and eventual conclusion of trial.** A person in custody cannot be **compelled to sit in prison indefinitely awaiting the uncertain timeline of investigation and trial.** The present case demonstrates precisely such a situation where the **trial is unlikely to conclude within a reasonable time and continued detention would amount to**

punitive incarceration without adjudication of guilt.

III. Absence of Prosecution Sanction and Non-Taking of Cognizance

77. It is an admitted position that although a supplementary charge-sheet has been filed against the Applicant, prosecution sanction has not yet been obtained. In the absence of a valid sanction, the learned Special Court is legally precluded from taking cognizance against the Applicant. Consequently, the trial has not even commenced and remains indefinitely deferred. This factor assumes considerable significance while examining the Applicant's right to liberty, particularly when the delay is entirely attributable to the prosecution.

IV. Investigation Still Continuing

78. Though the charge-sheet has been duly filed, the prosecution maintains that investigation remains ongoing, with no discernible timeline furnished for its culmination. This Court has repeatedly emphasized that post-charge-sheet prolongation of probe, absent compelling justification, erodes the very rationale of pre-trial detention (*Sanjay Chandra v. CBI, (2012) 1 SCC 40; P. Chidambaram v. Directorate of Enforcement, (2020) 13 SCC 229*). The absence of a definite closure horizon not only beclouds trial commencement but portends protracted proceedings, fraught with uncertainty. Such investigative inertia amplifies the vice of extended incarceration, now exceeding [18 months], rendering continued deprivation of liberty manifestly unjust. Article 21 enshrined right to expeditious trial stands imperilled; bail emerges not as concession but constitutional compulsion where State falters in timelines (*Bhim Singh v. State of J&K, (1986) 1*

SCC 214). The scale ineluctably tips towards applicant's release, balancing probe needs against primacy of personal liberty.

V. Magnitude of Evidence and Protracted Trial

79. The prosecution case rests on a colossal evidentiary edifice: **1111 witnesses proposed for examination, thousands of documents, against 51 accused persons across 7 charge-sheets, with further investigation still pending**. Cognizance qua the charge-sheet encompassing the applicant and co-accused remains elusive; charges stand unframed, trial nascent. This voluminous record unwieldy by any yardstick portends proceedings protracted over years, if not a decade (*Sanjay Chandra v. CBI, (2012) 1 SCC 40; P. Chidambaram v. Directorate of Enforcement, (2020) 13 SCC 229*). Pre-trial detention cannot mirror sentence in such labyrinthine prosecutions; Article 21 speediness imperative renders continued incarceration punitive, not preventive. Magnitude itself constitutes change in circumstances, compelling bail as constitutional corollary.

VI. Parity with Co-Accused

80. The applicant stands on complete parity with **co-accused Arunpati Tripathi and Arvind Singh** both enlarged on regular bail by competent Courts **vide orders dated 07.03.2025 SLP (Cri.) No. 14646/2024 and 19.05.2025 in SLP (Cri.) No. 2608/2005** respectively. The role ascribed, overt acts alleged, and evidentiary matrix against the applicant mirror those against the released co-accused in all material particulars—no distinguishing feature surfaces from the case diary or charge-sheet to warrant differential treatment. The doctrine of parity, a settled concomitant of Article 14 equality, mandates uniform application

in bail jurisprudence unless countervailing circumstances exist (***State of Kerala v. Raneef, (2011) 1 SCC 784; Neeru Yadav v. State of U.P., (2014) 16 SCC 508***). Absent such, perpetuating solitary detention of the applicant offends consistency and fairness.

VII. Applicability of Article 21 – Settled Precedents

81. The Supreme Court in ***Manish Sisodia v. Directorate of Enforcement (2024)*** has authoritatively held that prolonged pre-trial incarceration, coupled with trial delay, constitutes compelling ground for bail enlargement even in grave economic offences, trumping rigours of special statutes. Echoing this, ***Senthil Balaji v. Directorate of Enforcement (2024)*** underscores that continued custody sans meaningful trial progression renders Article 21 personal liberty guarantee hollow and punitive. Most recently, in ***Arvind Dham v. Directorate of Enforcement (SLP (Crl.) No. 15478/2025, decided 2025)***, their Lordships reiterated that “where trial culmination remains distant, statutory stringency cannot justify indefinite deprivation—bail inheres as constitutional entitlement.”

82. The prosecution edifice rests preponderantly on documentary evidence, forged records, transactional ledgers, and pecuniary trails, long since secured, seized, and sealed post applicant's arrest. Such material, immutable in character and insulated from post-custody interference, dissipates any genuine apprehension of tampering. The theoretical possibility pales against ***Sanjay Chandra v. CBI (2012) 1 SCC 40*** mandate: bail denial cannot stem from imagined risks where evidence integrity remains unassailable. Minimal tampering latitude

reinforces liberty presumption under Article 21.

VIII. Cumulative Assessment

83. Collating the material facets, this Court holds that Prior bail rejection (order dt. 04.12.2024 in M.Cr.C. No. 6496/2024) overtaken by Supreme Court's liberty in **SLP (Crl.) No. 17659/2024 (dt. 04.12.2024)**, explicitly tied to investigative stasis now manifest after 18 months' custody sans chargesheet or trial strides (***Kalyan Chandra Sarkar v. Rajesh Ranjan, (2004) 7 SCC 528***). Prolonged incarceration (exceeding 18 months) *sans sanction*, cognizance, or framed charges, with investigation lingering indefinitely. Evidentiary colossus—1111 witnesses, 51 accused, 7 charge-sheets, thousands of documents—portending trial spanning years (***P. Chidambaram v. Directorate of Enforcement, (2020) 13 SCC 229***).

84. The Supreme Court has specifically observed that indefinite incarceration may lead to infringement of the fundamental right guaranteed under Article 21 of the Constitution of India, and on a balancing of these considerations directed release of the petitioner on bail.

IX. Supreme Court Precedents

85. The principles expounded by the Supreme Court in the aforesaid precedents—***Manish Sisodia v. Directorate of Enforcement (2024)***; ***Senthil Balaji v. Directorate of Enforcement (2024)***; ***Arvind Dham v. Directorate of Enforcement (SLP (Crl.) No. 15478/2025)***—impinge with unerring force on the instant matrix, rendering them binding under

Article 141.

X. Factual Parity with Apex Court Narratives

86. The conspectus here mirrors those authoritative canvases taking into consideration the magnitude of the prosecution case and the volume of evidence proposed to be led during trial.

87. From the material placed on record, it emerges that as many as seven charge-sheets/prosecution complaints have already been filed, wherein more than 51 accused persons, including the present Applicant, have been arrayed as accused, and the prosecution proposes to examine as many as 1,111 witnesses. The case also involves voluminous documentary evidence running into thousands of pages, which would necessarily require considerable time for appreciation during trial.

88. It is further not in dispute that further investigation is still pending and the prosecution itself has indicated the likelihood of filing additional supplementary charge-sheets depending upon the outcome of the ongoing investigation. This circumstance alone demonstrates that the proceedings are far from attaining finality. Significantly, despite the filing of multiple charge-sheets and the passage of a considerable period of investigation, cognizance of the charge-sheets qua several accused persons, including the present Applicant, has not yet been taken by the learned Special Court, and consequently charges have not been framed till date.

89. In view of the number of accused persons, the large number of

witnesses, the voluminous documentary evidence, and the continuing investigation, the commencement of trial itself appears uncertain and its conclusion is even more remote. These circumstances substantially replicate those where their Lordships discerned trial inevitability spanning years, if not a decade. The Supreme Court has authoritatively crystallized in mega-prosecutions of such magnitude, investigative/trial complexities perforce consume considerable time—prolonged incarceration *sans* progress cannot subsume liberty core of Article 21.

90. The Applicant has endured over 18 months' incarceration; trial remains embryonic—cognizance elusive owing to sanction deficit. Such indefinite pre-trial detention, *sans* demonstrable trial strides, transmutes into punishment afore adjudication—expressly interdicted by the Apex Court threesome. Thus, continued deprivation mocks personal liberty.

91. Given the scale and complexity of the prosecution, the trial is not likely to conclude in the near future and may reasonably take several years for completion. The likelihood of a prolonged and time-consuming trial is therefore evident. In such circumstances, continued incarceration of the Applicant during the pendency of an uncertain and protracted trial would be inconsistent with the constitutional guarantee of personal liberty under Article 21 of the Constitution of India.

CONCLUSION

92. In view of the foregoing discussion, and taking into consideration the long period of incarceration undergone by the Applicant, the magnitude of the prosecution case involving a large number of accused

persons and witnesses, the pendency of further investigation, the non-taking of cognizance of the charge-sheets against the Applicant, and the protracted nature of the trial, this Court is of the considered opinion that the present second bail application deserves to be **allowed**. However, it is made clear that the Applicant is being enlarged on bail solely on the ground of prolonged incarceration and the likelihood of delay in completion of investigation and trial, and not on merits of the case.

93. The earlier order dated **04.12.2024 in M.Cr.C. No. 6496 of 2024**, rejecting bail upon due advertence to the gravity of allegations, seriousness of offences implicating public funds, and magnitude of the alleged scam—remains impervious, its observations and findings intact and binding. The instant grant of bail rests *sui generis* on the singular ground of prolonged incarceration amid interminable investigation and nascent trial, rendering continued detention antithetical to personal liberty mandate under Article 21. This order shall be construed strictly qua change in circumstances; merits determination awaits trial culmination. Liberty to prosecution to seek cancellation on breach or material vicissitudes.

94. Accordingly, the second bail application *sans* any adjudication on the merits of the case and circumscribing this order exclusively to the tenets regulating bail predicated on undue incarceration and trial delay, the instant second bail application merits allowance. It is well settled that the seriousness of the accusation, by itself, cannot be the sole ground to deny bail, particularly when the trial is unlikely to commence or conclude within a reasonable time. The object of bail is neither punitive nor

preventive, but to secure the presence of the accused during trial.

95. The Applicant, shall stand released on regular bail qua Crime No. 04/2024, Economic Offences Wing/Anti-Corruption Bureau, Chhattisgarh registered for offences u/ss 420, 467, 468, 471, 120-B IPC and ss. 7 & 12, Prevention of Corruption Act, 1988—upon furnishing a personal bond of ₹1,00,000/- (Rupees One Lakh only) with one solvent surety of equivalent value, to the satisfaction of the learned Trial Court, subject to the ensuing conditions:

- (i) he shall surrender his passport, if any, before the Trial Court;
- (b) the applicant must cooperate with the investigation and the trial proceedings;
- (c) he shall not directly or indirectly make any inducement, threat or promise to any person acquainted with the facts of the case;
- (d) he shall commit no offence whatsoever during the period they are on bail; and
- (e) in case of change of residential address and/or mobile number, the same shall be intimated to the Court concerned by way of an affidavit.
- (f) He will not leave the country without prior permission of the Court.
- (g) any stringent conditions as may be imposed by the trial court.

96. In the event of any breach of the aforesaid conditions, it shall be

open to the prosecution to seek cancellation of bail by way of an appropriate application, to be disposed of on its own merits strictly in accordance with law.

Sd/-
(Arvind Kumar Verma)
Judge