

KABC010006422026



IN THE COURT OF LXXXI ADDL. CITY CIVIL AND
SESSIONS JUDGE, BENGALURU (CCH-82)

:PRESENT:

Sri Santhosh Gajanan Bhat, B.A.L., LL.B.,
LXXXI Addl. City Civil & Sessions Judge,
Bengaluru City (CCH-82)
(Special Court exclusively to deal with criminal cases
related to elected former and sitting MPs/MLAs
in the State of Karnataka)

Dated this the 14th day of January, 2026

Crl.Misc.No.212/2026

PETITIONER : B. Nagendra
S/o B. Anjaneyulu,
Aged about 54 years,
Residing at F1, 1st Floor,
Rama Ashraya Apartments,
Seenappa Extn., New BEL
Road, Bengaluru North,
Bengaluru, Karnataka – 560
094.
(Sitting MLA Bellary Rural)

**(By Sri.Gowtham Nettar,
Advocate)**

V/s

RESPONDENT : State by CBI/ACB/DLR
Police, No.36, Ballari Road,
Ganga Nagar, Bangalore.

(By Sri. Balaji, learned

Public Prosecutor)**ORDER ON PETITION FILED UNDER SEC.438 of Cr.P.C.**

This bail petition has been filed under Section 438 of Cr.P.C., wherein the petitioner is alleged to have been arraigned as accused in RC 0782024E0001 registered by CBI Police for the alleged offences punishable under Sections 409, 420, 467, 468, 471 r/w Sec.141 of IPC and Sec.13(2)(1)(a) of Prevention of Corruption Act, 1988 which are pending on the file of the learned 21st Addl. City Civil and Sessions Judge, Bengaluru City.

2. The brief facts leading to the above case is that the criminal law was set into motion on the basis of the complaint lodged by the Deputy General Manager of Union Bank of India, Regional Head, Bengaluru East. The aforesaid case was registered against 3 known Bank officials and unknown private persons and also against unknown public servants. The complaint which was registered would indicate that they had complained regarding committing of cheating, forgery and criminal

misappropriation of funds by way of illegal transfer/withdrawal of amount from the SB and SOD Accounts of M/s Karnataka Maharshi Valmiki ST Development Corporation Limited (Government of Karnataka Undertaking), Bengaluru (hereinafter referred to as 'Corporation' in short) at M.G.Road Branch. It is submitted that the Corporation had opened their account in the aforesaid Bank at Vasantha Nagar Branch and subsequently the aforesaid SB Account came to be transferred to their M.G.Road Branch on 21.02.2024. It is submitted that the account holder Corporation, while confirming transfer of SB Account had stated that their account holder had further issued the mandate to the effect that the account shall be operated jointly by the Managing Director and Accounts Officer along with the authorised signatory were also sent. Thereafter, on 26.02.2024 on the receipt of service of request of the account holder, the mandate for account operation as "jointly by all", the change was

carried out by the Branch. The complaint also indicates that series of debit transaction in the SB Account of the Corporation had taken place on various dates and the transfer was through their NEFT/RTGS based on the cheques issued by the authorised signatories of the account holder and RTGS forms. Further it is narrated that the Deputy Branch Head while verifying the cheques did not verified the series of transaction which were made in bulk amounts out of the Bank and all the credits were made to the account maintained at RBL Account, Banjara Hills Branch, Hyderabad. The acts of omission resulted in fraudulent transfer of an amount of Rs.89.63 Crores and thereby caused loss to the Union Bank of India. In the complaint it has also been narrated that due to the act of some unknown persons who had played fraud in the illegal transfer of money from the account of the Corporation, it misappropriated the funds with an intention to cheat and defraud the Bank's public money amounting to Rs.89.63 Crores. It is

also submitted that accused forged the available securities and other documents for the purpose of cheating and in the meantime an amount of Rs.5 Crores was recovered and Rs.84.63 Crore were to be recovered. Based on the same, the FIR came to be registered and of-late the investigation has been commenced by the ED Authorities. Apprehending the arrest and ill-treatment, the petitioner has filed this instant bail petition.

3. It is contended by the petitioner that initially a case in Crime No.118/2024 was registered on 28.05.2024 by the High Grounds Police Station for the alleged offences punishable under Sec.409, 420, 467, 468, 471 r/w Sec.141 of IPC, on the basis of the complaint lodged by one Mr. Rajashekara, General Manager of the Corporation. The aforesaid case was registered against 6 accused persons and later on the case was handed over to CID Police, Bengaluru, who had filed the final report in the aforesaid case. It is submitted by the petitioner that simultaneously, on the

same subject matter a separate FIR was registered by the CBI on the basis of the complaint filed by the Deputy General Manager of Union Bank of India on 03.06.2024 against 3 known Bank officials of Union Bank of India and against unknown private persons and unknown public servants. During the midst of the same, the Union Bank of India had also filed a Writ Petition before the Hon'ble High Court of Karnataka in WP No.17274/2024 seeking to entrust the investigation of Crime No.118/2024 to CBI. However, the Hon'ble High Court of Karnataka vide its order dated 13.11.2024 had dismissed the Writ Petition. During the said period of time, another Writ Petition was filed in WP No.311101/2024 by an independent person seeking for direction to investigate the FIR dated 03.06.2024 registered by the CBI. In the said Writ Petition, the Hon'ble High Court of Karnataka had passed an order wherein it had specifically held that the CID, Enforcement Directorate, Central Forensic Science

Laboratory and State Forensic Science Laboratory and the concerned Court to furnish documents and forensic images as sought for the purpose of conducting investigation and to file a Final Report before the concerned Court. The petitioner has also submitted that the CID Police had already investigated the matter and comprehensive charge-sheet was filed for misappropriation of funds to an extent of Rs.94,73,80,500/- about 16 accused persons and the petitioner was not arraigned as accused by the CID Police. It is also submitted that the respondent had sought to conduct further investigation with respect to the incidents of fund diversion from KGTTI and Schedule Tribe Welfare Department. It is submitted that the petitioner had appeared for the enquiry on two subsequent dates also. The petitioner has also contended that he had no role to play in the allegations made against him in the case registered in Crime No.118/2024, wherein the charge-sheet was also filed.

As such, when the main issue was already investigated by the SIT-CID Police, the question of involvement of the petitioner in the above case was also not forthcoming. Lastly, the petitioner has submitted that he was served with a notice on 05.01.2026 to produce certain documents. The documents which were required to be submitted by him was already produced by him on three earlier occasions. That being the case, the issuance of notice with respect to the documents which were already in the custody of the Investigating Agency would undertake that the Investigating Agency was intended to take illegal coercive steps against him. It is also submitted that the petitioner had already co-operated with the investigation and he being the elected representative was a well respected person having deep roots in the society and hence he was ready and willing to abide by any of the conditions that may be imposed by this court. Accordingly, he had sought for admitting him to bail.

4. During the course of arguments, the learned counsel for the accused has relied upon the following authorities;

**1) 2025 SCC Online SC 457
(Pradip N Sharma Vs. State of
Gujarat and another)**

**2) (2024)12 SCC 199 (Ashok Kumar
Vs. State of Union Territory of
Chandigarh)**

**3) (2016)1 SCC 152 (Bhadresh
Bipinbhai Sheeth Vs. State of
Gujarath and another)**

**4) (2022)13 SCC 246 (S.K.Supiyan
@ Suffiyan Vs. CBI)**

**5) (2025)1 SCC 753 (Tusharbhai
Rajnikantbhai Shah Vs. Kamal
Dayani and others)**

By relying upon the aforesaid authorities, the learned counsel for the petitioner has requested the court to admit him to anticipatory bail.

5. On request, the learned Public Prosecutor has put in his appearance and has filed detailed statement of objections inter-alia denying the averments made in the bail petition. In the statement of objections, certain preliminary objections are raised by submitting that the

petitioner has indulged in a serious economic and corruption related offence involving misuse of official position, diversion of public funds meant for Scheduled Tribe welfare, manipulation of banking channels, acceptance of illegal gratification and criminal conspiracy to cheat which was having far reaching ramifications on public interest and governance. It is also submitted that the investigation conducted so far has revealed a well orchestrated criminal conspiracy, wherein the petitioner acted in concert with other accused persons to manipulate official decisions, influence public servants and facilitate illegal benefits in violation of statutory rules and established procedures. Thereafter, the respondent has explained the background of the case and also the kind orders passed by the Hon'ble High Court of Karnataka and it is submitted that vide orders passed by the Hon'ble High Court of Karnataka on 01.07.2025, a direction was issued to CID, ED, CFSL and FSL to provide the digital devices and documents

and also to permit investigation into the role of KGTTI and ST Welfare Department, thereby explaining the scope of investigation to investigate the diversion of funds pertaining to Schedule Tribe Welfare Department and KGTTI.

6. In the statement of objections, it is stated that the investigation had revealed the specific role of petitioner who was working as Minister of Schedule Tribe Welfare Department and he had actively participated in the criminal conspiracy of siphoning the funds of the Corporation to an extent of Rs.89.63 Crores and he had also manipulated the tendering process of Schedule Tribe Welfare Department and KGTTI in conspiracy with public persons/private persons and favoured in getting the tenders and works allotted to Firms of his choice and obtained illegal gratification from these firms through his close associate Nekkanti Nagaraj. In the submission of objections revealed about the allegations which has been leveled against Nekkanti

Nagaraj, E.Nageshwar Rao, Satyanarayan Varma, Padmanabha J.G. and Parashuram.D, who was the Administrative Officer of the Corporation. It is narrated that Rs.187 Crores of funds from other accounts of Valmiki Corporation pooled into M.G.Road Branch account and from there a sum of Rs.89.63 Crores were diverted fraudulently from M.G.Road Branch account to 18 bogus account of FFCCSL, Hyderabad and further got diverted fund into cash and gold bullions. It is submitted that the beneficiaries of diverted fund of the Corporation had benefitted from this diverted fund through the close associates of the petitioner herein. Thereafter, the statement of objections also states that the investigation indicated that the petitioner who was the then Manager of Scheduled Tribe Welfare Department had entered into criminal conspiracy with his close associates to award the tenders to a particular entity and obtained gratification through his close associate through banking channels. It is also narrated

by the Investigating Agency that the account of the Corporation maintained at Bank of Baroda Siddaiah Road Branch, had revealed that the amount transferred for tender work during 2023-24 was Rs.5.17 Crores, which was transferred to the Bank account of Nekkanti Nagaraj in the name of his Firm M/s Dhanalakshmi Enterprises, N.Suresh, N.Ravikumar who were the brothers of Nekkanti Nagaraj, Kanumilli Naga Shekar who was the elder son of Nekkanti Nagaraj and others. It is also submitted that funds were further transferred as follows;

Amount transferred to	Relation to Petitioner	Amount
Smt.B.Sharada	Sister of the petitioner	Rs.9 lakhs
D.Bharani Prasad	Brother-in-law of the petitioner	Rs.10 lakhs
K.Vishwanath	PA of the petitioner	Rs.41 lakhs
N.Govinda Rajulu	Farm House owner at Bellary	Rs.60 lakhs

7. In order to substantiate the same, it is submitted that the petitioner had entered into criminal

conspiracy with his close associate Nekkanti Nagaraj and others in award of skill development works of Nomadic Tribal Development Corporation through KGTTI and further got it awarded to a particular entity without following tender guidelines and as such he had obtained illegal gratification. Thereafter, the contentions urged in the petition has been traversed with para-wise remarks and the same is denied and lastly it is submitted that the fraud had come into light on 21.05.2024 itself but since the petitioner had entered into conspiracy with Padmanabha J.G., who was the Managing Director of the Corporation and Nekkanti Nagaraj who was the close associate had made efforts to suppress the fraud by getting the fund back to an extent of Rs.5 Crores and again on 26.05.2024, the Account Superintendent of the Corporation had committed suicide by leaving a suicide note implicating the Managing Director, Administrative Officer and Branch Head of Union Bank of India and thereafter the scheme

had come into the light. It is also submitted that during the course of enquiry, the petitioner had submitted that he had destroyed his mobile phone having a particular mobile number which he used at relevant point of time and the same would indicate the non-co operation attitude of the petitioner towards destroying the evidence. As such, it is submitted that sufficient materials were found against the petitioner herein and accordingly the petitioner was influencing the witness and other accused person, tampering with the evidence, obstructing the investigation, destroying the digital and financial records and hence they have sought for dismissal of the instant bail application.

8. The learned Special Public Prosecutor during the course of his arguments has relied upon the judgment of the Hon'ble Apex Court reported in 2025 SCC Online SC 764 (Serious Fraud Investigation Office Vs. Aditya Sarda) and (1997)6 SCC 647 (Directorate of Enforcement and another Vs. P.V.Prabhakar Rao). By

relying upon the said authorities, he has requested the Court to dismiss the anticipatory bail application.

9. Heard and perused the materials on record.

The point that would arise for my consideration are:

1. *Whether the petitioner has made out grounds for admitting him to anticipatory bail?*

2. *What orders?*

10. My findings to the aforesaid point are as follows:

Point No.1: In the affirmative;

Point No.2 : As per my final order

for the following;

REASONS

11. **Point No.1:** Shorn of unnecessary details, the brief facts in narrow compass is that the petitioner herein has filed the anticipatory bail petition on the premises that the respondent/CBI are making hectic efforts to arrest him. The genesis of the above case is that a complaint came to be registered in

Cr.No.118/2024 due to committing of suicide by the employee of the Corporation and subsequently the case came to be transferred to SIT for the purpose of investigation wherein the FIR was filed for the alleged offences punishable under Sec.409, 420, 467, 468, 471 and 120B of IPC. During the midst of the same, the Union Bank of India had also filed a written information before the CBI requesting to conduct investigation against the employees of their Bank, some unknown public persons and unknown public servants with respect to misappropriation of the funds belonging to the Corporation. As such, a FIR was registered by the CBI for the aforesaid provisions of law and also under Sec.13(2), 13(1)(a) of the PC Act, 1988. During the interguim, the Union Bank had approached the Hon'ble High Court of Karnataka seeking permission to widen the scope of their investigation and the same came to be allowed, wherein the Hon'ble High Court by its kind order had directed the SIT, CID, ED, CFSL and SFSL to

furnish necessary documents pertaining to the above case and share the information. The petitioner herein who was the then Minister in the Government of Karnataka and in-charge of the Corporation is alleged to have been involved in the misappropriation of funds and accordingly he was arrested and remanded to JC by the ED in ECIR 14/2024, wherein later on the petitioner herein was admitted to bail. Now being aggrieved by the issuance of notice by the CBI, and also apprehending arrest and ill-treatment at their hands, the petitioner herein has filed this instant bail petition.

12. The first and foremost aspect which is required to be considered is the scope of investigation which is conducted by SIT in Cr.No.118/2024. The learned counsel for the petitioner has filed the copy of the final report which was filed by the Investigating Agency. On perusal of the charge-sheet it has been held by the Investigating Agency after completion of the investigation that accused No.1 therein Satyanarayan

Verma had entered into a criminal conspiracy with accused No.2 Kaki Srinivas and had colluded with accused No.12 Nikkanti Nagaraj, accused No.3 Sathyanarayan, accused No.4 Sai Teja, accused No.5 J.G.Padmanabha, who was the Director of the Corporation with other accused persons and in furtherance of their criminal conspiracy, they had prepared forged documents purporting it to be genuine one and had opened several Bank accounts and had misappropriated totally a sum of Rs. 89,62,99,500/- belonging to the Corporation and thereby the final report was filed under Sec.120B, 406, 409, 420, 465, 468 and 471 of IPC. It is relevant to note that during the same period of time on the written information filed by the Union Bank of India, the case was registered by the respondent/CBI wherein it was contended that due to connivance and help of the Bank officials and unknown public servants, the funds pertaining to the Corporation was misappropriated and siphoned off. At the same

time, the Directorate of Enforcement had also registered ECIR/BGZO/14/2024 and had launched the investigation against the accused persons mentioned in Cr.No.118/2024 and also against the present petitioner B.Nagendra, for the offences punishable under Sec.3 and 4 of PMLA, 2002. The reference of all the above cases becomes important in the instant case for the reason that the amount which is alleged to have been siphoned off is percolated and transferred into various persons name which the Investigating Agencies claims that the same has been unearthed and portion of it has been recovered. At this juncture, the submissions made by the learned PP is also required to be considered. It is the submission of the learned PP that the investigating CBI at present is looking into larger conspiracy that had formed part of the allegations leveled against the Corporation. In order to better appreciate the same, the kind orders passed by the Hon'ble High Court of Karnataka which is repeatedly being referred to by the

Investigating Agency as well as the petitioner is required to be looked into. The Writ Petition in **WP No.31101/2024 (Basanagouda R Patil (Yatnal) and others Vs. CBI**, it was directed by the Hon'ble High Court of Karnataka as follows;

5. In the light of the above, it is humbly prayed that this Hon'ble Court may be pleased to issue necessary directions to the CID, ED, CFSL, SFSL and the concerned Courts to expedite the furnishing of certified copies of documents and forensic images of all relevant digital devices seized in the case.

6. Further, the investigation has revealed additional instances of fund diversion involving other Government departments, as under: -

- A sum of ₹95.00 Lakhs was siphoned off from the account of Karnataka German Technical Training Institute (KGTTI) maintained at Canara Bank, Bangalore, and transferred to the account of accused Shri Nekkanti Nagaraj through intermediary accounts.
- An amount of ₹2.17 crores, belonging to the Scheduled Tribes Welfare Department, was diverted from another account of the KMVSTDCL (Valmiki Corporation) maintained with Bank of Baroda, Siddayya Road Branch,

Bangalore, and routed to accused Shri Nekkanti Nagaraj.

7. In view of the emergence of the above facts, the leave of this Hon'ble Court is sought to investigate the role of the officials and private individuals involved in the diversion of funds from KGTTI and the ST Welfare Department, as part of the present investigation.

8. It is further submitted that the investigation is presently at an advanced stage, and the Final Report under Section 173 Cr.P.C. shall be filed in due course against the public servants and other accused persons whose role has been established."

In furtherance of what is said, the prayer that is sought is as follows:

"In view of the foregoing, it is most respectfully prayed that this Hon'ble Court may be pleased to (i) issue directions to the CID, ED, CFSL, SFSL and the concerned Courts to furnish copies of documents and forensic images of digital devices seized during investigation in the case and (ii) grant permission to the Respondent to investigate the newly surfaced instances of fund diversion from KGTTI and the Scheduled Tribes Welfare Department, which are intricately connected to the subject matter of the present case, in the interest of justice and to ensure a fair and comprehensive investigation."

(Emphasis added)

The CBI has sought a direction to the CID, ED, CFSL, SFSL and Further the concerned Court where Crime No.118 of 2024 is being considered to furnish copies of documents and forensic images of digital devices seized during investigation. permission is sought by the CBI to investigate newly surfaced fund diversion in Karnataka German Technical Training Institute maintained at Canara Bank, as funds are transferred from Corporation to the said training institute.

6. In the light of the status report being sought at the hands of this Court from time to time, what the CBI has sought is only to further the investigation that is entrusted to it by the Bank. Horizons of investigation is sought to be expanded in view of what is gathered during the investigation, as narrated in the status report. Since the prayer is for completion of investigation or taking the investigation to its logical conclusion by filing a final report before the concerned Court, I deem it appropriate to grant the prayers that are sought by the CBI in the status report.

7. Therefore, I direct the CID, Enforcement Directorate, Central Forensic Science Laboratory and the State Forensic Science Laboratory and the concerned Court to furnish the documents and forensic images as sought for (more specifically explained in the prayer quoted supra), for the purpose of conduct of investigation and

**filing of a final report before the
concerned Court.**

Ordered accordingly.”

13. In the aforesaid Writ Petition, a prayer was sought to hand over the investigation to CBI and a status report was also filed by the CBI. In that Status Report, the CBI had specifically contended that a sum of Rs.95 lakhs was siphoned off from the account of KGTTI maintained at Canara Bank, Bengaluru, and was transferred to the account of accused Nekkanti Nagaraj and also it was narrated that a amount of Rs.2.17 Crores belonging to Scheduled Tribes Welfare Department was diverted from another account of KMVSTDCL (Valmiki Corporation) maintained with Bank of Baroda, Siddaiah Road Branch, Bengaluru and routed to the account of accused Nekkanti Nagaraj. The aforesaid aspect assumes importance for the reason that in the Status Report, the aforesaid diversions of fund was said to have been discovered apart from the earlier instance of fund diversion. Based on the aforesaid

prayer, the Hon'ble High Court of Karnataka by its kind order had directed CID, ED, CFSL and SFSL and also the concerned Court to furnish documents and forensic images as sought for the purpose of conducting investigation. Now the aforesaid aspect is required to be juxtaposed and looked into with respect to the objections which is placed before the Court.

14. In Para-14 of the statement of objection filed by the CBI, it is submitted that the petitioner while working as Minister of Scheduled Tribe Welfare Department had entered into criminal conspiracy with his close associates in award of tenders of ST Welfare Department to a particular entity and obtained illegal gratification through his close associate through the banking channels which was further diverted to his private assistants and close relatives. The learned counsel for the petitioner has seriously disputed the same and in order to buttress his submission, he has produced the tender document pertaining to smart

computer lab. As per the bid document which was floated in GeM dated 08.01.2024, it indicates that the Directorate of Scheduled Tribe Welfare Department had called for tender to furnish totally 1525 quantity of smart computer lab, processing unit, CC TV for smart computer lab etc.,. It is pertinent to note that the bid was called as per law by furnishing necessary documents and the further documents which are produced by the petitioner indicates that the technical bid was opened on 05.02.2024, out of which two bidders had participated i.e., a) SKR Infrastructures and b) SK Steel Industries. After negotiation it was ordered by the Director of Scheduled Tribe Welfare Department, Bengaluru, that the bid was finalized in favour of SKR Infrastructure for Rs.9,57,17,600/-. The learned counsel has also argued that thereafter necessary delivery challans were issued, installation certificates were also produced by the concerned Hostels wherein the System/Smart Computer Labs were to be set up and

also configuration inspection report which was a pre-delivery report was issued by the System Analyst of DPAR (e-Governance) and only thereafter the post delivery configuration inspection report came to be furnished by the System Analyst, DPAR (e-Governance). It is pertinent to note that a Certificate has been issued that all specification and configuration are as per the work order mentioned above and working satisfactorily during the time of inspection. I have also bestowed my anxious reading to the order which is referred by the learned counsel for the petitioner dated 28.02.2024, wherein the Director of Scheduled Tribe Welfare Department has issued an order requesting for release of Rs.7,71,86,664/- in favour of SKR Infrastructure and for the sake of convenience, the said order is extracted which reads as follows;

ಆದೇಶ

ಸಂಖ್ಯೆ: ಪವಕಇ: ಇಡಿ-02: ಸಿಆರ್-55:2023-24

ದಿನಾಂಕ: 06.03.2024

ಪ್ರಸ್ತಾವನೆಯಲ್ಲಿ ವಿವರಿಸಿರುವ ಅಂಶಗಳ ಹಿನ್ನೆಲೆಯಲ್ಲಿ 25 ವಿದ್ಯಾರ್ಥಿ ನಿಲಯ/ವಾಲ್ಮೀಕಿ ಆಶ್ರಮ ಶಾಲೆಗಳ ಪೈಕಿ ಬಾಕಿ ಉಳಿದ 4 ಸಂಸ್ಥೆಗಳಿಗೆ Smart Computer Lab ಗಳನ್ನು ಸರಬರಾಜು ಮಾಡಿ ಅಳವಡಿಸಿರುವ ಬಾಬು ರೂ. 1,53,14,814/- ಗಳಲ್ಲಿ ಬಿಡುಗಡೆ ಮಾಡುವಂತೆ SKR Infrastructure, Bangalore ಕೋರಿರುವ ಹಿನ್ನೆಲೆಯಲ್ಲಿ ಬಿಲ್‌ನ ಮೊತ್ತ ರೂ. 1,53,14,814/- ಗಳಲ್ಲಿ ಶೇ. 2 ರಷ್ಟು ಜಿ.ಎಸ್.ಟಿ. ರೂ. 3,06,296/- ಗಳು ಹಾಗೂ ಶೇ. 2 ರಷ್ಟು ಟಿ.ಡಿ.ಎಸ್ ರೂ. 3,06,296/- ಗಳು ಸೇರಿ ಒಟ್ಟು ರೂ. 6,12,592/- ಗಳನ್ನು ಕಟಾಯಿಸಿ ಬಾಕಿ ಮೊತ್ತ ರೂ. 1,47,02,222/- ಗಳನ್ನು SKR Infrastructure, Bangalore ರವರು ಸಲ್ಲಿಸಿರುವ ದಾಖಲೆಗಳು ಹಾಗೂ Pre and Post Delivery ತಪಾಸಣಾ ವರದಿ ಮತ್ತು ವಿದ್ಯಾರ್ಥಿ ನಿಲಯಗಳ ವಾರ್ಡನ್/ನಿಲಯ ಮೇಲ್ವಿಚಾರಕರು ನೀಡಿರುವ ದೃಢೀಕರಣಗಳನ್ನಾಧರಿಸಿ SKR Infrastructure, Bangalore ರವರಿಗೆ ಬಿಡುಗಡೆ ಮಾಡಿ ಆದೇಶಿಸಿದೆ.

ಬ್ಯಾಂಕ್ ಖಾತೆ ವಿವರ

ಬ್ಯಾಂಕ್ ಖಾತೆದಾರರ ಹೆಸರು	ಬ್ಯಾಂಕ್ ಹೆಸರು	ಬ್ರಾಂಚ್	ಖಾತೆ ಸಂಖ್ಯೆ	IFSC Code	ಬಿಡುಗಡೆ ಮಾಡಿರುವ ಮೊತ್ತ (ರೂ.ಗಳಲ್ಲಿ)
SKR Infrastruct ure	Karnataka Bank	Vidyaranya apura	1237000 6000058 01	KARB000 0123	1,47,02,22 2/-

ಈ ಸಂಬಂಧದ ವೆಚ್ಚವನ್ನು 2023-24 ನೇ ಸಾಲಿನಲ್ಲಿ ಪರಿಶಿಷ್ಟ ಪಂಗಡದ ವಿವಿಧ ಅಭಿವೃದ್ಧಿ ಯೋಜನೆಯ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ 2225-02-794-0-05 (059) ರಡಿ ವಿದ್ಯಾರ್ಥಿ ನಿಲಯ/ವಾಲ್ಮೀಕಿ ಆಶ್ರಮ ಶಾಲೆಗಳಿಗೆ ಮೂಲಭೂತ ಸೌಕರ್ಯ, ಕಟ್ಟಡಗಳ ದುರಸ್ತಿ ಹಾಗೂ ಉನ್ನತೀಕರಣಕ್ಕಾಗಿ ಉಲ್ಲೇಖ (2) ರಲ್ಲಿ 1 ಮತ್ತು 2ನೇ ಕಂತಿನಲ್ಲಿ ರೂ.20. 00 ಕೋಟಿಗಳು ಬಿಡುಗಡೆಯಾಗಿದ್ದು ಸದರಿ ಅನುದಾನವನ್ನು

ಖಜಾನೆಯಿಂದ ಸೆಳೆದು ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು, ಕರ್ನಾಟಕ ಮಹರ್ಷಿ ಪರಿಶಿಷ್ಟ ಪಂಗಡಗಳ ಅಭಿವೃದ್ಧಿ ನಿಗಮ, ಬೆಂಗಳೂರು ರವರ ಬ್ಯಾಂಕ್ ಖಾತೆಗೆ ಜಮೆ ಮಾಡಲಾಗಿದ್ದು ಸದರಿ ಅನುದಾನದಲ್ಲಿ ಭರಿಸತಕ್ಕದ್ದು.

ನಿರ್ದೇಶಕರು

ಪರಿಶಿಷ್ಟ ವರ್ಗಗಳ ಕಲ್ಯಾಣ ಇಲಾಖೆ,

ಬೆಂಗಳೂರು.

15. The aforesaid orders would clearly indicate that the amount came to be released as per the orders passed by the Director of SC-ST Welfare Department, who on the basis of the tender floated in GeM had issued work order and thereafter on production of necessary receipts and pre and post inspection notes and proceeded to release the amount. The aforesaid order came to be passed on 28.02.2024 and another similar order was passed on 06.03.2024 by the very same authority. It is also relevant to note that the aforesaid copies were marked to the Managing Director of the Corporation directing them to release the amount in favour of M/s SKR Infrastructure. The learned counsel for the petitioner has vehemently argued that this is not the single time when M/s SKR Enterprises were awarded

with the tender and it is submitted by him that during the tenure of the previous Government also certain tenders were floated and it was awarded in favour of SKR Enterprises and very same procedures were followed. By pointing out to the above said aspects it is submitted that there was no illegality at the time of accepting the tender or at the time of issuing the work order nor any illegality was pointed out at the time of passing necessary order to release the funds. The said submission seems to be appropriate since the prosecution has not bothered to explain whether the aforesaid amounts were included in the total fund of Rs.187 Crores of the Corporation or was it part of Rs.89.53 Crores which was siphoned off and subjected to investigation by the SIT or by the ED. If for a moment, if it is to be presumed that it was part of Rs.89.53 Crores, then the prosecution is required to explain the manner in which the petitioner can be castigated for the commission of the offence.

16. The other limb of submissions which has been rendered by the prosecution is with respect to the role of the petitioner in award of work of KGTTI. It is submitted that the petitioner by entering into criminal conspiracy with his close associates Nekkanti Nagaraj and others with respect to awarding of skill development works of Nomadic Tribal Development Corporation through KGTTI had got it awarded to a particular entity without following tender guidelines. However, in spite of repeated probing by this court, no material are placed before the court in this regard. No doubt at the time of considering the bail application, the court need not have to examine the case as if it is considering the same on merits, at the same time the court is bound to look into the materials to ascertain the existence of prima-facie material. It is also relavent to note that the main contention which has been urged by the prosecution is that the petitioner had received kick-backs from the close associate of Nekkanti Nagaraj. It is also relavent to

note that the impugned order of the Hon'ble High Court came to be passed on 01.07.2025 and it is argued at length by the learned Public Prosecutor that till now the petitioner has not been arraigned as accused person. If for a moment, the said aspect is accepted, once again the question which is required to be answered is the amount was ordered to be released by the Director of the Scheduled Tribe Welfare Department and that too in pursuance of the contract work awarded based on the tender called in accordance with law. At the cost of repetition, if the FIR registered by the CBI is considered, it indicates that the Bank fraud was committed by entering into a criminal conspiracy and also of criminal breach of trust, cheating, forgery of valuable securities, forgery made for the purpose of cheating and criminal misappropriation. At this juncture, the prosecution is required to point out how the aforesaid provisions can be thrust upon the petitioner. The learned PP during the course of his arguments has argued that the amount

was layered, transferred and laundered by the petitioner, then once again the answer which is to be given by the prosecution is what happens to the case which is registered by the ED in Spl.CC No.1991/2024 against the petitioner herein for allegedly committing the offences punishable under Sec.3 and 4 of PMLA, 2002. It is relavent to note that on completion of investigation the final complaint has been placed before the court by the ED in that case. Again at the cost of repitition, if the amount involved was not derived from Rs.89.53 Crores of the Corporation but from the other residues of the Corporation as argued by the learned PP, then the prosecution are required to place on record about the crediting of money by the Government to the account of the Corporation and also thereafter disbursing of the same. I have also bestowed my anxious reading to the contentions which has been urged in Para No.15 of the statement of objections, wherein it is submitted that certain amounts were transferred to the close-aids of the

petitioner herein. If for a moment, the floating of contract and awarding of tender is said to be legal and if the amount is transferred on the basis of such transaction of awarding of tender, then how the transfer of amount would be castigated as an ill-gotten money. At this juncture, the learned PP has argued that though the tender floated by KGTTI is placed aside and ignored, certain irregularities were found in award of skill development works at Nomadic Tribal Development Corporation wherein it was awarded to a particular entity. Once again it is relevant to note that no materials are placed to indicate the overt-act of the petitioner. It is noticed from records that the tender would be floated and called by the concerned Corporation through its Officers and when it is floated through GeM and where there are materials to indicate that after awarding of the tender, materials were supplied which were of the quality mentioned in the

tender, the contention of the prosecution cannot be accepted.

17. The other limb of argument which is submitted by the learned Public Prosecutor is that the petitioner has not at all co-operated with the purpose of investigation. In order to substantiate his contention, the petitioner has relied upon the judgment of the Hon'ble Apex Court reported in 2025 SCC Online SC 457 (Pradip N Sharma Vs. State of Gujarat and another), wherein it has been held as;

18. However, considering the nature of the allegations and the fact that the matter is to be investigated primarily based on documentary evidence, the Court is inclined to grant the relief of anticipatory bail to the appellant. The offences alleged pertain to the exercise of administrative discretion in the passing of an order rather than direct physical involvement in any overt criminal act requiring custodial interrogation. The prosecution has not demonstrated any necessity for the custodial interrogation of the appellant beyond scrutiny of official records, which can be done without placing him in

detention. Additionally, the appellant has expressed his willingness to cooperate with the investigation, and no material has been placed before this Court to suggest that he has evaded or obstructed the investigation in any manner. Furthermore, it is well-settled that anticipatory bail can be granted where custodial interrogation is not essential, particularly in cases where the allegations hinge on official records and the presence of the accused can be secured without pre-trial detention. The Court also takes note of the fact that the FIR in question is part of a series of similar allegations against the appellant, and in the absence of any concrete material indicating a likelihood of tampering with evidence or influencing witnesses, the grant of anticipatory bail is justified. Accordingly, while the appellant shall cooperate with the investigation as and when required, he shall not be taken into custody, subject to conditions imposed hereinafter to ensure his participation in the inquiry process.

18. In the aforesaid authority it has been held that when the act or the offence pertains to exercise of administrative discretion rather than direct physical involvement and when the investigation is based on

documentary materials there is no necessity of custodial interrogation. Even otherwise, it is noticed from the records that on several occasions the petitioner had appeared before the Investigating Agency and had furnished certain documents. The other authority which is relied upon by the learned counsel for the petitioner reported in (2024)12 SCC 199 (Ashok Kumar Vs. State of Union Territory, Chandigarh), wherein it has been held as follows;

10. There is no gainsaying that custodial interrogation is one of the effective modes of investigating into the alleged crime. It is equally true that just because custodial interrogation is not required that by itself may also not be a ground to release an accused on anticipatory bail if the offences are of a serious nature. However, a mere assertion on the part of the State while opposing the plea for anticipatory bail that custodial interrogation is required would not be sufficient. The State would have to show or indicate more than prima facie why the custodial interrogation of the accused is required for the purpose of investigation.

19. Even in the instant case, though it is vehemently argued by the prosecution that the custodial interrogation of the petitioner is very much essential, there are no materials to justify the same. Once again, if for a moment the statement of objection is carefully looked into, it indicates that till this date the petitioner has not been arraigned as accused person. However, the Investigating Agency are opposing the bail application by tooth and nail and have contended that the further investigation has already revealed the definite role of the petitioner. The aforesaid aspect is quite contrary to the notices which were issued by the Investigating Agency and which is enclosed in the bail petition. The first notice was issued on 12.11.2025, wherein it was directed to the petitioner to appear for the purpose of investigation on 19.11.2025 at 11.00 a.m., in the office of CBI at Bengaluru and totally 8 documents were sought to be produced. The said documents were the Aadhar Card, PAN Card, Voter ID, Driving License,

details of immovable property, details of air journey, statement of accounts, copy of ITR's, copy of Incorporation Certificates, certified copies of audited balance sheets of Companies and certified copies of Registration Certificate of all the vehicles. The petitioner submits that the said documents were furnished and again on 19.11.2025, second notice was issued and once again on 20.11.2025 the third notice was issued and no documents were sought to be produced. Thereafter, on 04.01.2026 the petitioner was directed to appear before the Investigating Agency on 05.01.2026 along with the above mentioned 8 documents. By pointing out to the aforesaid aspects, the learned counsel for the petitioner has argued that if only the aforesaid documents are to be produced again and again, then what is the necessity for his custodial interrogation. The learned PP has refuted the same and has submitted that his custodial interrogation is very much essential. It is his submission that the economic offences are to be

considered as class apart and in order to buttress the same, he has relied upon the authority of the Hon'ble Apex Court reported in 2025 SCC Online SC 764 (Serious Fraud Investigation Office Vs. Aditya Sarda), wherein it has been held as;

18. Now, so far as anticipatory bail is concerned, this court has consistently emphasized that anticipatory bail should not be granted as a matter of routine, particularly in serious economic offences, involving large scale fraud, public money or complex financial crimes. In P. Chidambaram v. Directorate of Enforcement [(2019) 9 SCC 24; (2019) 3 SCC (Cri) 509; 2019 SCC OnLine SC 1143.] , it was observed as under [See page 57 of (2019) 9 SCC.] :

“Grant of anticipatory bail in exceptional cases

69. Ordinarily, arrest is a part of procedure of the investigation to secure not only the presence of the accused but several other purposes. Power under section 438 of the Code of Criminal Procedure is an extraordinary power and the same has to be exercised sparingly. The privilege of the pre-arrest bail should be granted only in exceptional cases. The judicial discretion conferred upon the court has to be properly exercised after application of mind as to the nature and gravity of the

accusation; possibility of the applicant fleeing justice and other factors to decide whether it is a fit case for grant of anticipatory bail...

71. Article 21 of the Constitution of India states that no person shall be deprived of his life or personal liberty except according to procedure prescribed by law. However, the power conferred by article 21 of the Constitution of India is not unfettered and is qualified by the later part of the article, i.e., ‘... except according to a procedure prescribed by law’. In State of M.P. v. Ram Kishna Balothia [(1995) 3 SCC 221; 1995 SCC (Cri) 439.] , the Supreme Court held that the right of anticipatory bail is not a part of article 21 of the Constitution of India and held as under : (SCC page 226, paragraph 7)

‘7.... We find it difficult to accept the contention that section 438 of the Code of Criminal Procedure is an integral part of article 21. In the first place, there was no provision similar to section 438 in the old Criminal Procedure Code. The Law Commission in its 41st report recommended introduction of a provision for grant of anticipatory bail. It observed:

“We agree that this would be a useful advantage. Though we must add that it is in very exceptional cases that such power should be exercised.”

In the light of this recommendation, section 438 was incorporated, for the first time, in

the Criminal Procedure Code, 1973. Looking to the cautious recommendation of the Law Commission, the power to grant anticipatory bail is conferred only on a court of session or the High Court. Also, anticipatory bail cannot be granted as a matter of right. It is essentially a statutory right conferred long after the coming into force of the Constitution. It cannot be considered as an essential ingredient of article 21 of the Constitution. And its non-application to a certain special category of offences cannot be considered as violative of article 21.

(emphasis supplied)

72. We are conscious of the fact that the legislative intent behind the introduction of section 438 of the Code of Criminal Procedure is to safeguard the individual's personal liberty and to protect him from the possibility of being humiliated and from being subjected to unnecessary police custody. However, the court must also keep in view that a criminal offence is not just an offence against an individual, rather the larger societal interest is at stake. Therefore, a delicate balance is required to be established between the two rights—safeguarding the personal liberty of an individual and the societal interest. It cannot be said that refusal to grant anticipatory bail would amount to denial of the rights conferred upon

the appellant under article 21 of the Constitution of India...

77. After referring to Siddharam Satlingappa Mhetre v. State of Maharashtra [(2011) 1 SCC 694; (2011) 1 SCC (Cri) 514; 2010 SCC OnLine SC 1375.] and other judgments and observing that anticipatory bail can be granted only in exceptional circumstances, in Jai Prakash Singh v. State of Bihar [(2012) 4 SCC 379; (2012) 2 SCC (Cri) 468; 2012 SCC OnLine SC 259.] , the Supreme Court held as under : (SCC page 386, paragraph 19)

‘19. Parameters for grant of anticipatory bail in a serious offence are required to be satisfied and further while granting such relief, the court must record the reasons therefor. Anticipatory bail can be granted only in exceptional circumstances where the court is prima facie of the view that the applicant has falsely been enroped in the crime and would not misuse his liberty. (See D.K. Ganesh Babu v. P.T. Manokaran [(2007) 4 SCC 434; (2007) 2 SCC (Cri) 345; 2007 SCC OnLine SC 274.], State of Maharashtra v. Mohd. Sajid Husain Mohd. S. Husain [(2008) 1 SCC 213; (2008) 1 SCC (Cri) 176; 2007 SCC OnLine SC 1235.] and Union of India v. Padam Narain Aggarwal [(2008) 13 SCC 305; (2009) 1 SCC (Cri) 1; 2008 SCC OnLine SC 1500.] .’

Economic offences

78. Power under section 438 of the Code of Criminal Procedure being an extraordinary remedy, has to

be exercised sparingly; more so, in cases of economic offences. Economic offences stand as a different class as they affect the economic fabric of the society. In Directorate of Enforcement v. Ashok Kumar Jain [(1998) 2 SCC 105; 1998 SCC (Cri) 510; 1998 SCC OnLine SC 30.] , it was held that in economic offences, the accused is not entitled to anticipatory bail.”

20. There cannot be any qualms with respect to the ratio laid down by the Hon'ble Superior Court. But at the same time, reasonable and probable materials are also required to curtail the individual personal liberty of a person. In this regard, the judgment which has been relied upon by the learned counsel for the petitioner reported in (2025)1 SCC 753 (Tusharbhai Rajnikantbhai Shah Vs. Kamaldayani and others), wherein it has been held as follows;

43. We are of the firm opinion that non-cooperation by the accused is one matter and the accused refusing to confess to the crime is another. There would be no obligation upon the accused that on being interrogated, he must confess to the crime and only thereafter, would the investigating officer be satisfied

that the accused has cooperated with the investigation. As a matter of fact, any confession made by the accused before a police officer is inadmissible in evidence and cannot even form a part of the record.

21. In the aforesaid authority, the Hon'ble Apex Court has clearly held that merely because accused did not confessed to the crime, the same cannot be taken-up as non- co operation by the accused person nor it would be required for him to satisfy the Investigating Officer. The ratio of the aforesaid case also applies to the case on hand wherein it is submitted that the entire evidence is revolving around documentary evidence. In that scenario, the custodial interrogation and its relavancy is seriously questioned by the learned counsel for the petitioner, which also seems to be justified. Even otherwise, the contention which is urged is of cheating a defrauding the funds of the Corporation. At one breath of arguments, the learned Public Prosecutor has vehemently argued that a siphoning of the funds of the

Corporation had taken place and now the CBI is probing the larger conspiracy in the instant case. It is also submitted that if the funds are transferred into various entities through several persons, the Investigating Agency at present is probing the end beneficiary of the funds alleged to have been deviated. If for a moment the said submission is accepted, it would indicate that probably the Investigating Agency is now probing about the layering and laundering of money. In that event, the Investigating Agency is again required to answer with respect to the complaint which is filed by ED in Spl.CC No.1991/2024 with respect to the amount of the Corporation. The other aspect which is required to be answered by the prosecution is whether the act of the petitioner would indicate his involvement in the above case. In order to justify the said aspect, apart from statement of objections, no materials are placed before the court. Under these circumstances, when the materials pertaining to the tender which was being

called through the Government Portal and also the materials with respect to the aftermath of awarding of tender is placed before the Court and when the amount was released only after clearance given by e-Governance, the CBI is bound to explain that how the same can be investigated again by them. In the instant case, though it is alleged that the petitioner was involved in various misappropriation of funds, no materials are produced before the Court in this regard. The learned PP has argued that the scope and horizon of the investigation being conducted by the CBI is entirely different and now they are investigating where the money had went and the manner in which the proceeds of crime were collected. The above aspects are not justified with any materials. No doubt at the time of investigation the court cannot interfere with the manner in which investigation is being conducted, it may grant relief of anticipatory bail if a prima-facie case is made out. In my humble opinion, the petitioner has made out a prima-

facie case and as such the apprehension of the prosecution can be taken care by imposing stringent conditions. Ergo, I answer point No.1 in the **affirmative**.

22. **Point No.2:** For the aforementioned reasons, I proceed to pass the following;

ORDER

The bail application filed by the petitioner under Sec.438 of Cr.P.C., is hereby allowed.

The respondent are hereby directed to release the petitioner in the event of his arrest in RC No. 0782024 E 0001 for the offences punishable under Sec.409, 420, 467, 468, 471 r/w Sec.141 of IPC and under Sec.13(2)(1)(a) of Prevention of Corruption Act, on executing his personal bond for Rs.2,00,000/- (Rupees Two Lakhs only) with two sureties for the like-sum, subject to following conditions;

1. The petitioner shall not threaten or tamper the prosecution witnesses.
2. The petitioner shall appear before the Investigating Officer within 15 days from today and co-operate with them for investigation.

3. The petitioner shall not indulge in similar offence.
4. The petitioner shall not leave the jurisdiction of the court without obtaining prior permission from the Court.
5. The petitioner shall mark his attendance before the concerned IO on every second Sunday of the month between 09.00 AM to 05.00 PM for a period of 3 months or till the filing of final report whichever is earlier.

(Dictated to Stenographer Grade-I, typed by her, revised and corrected by me and thereafter pronounced in open court on the 14th day of January, 2026)

(Santhosh Gajanan Bhat)
LXXXI Addl. City Civil & Sessions Judge,
Bengaluru City (CCH-82)
(Special Court exclusively to deal with criminal
cases related to elected former and sitting
MPs/MLAs in the State of Karnataka)