



2026:CGHC:234

**AFR****HIGH COURT OF CHHATTISGARH AT BILASPUR**

ORDER RESERVED ON 19.12.2025

ORDER DELIVERED ON 02.01.2026

ORDER UPLOADED ON 02.01.2026

**MCRC No. 8224 of 2025**

1 - Chaitanya Baghel S/o Shri Bhupesh Baghel Aged About 38 Years  
 R/o 1/7 Mansarovar Parisar, Bhilai, Durg Chhattisgarh. (Currently Under  
 Judicial Custody At Central Jail, Raipur (C.G.)

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

1 - The State Of Chhattisgarh Through Economic Offences Wing (Eow) /  
 Anti- Corruption Bureau (Acb) Headquarter Opposite Jai Jawan Petrol  
 Pump. Telibandha, Raipur Chhattisgarh - 492001

**... Respondent(s)**

For Applicant(s)	:	Shri N.Hariharan, Sr. Counsel, Shri Mayank Jain, Shri Madhur Jain, Shri Arpit Goel and Shri Deepak Jain Advocates through VC assisted by Shri Harshwrdhan Parganiha and Ms. Manubha Shankar, Advocate.
For Respondent/State	:	Shri Mahesh Jethmalani, Sr. Advocate assisted by Shri Ravi Sharma, Advocate through VC assisted by Dr. Saurabh Pande, Dy. AG

**(Hon'ble Shri Justice Arvind Kumar Verma)**

**C A V Order**

This application has been preferred by the applicant under Section 483 of the *Bhartiya Nagrik Suraksha Sanhita, 2023* seeking enlargement on regular bail in connection with FIR No. 04/2024 dated 17.01.2024 registered by the EOW/ACB, CG (hereinafter referred to as the “non-applicant”) for the offences under Sections 420, 467, 468, 471, 120-B IPC and Sections 7 & 12 of the Prevention of Corruption Act, 1988. For the limited and circumscribed purpose of adjudicating the present bail application, this Court deems it appropriate to advert to the brief facts of the case.

**BRIEF FACTS OF THE CASE**

2. The short case of the prosecution as set out in the FIR and the records before this Court, is that by the ED letter dated 11.07.2023 under Section 66(2) PMLA which alleges a massive 2019-2023 syndicate involving manufacture/sale of illegal liquor through licensed government shops in Chhattisgarh generating huge proceeds distributed among excise officials, bureaucrats, distillers and political functionaries, causing loss of exchequer. Notably the applicant was not named in the FIR. The investigation has spanned 21 months, the Charge sheet No. 03/2024 dated 01.07.2024, arraigned 4 accused; stated “further investigation underway.” Five supplementary charge sheets filed sequentially: 27.09.2024, 18.11.2024, 30.06.2025, 07.07.2025 & 26.08.2025 - none arraigned the applicant despite passing references.

There are total of 51 accused were arrayed and 29 charge sheets without arrest. ED has registered ECIR RPZO/04/2024 dated 11.04.2024 predicated on this FIR and conducted search at applicant's premises leading to arrest on 18.07.2025. Applicant challenged the same in Cr.M.P. No. 2506/2025. ED filed Prosecution Complaint on 15.08.2025.

3. After 60 days custody expiry, the ED moved to the Special Court for permission to 2 days interrogation which was allowed on 12.09.2025. EOW immediately sought production warrant on 15.09.2025. On production, EOW filed arrest application on the same day which was dismissed for maintainability granting liberty to the Sessions Court. Sessions Court rejected bail of petition No. 2762 of 2025 on 22.09.2025 and subsequently, it was rejected on 24.09.2025. EOW arrested the applicant on 24.09.2025 post rejection by this Court despite production warrant not authorizing arrest.

4. The Special Court alleged that the applicant routed excise proceeds to his construction firm via channels. No recovery effected; no further interrogation post-remand. Applicant thereafter, sought regular bail before the Special Court (PC Act), Raipur which was rejected on 8.10.2025. Hence, the instant bail application.

Post the dismissal of the Applicant's anticipatory bail application by this Court on 24.09.2025, the EOW/ACB immediately effected the Applicant's arrest on the very same day (24.09.2025), notwithstanding that the production warrant issued earlier neither authorized nor contemplated such arrest. The Non-Applicant promptly moved a remand

application before the Learned Special Court (PC Act), Raipur, seeking police custody from 24.09.2025 to 06.10.2025 – a period of 12 full days. In the said remand application, it was vaguely alleged that the Applicant had "arranged money out of the excise crime proceeds and directed its delivery through various channels" ultimately utilizing the said funds in his construction firm's projects. The Learned Special Court allowed the remand application, granting police custody as prayed for. However, during the entire remand period (24.09.2025 to 06.10.2025): No recovery of any incriminating material whatsoever was effected from the Applicant or his premises. No further interrogation was conducted post the initial 2-hour questioning on 12.09.2025. No searches were carried out at the Applicant's residential/commercial premises by the EOW (in stark contrast to the ED search conducted on 18.07.2025).

5. Thereafter, the Applicant filed a regular bail application under Section 483 B NSS before the very same Learned Special Court (PC Act), Raipur, which came to be rejected vide detailed order dated 08.10.2025. This constitutes the instant bail application preferred by the Applicant before this Court.

### **SUBMISSIONS ON BEHALF OF THE APPLICANT**

6. Learned Senior Counsel for the Applicant, aptly submits that while inviting this Court to the unique facts and circumstances of the case, most respectfully and vehemently submitted as under:

**I. THE ARREST OF THE APPLICANT IS EX-FACIE MALAFIDE, ARBITRARY AND CONSTITUTES A CLASSIC INSTANCE OF "EVERGREENING" CUSTODY TO DEFEAT STATUTORY REMEDIES**

## **- A GROSS ABUSE OF PROCESS OF LAW DEMANDING IMMEDIATE RELEASE**

7. Shri Hariharan, learned Senior Counsel for the applicant submits that this is not an ordinary bail application; this is a clarion call against the blatant misuse of arrest powers by the Economic Offences Wing (EOW) to perpetuate incarceration where investigation stands virtually complete. The Applicant stands completely unmentioned in the FIR dated 17.01.2024 – the foundational document of this prosecution. Notwithstanding a whopping 21 months of investigation, during which six charge sheets (main + five supplements) were meticulously filed on 01.07.2024, 27.09.2024, 18.11.2024, 30.06.2025, 07.07.2025 and 26.08.2025, the Applicant was conspicuously excluded as an accused in every single one of them. Even more damningly, specific allegations against the Applicant find mention as early as page 239 of the main chargesheet dated 01.07.2024 – yet no arrest followed for over 15 additional months and considering this timeline of calculated procrastination: The EOW had complete knowledge of the Applicant's alleged role since July 2024, yet chose the precise moment of 24.09.2025 – literally hours after this Court rejected anticipatory bail and on the cusp of the Applicant's statutory release from ED custody (arrested by ED on 18.07.2025, approaching 60-day default bail under Section 167(2) B NSS). This is the textbook definition of "insurance arrest" – a malafide tactic to defeat constitutional remedies. No summons under Section 41A B NSS was ever issued. No search was conducted at the Applicant's premises by EOW (unlike ED, which searched on 18.07.2025 yielding zero incriminating recovery). No

interrogation was necessitated – indeed, when permission was finally sought for 2 days (12-13.09.2025), only 2 hours on the first day sufficed, with the second day conveniently skipped. This Court must intervene where executive overreach threatens personal liberty. As held by the Hon'ble Supreme Court in the landmark case of ***Joginder Kumar v. State of U.P., (1994) 4 SCC 260*** (paras 8-10):

8. The horizon of human rights is expanding. At the same time, the crime rate is also increasing. Of late, this Court has been receiving complaints about violation of human rights because of indiscriminate arrests. How are we to strike a balance between the two?

9. A realistic approach should be made in this direction. The law of arrest is one of balancing individual rights, liberties and privileges, on the one hand, and individual duties, obligations and responsibilities on the other; of weighing and balancing the rights, liberties and privileges of the single individual and those of individuals collectively; of simply deciding what is wanted and where to put the weight and the emphasis; of deciding which comes first the criminal or society, the law violator or the law abider; of meeting the challenge which Mr Justice Cardozo so forthrightly met when he wrestled with a similar task of balancing individual rights against society's rights and wisely held that the exclusion rule was bad law, that society came first, and that the criminal should not go free because the constable blundered. In *People v. Defore*<sup>1</sup> Justice Cardozo observed:

"The question is whether protection for the individual would not be gained at a disproportionate loss of protection for society. On the one side is the social need that crime shall be repressed. On the other, the social need that law shall not be flouted by the insolence of office. There are dangers in any choice. The rule of the Adam's case (*People v.*

Adams<sup>2)</sup> strikes a balance between opposing interests. We must hold it to be the law until those organs of government by which a change of public policy is normally effected shall give notice to the courts that change has come to pass."

10. To the same effect is the statement by Judge Learned Hand, in *Fried Re3*:

"The protection of the individual from oppression and abuse by the police and other enforcing officers is indeed a major interest in a free society; but so is the effective prosecution of crime, an interest which at times seems to be forgotten. Perfection is impossible; like other human institutions criminal proceedings must be a compromise."

The quality of a nation's civilization can be largely measured by the methods it uses in the enforcement of criminal law."

8. No arrest can be made because it is lawful for the police officer to do so. The existence of the power to arrest is one thing and the justification for the exercise of it is quite another. The police officer must be able to justify the arrest apart from his power to do so. Recently, in **Arvind Kejriwal v. CBI, 2024 SCC OnLine SC 2550**, the Apex Court has held as under:

"31. In this vein, the language of Section 41(1) (b) postulates as follows:

"41. When police may arrest without warrant.—  
(1) Any police officer may without an order from a Magistrate and without a warrant, arrest any person—

.....

(b) against whom a reasonable complaint has been made, or credible information has been received, or a reasonable suspicion exists that he has committed a cognizable offence punishable with imprisonment for a term which may be less than seven years or which may extend to seven years whether with or without fine, if the following conditions are satisfied, namely:—

(i) the police officer has reason to believe on the basis of such complaint, information, or suspicion that such person has committed the said offence;

(ii) the police officer is satisfied that such arrest is necessary—

(a) to prevent such person from committing any further offence; or

(b) for proper investigation of the offence; or

(c) to prevent such person from causing the evidence of the offence to disappear or tampering with such evidence in any manner; or

(d) to prevent such person from making any inducement, threat or promise to any person acquainted with the facts of the case so as to dissuade him from disclosing such facts to the Court or to the police officer; or

(e) as unless such person is arrested, his presence in the Court whenever required cannot be ensured, and the police officer shall record while making such arrest, his reasons in writing: Provided that a police officer shall, in all cases where the arrest of a person is not required under the provisions of this sub-section, record the reasons in writing for not making the arrest.

32. Section 41(1)(b)(ii) of the CrPC clearly stipulates that an arrest under this provision can be made based on a complaint or credible information that an individual has committed a cognizable offence punishable with imprisonment up to seven years, with or without a fine. However, such an arrest must be conducted subject to the satisfaction of specific conditions outlined in subsections (a) to (e). The rigors of Section 41(1)(b)(ii) have been

extensively examined by this Court in Arnesh Kumar (*supra*), where it was observed that:

"7.1. From a plain reading of the aforesaid provision, it is evident that a person accused of offence punishable with imprisonment for a term which may be less than seven years or which may extend to seven years with or without fine, cannot be arrested by the police officer only on its satisfaction that such person had committed the offence punishable as aforesaid. Police officer before arrest, in such cases has to be further satisfied that such arrest is necessary to prevent such person from committing any further offence; or for proper investigation of the case; or to prevent the accused from causing the evidence of the offence to disappear; or tampering with such evidence in any manner; or to prevent such person from making any inducement, threat or promise to a witness so as to dissuade him from disclosing such facts to the Court or the police officer; or unless such accused person is arrested, his presence in the court whenever required cannot be ensured. These are the conclusions, which one may reach based on facts.

7.2. The law mandates the police officer to state the facts and record the reasons in writing which led him to come to a conclusion covered by any of the provisions aforesaid, while making such arrest. Law further requires the police officers to record the reasons in writing for not making the arrest.

7.3. In pith and core, the police officer before arrest must put a question to himself, why arrest? Is it really required? What purpose it will serve? What object it will achieve? It is only after conditions as enumerated above is satisfied, the power of arrest needs to be exercised. In fine, before arrest first the police officers should have reason to believe on the basis of information and material that the accused has committed the offence. Apart from this, the police officer has to be satisfied further that the arrest is necessary for one or the

morepurposes envisaged by sub-clauses (a) to (e) of clause (1) of Section 41 of Cr.PC.”

33. Given this annotation, while there exists no doubt that the submissions made by the Appellant in regard to the precepts of Section 41(1)(b) are sound, the provision is inapplicable to the vicissitudes of the present factual matrix. Here is a case where the court upon application of judicial mind accorded its approval to the Appellant’s arrest for which necessary warrant was issued. There was thus no occasion for the arresting police officer to form an opinion regarding the existence of valid reasons of arrest. The competent court having undertaken such a task, the police officer cannot be expected to sit over the order of the court.”

9. Further, it has been held that due to the complexity and web of facts and the material on record, it was crucial to comprehensively determine the role of the appellant in the alleged conspiracy and then only decide his entitlement to bail. It has been observed that :

38. The evolution of bail jurisprudence in India underscores that the ‘issue of bail is one of liberty, justice, public safety and burden of the public treasury, all of which insist that a developed jurisprudence of bail is 22 | P a g e integral to a socially sensitized judicial process’.4 The principle has further been expanded to establish that the prolonged incarceration of an accused person, pending trial, amounts to an unjust deprivation of personal liberty. This Court in *Union of India v. K.A. Najeeb* has expanded this principle even in a case under the provisions of the Unlawful Activities (Prevention) Act, 1967 (hereinafter ‘UAPA’) notwithstanding the statutory embargo contained in Section 43-D(5) of that Act, laying down that the legislative policy against the grant of bail will melt down where there is no likelihood of trial being completed within a reasonable time.5 The courts would invariably

bend towards ‘liberty’ with a flexible approach towards an undertrial, save and except when the release of such person is likely to shatter societal aspirations, derail the trial or deface the very criminal justice system which is integral to rule of law.

39. It was submitted during these proceedings that the FIR was registered on 17.08.2022, and since then, the chargesheet along with four supplementary chargesheets have been filed. The fourth supplementary chargesheet was filed as recently as 29.07.2024 and we are informed that the Trial Court has taken cognizance of the same. Additionally, seventeen accused persons have been named, 224 individuals have been identified as witnesses, and extensive documentation, both physical and digital, has been submitted. These factors suggest that the completion of the trial is unlikely to occur in the immediate future.

40. In our considered view, although the procedure for the Appellant’s arrest meets the requisite criteria for legality and compliance, continued incarceration for an extended period pending trial would infringe upon established legal principles and the Appellant’s right to liberty, traceable to Article 21 of our Constitution. The Appellant has been granted interim bail by this Court in the ED matter on 10.05.2024 and 12.07.2024, arising from the same set of facts. Additionally, several co-accused in both the CBI and ED matters have also been granted bail by the Trial Court, the High Court, and this Court in separate proceedings.

41. So far as the apprehension of the Appellant influencing the outcome of the trial is concerned, it seems that all evidence and material relevant to the CBI’s disposition is already in their possession, negating the likelihood of tampering by the Appellant. Similarly, given the Appellant’s position and his roots in the society, there seems to be no valid reason to entertain the apprehension of his fleeing the country. In any case, in order to assuage the apprehensions of

the CBI, we may impose stricter bail conditions. As regard to Appellant indulging in influencing witnesses, it needs no emphasis that in the event of any such instance, it will amount to misuse of the concession of bail and necessary consequences will follow."

10. The Apex Court struck down a similarly timed arrest, observing: "Where the Investigating Agency had knowledge of the role of the accused much prior to his arrest... and chooses to arrest him only when he is on the verge of securing default bail... such conduct smacks of mala fides and warrants interference. "The same principle applies with greater force here in the matter of **Mohd. Zubair v. State (NCT of Delhi), (2023) 16 SCC 764** (arrest not unbridled) and **Siddharth v. State of U.P., (2022) 1 SCC 676** (custody for heinousness/custodial need/witness peril only).

### **III. ARREST VIOLATES STATUTORY SAFEGUARDS UNDER SECTION 35(b) BNSS – NO PRECONDITIONS SATISFIED**

11. Neither the grounds of arrest nor the remand application dated 24.09.2025 disclose any material, much less any tangible material, that satisfies the statutory *sine qua non* under Section 35(b) BNSS.

- Preventing further offence: There is no specific apprehension that the Applicant is likely to commit any further offence; he is not a history-sheeter and has no criminal antecedents.
- Aiding investigation: By the time of his arrest, the investigation had already been underway for 21 months; six chargesheets had been filed; and the investigating agency itself records that the Applicant's interrogation stood concluded in a brief two-hour

session. No fresh investigative step is shown to have flowed from his subsequent custody.

- Preventing tampering: The case is purely documentary. All relevant material has long since been seized by the ED/EOW, and no further recovery is stated to be pending.
- Securing presence: The Applicant is a permanent resident of Chhattisgarh with deep roots and has always cooperated with the law; there is no allegation that he ever absconded or declined to appear when required.

In these circumstances, custody was not a measure of last resort but a first impulse. The remand order's bare allegation of "money routing to his construction firm" finds no corroboration in any chargesheet or ED record. This arrest, therefore, is by ambush, not by necessity.

#### **IV. THE ENTIRE FURTHER INVESTIGATION IS VOID AB INITIO – CONDUCTED WITHOUT MANDATORY COURT PERMISSION, RENDERING ARREST ILLEGAL**

12. This case exposes a systemic malaise: unfettered post-chargesheet investigation. After filing Chargesheet No. 03/2024 on 01.07.2024 (explicitly stating "further investigation underway"), EOW filed five supplementary chargesheets arraying 47 additional accused – all without obtaining prior court permission under Section 173(8) BNSS. Mere intimation of "ongoing investigation" in chargesheets does not constitute permission. No application was ever moved before the jurisdictional Special Court seeking leave. No fresh material was discovered post-chargesheet to justify roping in the Applicant (41<sup>st</sup> Law

Commission Report, para 17.12). The Apex Court has spoken authoritatively: ***Vinay Tyagi v. Irshad Ali, (2013) 5 SCC 762***, it has been observed that "Once the final report is filed... police ought to seek formal permission from the Court... Piecemeal investigation is impermissible. It has been held as under:

"C. The following has been said in para 49 in *Vinay Tyagi's* case (supra):  
 "49. Now, we may examine another significant aspect which is how the provisions of Section 173(8) have been understood and applied by the courts and investigating agencies. It is true that though there is no specific requirement in the provisions of Section 173(8) of the Code to conduct "further investigation" or file supplementary report with the leave of the court, the investigating agencies have not only understood but also adopted it as a legal practice to seek permission of the courts to conduct "further investigation" and file "supplementary report" with the leave of the court. The courts, in some of the decisions, have also taken a similar view. The requirement of seeking prior leave of the court to conduct "further investigation" and/or to file a "supplementary report" will have to be read into, and is a necessary implication of the provisions of Section 173(8) of the Code. The doctrine of *contemporanea expositio* will fully come to the aid of such interpretation as the matters which are understood and implemented for a long time, and such practice that is supported by law should be accepted as part of the interpretative process."

13. In the matter of "***Vinubhai Haribhai Malaviya v. State of Gujarat, (2019) 17 SCC 1***, it has been observed that :

"42. There is no good reason given by the Court in these decisions as to why a Magistrate's powers to order further investigation would suddenly cease upon process being issued, and

an accused appearing before the Magistrate, while concomitantly, the power of the police to further investigate the offence continues right till the stage the trial commences. Such a view would not accord with the earlier judgments of this Court, in particular, Sakiri (supra), Samaj Parivartan Samudaya (supra), Vinay Tyagi (supra), and Hardeep Singh (supra); Hardeep Singh (supra) having clearly held that a criminal trial does not begin after cognizance is taken, but only after charges are framed. What is not given any importance at all in the recent judgments of this Court is Article 21 of the Constitution and the fact that the Article demands no less than a fair and just investigation. To say that a fair and just investigation would lead to the conclusion that the police retain the power, subject, of course, to the Magistrate's nod under Section 173(8) to further investigate an offence till charges are framed, but that the supervisory jurisdiction of the Magistrate suddenly ceases mid-way through the pre-trial proceedings, would amount to a travesty of justice, as certain cases may cry out for further investigation so that an innocent person is not wrongly arraigned as an accused or that a *prima facie* guilty person is not so left out. There is no warrant for such a narrow and restrictive view of the powers of the Magistrate, particularly when such powers are traceable to Section 156(3) read with Section 156(1), Section 2(h), and Section 173(8) of the CrPC, as has been noticed hereinabove, and would be available at all stages of the progress of a criminal case before the trial actually commences. It would also be in the interest of justice that this power be exercised *suo motu* by the Magistrate himself, depending on the facts of each case. Whether further investigation should or should not be ordered is within the discretion of the learned Magistrate who will exercise such discretion on the facts of each case and in accordance with law. If, for example, fresh facts come to light which would lead to inculpating or exculpating certain persons, arriving at the truth

and doing substantial justice in a criminal case are more important than avoiding further delay being caused in concluding the criminal proceeding, as was held in Hasanbhai Valibhai Qureshi (supra). Therefore, to the extent that the judgments in Amrutbhai Shambubhai Patel (supra), Athul Rao (supra) and Bikash Ranjan Rout (supra) have held to the contrary, they stand overruled. Needless to add, Randhir Singh Rana v. State (Delhi Administration) (1997) 1 SCC 361 and Reeta Nag v. State of West Bengal and Ors. (2009) 9 SCC 129 also stand overruled."

14. Further investigation requires judicial sanction... to prevent fishing expeditions. Similarly, in "**Robert Lalchungnunga Chongthu v. State of Bihar, 2025 SCC OnLine SC 251**", it has been held as under:

21. Before parting with this matter, we deem it fit to issue the following directions:

(i) In view of Vinay Tyagi v. Irshad Ali<sup>27</sup>, it can be seen that the 'leave of the court' to file a supplementary chargesheet, is a part of Section 173(8) CrPC. That being the position, in our considered view, the Court is not rendered functus officio having granted such permission. Since the further investigation is being made with the leave of the Court, judicial stewardship/control thereof, is a function which the court must perform.

(ii) Reasons are indispensable to the proper functioning of the machinery of criminal law. They form the bedrock of fairness, transparency, and accountability in the justice system. If the Court finds or the accused alleges (obviously with proof and reason to substantiate the allegation) that there is a large gap between the first information report and the culminating chargesheet, it is bound to seek an explanation from the investigating agency and satisfy itself to the propriety of the explanation so furnished.

The direction above does not come based on this case alone. This Court has noticed on many unfortunate occasions that there is massive delay in filing chargesheet/taking cognizance etc. This Court has time and again, in its pronouncements underscored the necessity of speedy investigation and trial as being important for the accused, victim and the society. However, for a variety of reasons there is still a lag in the translation of this recognition into a reality.

(iii) While it is well acknowledged and recognized that the process of investigation has many moving parts and is therefore impractical to have strict timelines in place, at the same time, the discussion made in the earlier part of this judgement, clearly establishes that investigations cannot continue endlessly. The accused is not out of place to expect, after a certain point in time, certainty- about the charges against him, giving him ample time to preparing plead his defence. If investigation into a particular offence has continued for a period that appears to be unduly long, that too without adequate justification, such as in this case, the accused or the complainant both, shall be at liberty to approach the High Court under Section 528 BNSS/482 CrPC, seeking an update on the investigation or, if the doors of the High Court have been knocked by the accused, quashing. It is clarified that delay in completion of investigation will only function as one of the grounds, and the Court, if in its wisdom, decides to entertain this application, other grounds will also have to be considered.

(iv) Reasons are not only important in the judicial sphere, but they are equally essential in administrative matters particularly in matters such as sanction for they open the gateway to greater consequences. Application of mind by the authorities granting or denying sanction must be easily visible including consideration of the evidence placed before it in arriving at the conclusion.”

15. Leave of Court is now compulsory for all post-charge sheet investigations. This very Bench in **Chaitanya Baghel v. ED ( Cr.M.P. No. 2506/2025** dated **17.10.2025**, paras 86,103) held:

"86. Therefore, it is the duty of the Investigating agency that once a complaint filed before the Magistrate and Magistrate has taken cognizance thereafter the further investigation should be with the permission of the Magistrate. In the matter of **Hardeep Singh (supra)**, the Hon'ble Supreme Court has held that the trial commences only on charges being framed. However, if the respondent has conducted the investigation without obtaining prior permission of the competent court, it may not strictly conform to the procedural framework governing complaint cases and the investigation before the adjudicating authority. Illegality means a fundamental breach of law which cannot be fixed, whereas an irregularity is a procedural deviation that can often be corrected or regularized. Notwithstanding this, such deviation, while irregular, would not vitiate the proceedings or amount to illegality.

XXXX            XXXX            XXXX

103. 103. The ground raised by the petitioner in this petition are procedural lapses/irregularities which does not amount to illegality. Learned counsel for the respondent in para 70 of his written submission has stated that the petitioner deserves to be relegated to the remedy of a regular bail which requires the petitioner to satisfy the mandatory twin conditions of bail under Section 45 of PMLA to seek release from custody. I agree with the contention raised by the learned counsel for the respondent that the grounds raised in this petition are procedural lapses /irregularities not amounting to illegality and these are the grounds of bail. In light of the foregoing discussion, this Court finds no ground to

interfere with the investigation or the arrest effected by the Investigating Agency. Accordingly the petition stands dismissed."

Absence of court permission renders further investigation *void ab initio* – a strong ground for bail."Arrest during such illegal sequel cannot stand.

## **V. PARITY SCREAMS FOR RELEASE – THE EPITOME OF PICK-AND-CHOOSE INVESTIGATION**

16. Compelling Case for Applicant's Release on Grounds of Parity: The doctrine of parity is not merely equitable; it is constitutional imperative under Article 14 – equals must be treated equally. In this massive liquor syndicate involving 51 accused, the EOW's selective arrests and releases expose a pernicious pick-and-choose methodology that shocks judicial conscience. While the Applicant languishes in custody on uncorroborated whispers, kingpins and major beneficiaries roam free. The irresistible doctrine of parity that permeates this prosecution like a constitutional mandate under Article 14. Considering the following co-accused, all arrayed with graver roles yet consistently granted bail by superior fora: **Arun Pati Tripathi, arrayed as A-1** and alleged mastermind/key conspirator orchestrating the entire liquor scam operations including distribution of proceeds to politicians and officials, was granted bail by the Supreme Court in **SLP(Crl.) No. 1263/2025 dated 07.03.2025; Trilok Singh Dhillon**, arrayed as A-5 and identified as major syndicate beneficiary handling illegal liquor supply chain through licensed shops with cash handling and commission distribution,

secured Supreme Court liberty in **SLP(Crl.) No. 14697/2024** dated **27.11.2024**; **Anurag Dwivedi, arrayed as A-5** and functioning as cash aggregator collecting and distributing crores in excise crime proceeds across the syndicate network, was enlarged on bail by the Supreme Court in **SLP(Crl.) No. 18386/2024** dated **07.03.2025**; **Arvind Singh, arrayed as A-2** with direct excise department linkage facilitating illegal liquor licenses and quotas for the syndicate, obtained Apex Court relief in **Criminal Appeal No. 2699/2025** dated **19.05.2025**; **Sanjay Kumar Mishra, arrayed as A-4** and operating as key co-conspirator coordinating between distillers and political beneficiaries, was granted bail by this very Court in **M.Cr.C No. 7093/2025** dated **23.09.2025**; **Vijay Bhatia, arrayed as A-41** and recognized as major beneficiary receiving substantial illegal commissions invested in *benami* assets, secured bail from this Court in **M.Cr.C No. 5601/2025** dated **25.09.2025**; and **Sunil Dutt, arrayed as A-10** with operational role as syndicate member handling logistics for spurious liquor transportation and distribution, was released by this Court in **M.Cr.C No. 188/2025** dated **12.03.2025**. These instances are not aberrations but the rule: of 51 accused arrayed across six chargesheets, 29 stand chargesheeted without any arrest whatsoever, while of the 22 arrested, 12 (over 55%) have already been granted bail by the Apex Court and this Court itself, including principal kingpins, cash aggregators, excise officials, and direct beneficiaries – all with roles demonstrably graver than the peripheral "money routing" allegation against the Applicant who remains unnamed in the FIR and every chargesheet. This **pick and choose methodology**, where even absconder Laxminarayan Bansal (against

whom open-ended arrest warrant dated 19.05.2025 in Corruption Case No. 01/2024 remains operative) roams free while his vitiated statement alone sustains the Applicant's custody, constitutes naked discrimination offending Article 14. As held in ***Vipin Yadav v. Directorate of Enforcement, 2025 SCC OnLine Del 6237*** (paras 31, 39-40), where co-accused with similar or graver allegations secure liberty, parity becomes irresistible; denial thereof shocks judicial conscience and mandates the Applicant's immediate release. It has been held that:

31. The applicants have essentially pressed their applications of bail on the ground that the respondent department has adopted a pick and choose strategy by not arresting the accused Aggarwal, who is purportedly the real mastermind behind the conspiracy and is alleged to have known about the source of funds and arranged mule accounts as well. It is argued that the accused was instrumental on all levels of the alleged conspiracy, despite he has not been arrested. It is argued that the accused Rohit has projected as the mastermind of the conspiracy in the prose complaint and his role is similar, if not graver, than the applicants.

39. Recently, in the case of ***Himansh alias Himanshu Vs. Directorate of Enforcement, 2024 SCC OnLine SC 4697***, the Apex Court had enlarged the accused therein on bail on the sole that the mastermind of the alleged offence had never been arr the case. Non-arrest of similarly placed co-accused persons ha considered to be a significant factor by Coordinate Benches Court to grant concession of bail to an accused as well [Ref. *Bind v. Serious Fraud Investigation Office: BAIL APPLN. 3642 Ramesh Manglani v. ED, (2023) 7 HCC (Del) 134; Sanjay Ka Enforcement Directorate, 2024 SCC OnLine Del 9569; etc.*]. The precedents clearly reflect that the relevance of selective prosecution by the investigating

agency, which is manifestly arbitrary, can be discounted while considering the question of grant of bail.

40. Having not arrested an accused who appears to have a role than the applicants and not even arraigned a person named to have facilitated in arranging the mule accounts, the approach adopted by the respondent department *prima facie* appears to be manifestly arbitrary and the benefit of parity cannot be denied to the applicants."

Statistical Indictment of Selective Prosecution: Total Accused Arrayed: 51

\* Charged without arrest: 29

\* ARRESTED: 22

◦ Already GRANTED BAIL: 12

◦ REMAINING IN CUSTODY: This data speaks volumes: half of the accused roam free despite chargesheets; of those arrested, most were secured liberty. The Applicant is unnamed in FIR/six chargesheets, no recovery was effected though stands discriminated against.

Most Egregious Violation: Absconder with open-ended arrest warrant issued by Special Court (PC Act), Raipur on 19.05.2025 (Corruption Case No. 01/2024) – against **Laxminarayan Bansal (Pappu Bansal)**

**was never cancelled/recovered.** His role as a Prime cash conduit; his legally vitiated statement (recorded while warrant operative, violating Section 72 BNSS) forms sole basis for Applicant's arrest. It is irony that the EOW neither arrests him nor cancels warrant, yet relies on his statement to oppose Applicant's bail. As has been held in ***Vipin Yadav v. Directorate of Enforcement (supra)*** "Where co-accused with similar or graver allegations have been granted bail, parity becomes irresistible. Discrimination in bail jurisprudence offends Article 14.

17. Similarly in the matter of ***Krishnan Subramanian v. State, 2022 SCC OnLine Del 1384***, it has been held as under:

“17. Learned ASC submitted that given the sensitive nature of the matter and the large sums of money involved, there is a strong possibility of the applicant absconding and not facing trial. Further if released on bail, he can influence the witnesses and tamper with evidence since he, as the Group CFO, had wide ranging connections and standing with the employees of the Religare Group. It is vehemently submitted that the applicant is not entitled to any relief by this Court and the instant application is liable to be dismissed.

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23. In the instant case, it is an admitted case that co-accused Maninder Singh was enlarged on bail by the Coordinate Bench of this Court vide order dated 5th May 2021. The said bail order was challenged before the Hon'ble Supreme Court by way of filing SLP (CRL.) Diary No. 12290/2021. The Hon'ble Supreme Court vide order dated 12th July 2021 confirmed the bail order dated 5th May 2021 and dismissed the SLP. The co-accused Anil Saxena was also enlarged on bail by the Coordinate Bench of this Court vide order dated 17th June 2020 in Bail Application No. 1074/2020. The said order was also challenged before the Hon'ble Supreme Court by way of filing SLP (CRL) Diary No. 13106/2020. The Hon'ble Supreme Court vide order dated 17th July 2020 did not interfere with the bail order of co-accused Anil Saxena.

24. A perusal of record shows that chargesheet has already been filed, all materials have been collected by the investigating authorities and the evidence against the applicant is documentary in nature. In the considered opinion of this Court, the applicant is neither a flight risk, nor can there be any propensity on his part to tamper with any evidence or influence any witness inasmuch as

the entire domain of evidence is documentary in nature, which exists as it is from the year 2008 onwards, unhindered, and untampered. The applicant is a permanent resident of Delhi and has clean antecedents. He has been languishing in jail since 8th December 2021. In that background considering the chargesheet, first supplementary chargesheet and second supplementary chargesheet as well as the fact that other co-accused persons having been enlarged on bail by the Coordinate Bench which stand confirmed by the Hon'ble Supreme Court; and the facts and circumstances and discussion as aforesaid, this Court is inclined to allow the instant bail application seeking regular bail."

18. The seriousness of the offences, though grave, does not in itself eclipse the doctrine of parity. The Applicant's position, even on the prosecution's own showing, is materially superior to and more favourable than that of several co-accused who have already been enlarged on bail. Unlike accused A-1 to others, the Applicant is not named in the FIR or in any of the chargesheets; no summons, notice or prior search was ever directed against him by the EOW, though other co-accused were repeatedly interrogated and their premises raided. No cash, documents or other incriminating articles have been recovered from the Applicant, in stark contrast to the substantial cash recoveries made from admitted cash aggregators and field operators. Even on the prosecution narrative, the allegation against the Applicant is confined to an ancillary or peripheral role of "routing money", whereas the co-accused who have secured bail are attributed core operational roles in manufacturing, supply, storage, transport, cash collection and distribution across the syndicate. The Applicant is a first-time offender

with no prior criminal antecedents, unlike several co-accused who are alleged to be repeat participants in the liquor syndicate over multiple excise years. If Arun Pati Tripathi (A-1), projected as the mastermind, has been found deserving of liberty by the Hon'ble Supreme Court, and if persons like **Trilok Singh Dhillon**, whose alleged cash empires are far more entrenched, have been granted conditional release, then, in equity and in law, this Hon'ble Court cannot deny similar relief to the Applicant whose role is demonstrably lesser.

#### **V. THE CLASSIC TRIPLE TEST IS SQUARELY SATISFIED – NO FLIGHT RISK, NO TAMPERING APPREHENSION, FULL COOPERATION ASSURED**

19. The Applicant satisfy the test of flight risk. He is a permanent resident of Chhattisgarh, with his family, assets and business interests firmly rooted within the State, has no criminal antecedents, and has never evaded or obstructed any process of law at any stage.

20. There is equally no realistic possibility of tampering with evidence. The prosecution case is overwhelmingly documentary; the investigating agencies have already cited about 885 witnesses and seized approximately 939 documents running into thousands of pages, and no further search or recovery is stated to be pending. The object of bail is to secure presence, not punishment. It has been held by the Apex Court in ***Sanjay Chandra Vs.CBI (2012) 1 SCC 40***, as under:

“23. Apart from the question of prevention being the object of a refusal of bail, one must not lose sight of the fact that any imprisonment before conviction has a substantial punitive content and

it would be improper for any Court to refuse bail as a mark of disapproval of former conduct whether the accused has been convicted for it or not or to refuse bail to an un-convicted person for the purpose of giving him a taste of imprisonment as a lesson.

24) In the instant case, as we have already noticed that the "pointing finger of accusation" against the appellants is 'the seriousness of the charge'. The offences alleged are economic offences which has resulted in loss to the State exchequer. Though, they contend that there is possibility of the appellants tampering witnesses, they have not placed any material in support of the allegation. In our view, seriousness of the charge is, no doubt, one of the relevant considerations while considering bail applications but that is not the only test or the factor : The other factor that also requires to be taken note of is the punishment that could be imposed after trial and conviction, both under the Indian Penal Code and Prevention of Corruption Act. Otherwise, if the former is the only test, we would not be balancing the Constitutional Rights but rather "recalibration of the scales of justice."

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42. When the undertrial prisoners are detained in jail custody to an indefinite period, Article 21 of the Constitution is violated. Every person, detained or arrested, is entitled to speedy trial, the question is : whether the same is possible in the present case.

43. There are seventeen accused persons. Statement of the witnesses runs to several hundred pages and the documents on which reliance is placed by the prosecution, is voluminous. The trial may take considerable time and it looks to us that the appellants, who are in jail, have to remain in jail longer than the period of detention, had they been convicted. It is not in the interest of justice that accused should be in jail for an indefinite period. No doubt, the offence alleged against the appellants is a serious one in

terms of alleged huge loss to the State exchequer, that, by itself, should not deter us from enlarging the appellants on bail when there is no serious contention of the respondent that the accused, if released on bail, would interfere with the trial or tamper with evidence. We do not see any good reason to detain the accused in custody, that too, after the completion of the investigation and filing of the charge-sheet."

## VI. NO PRIMA FACIE CASE EVEN REMOTELY MADE OUT – A CASTLE BUILT ON SAND-

21. The prosecution edifice, with respect, collapses upon close scrutiny. It rests almost entirely on stale, untested and legally vulnerable Section 161 BNSS statements, without any cogent independent corroboration, and fails even prima facie to disclose the essential ingredients of the offences alleged.(i) Sole dependence on Section 161 statements.

22. The case against the Applicant is anchored primarily on: The statement of **Probir Sharma dated 04.12.2025** – an accomplice account recorded nearly one and a half years after the registration of the FIR, which, even if taken at face value, is unsupported by any independent contemporaneous material such as emails, ledger entries, banking instructions or digital trails linking the Applicant to the alleged routing of funds. The statement of **Laxminarayan Bansal** – a **proclaimed absconder** against whom a live non-bailable arrest warrant remains in force, rendering his statement inherently suspect and vitiated in terms of the safeguards embedded in Section 72 BNSS, as a person who has deliberately kept himself beyond the reach of lawful process. In law, such belated and self-serving statements by an accomplice and an

absconder, standing alone and without credible corroboration in material particulars, cannot form a secure foundation for depriving a citizen of liberty at the pre-trial stage.(ii) Absence of basic offence-ingredients even on prosecution showing Even assuming the prosecution narrative to be correct for the limited purpose of bail, the imputed acts do not satisfy the core ingredients of the sections invoked: Prevention of Corruption Act: The Applicant is admittedly not a public servant, nor is there any concrete material of intentional abetment of a specific act of bribery or criminal misconduct by a named public servant. Mere allegations of “benefit” or “proximity” to those in office, without a defined *actus reus*, do not satisfy Sections 7 or 12. Sections 467,468,471 IPC (forgery and use of forged documents): No forged document is alleged to have been authored, executed, fabricated, altered or used by the Applicant. There is no handwriting, digital signature, document-seizure or forensic material connecting him to any hologram, tender paper, licence or bogus record. Section 420 IPC (cheating): There is no allegation, much less proof, of any dishonest inducement by the Applicant causing delivery of property or any act/omission by a particular person to his detriment. The essential elements of deception and consequent delivery are conspicuously absent. Section 120-B IPC (criminal conspiracy): Apart from generalized assertions that the Applicant “benefitted” from the alleged scam, there is no tangible material demonstrating a meeting of minds or any physical manifestation of an agreement between the Applicant and named co-accused, as mandated in **Ram Sharan Chaturvedi v. State of M.P., (2022) 16 SCC 166**, where the Apex Court held that mere association

or proximity is insufficient, and there must be concrete evidence of a shared design translated into overt acts.(iii) Scope of bail jurisdiction – no mini-trial. It is trite that at the stage of bail the Court is not required to conduct a mini-trial or weigh the evidence as at final adjudication; what is required is only a *prima facie* satisfaction that the accusation is supported by credible material. When, as here, the case rests on uncorroborated, delayed statements of highly interested witnesses and when the statutory ingredients of the alleged offences are themselves in serious doubt, continued pre-trial incarceration of a first-time accused would offend settled principles of bail and the constitutional mandate of personal liberty under Article 21.

23. In these circumstances, the prosecution case against the Applicant tested on the touchstone of basic criminal jurisprudence and the governing precedents, appears so fragile that it cannot, justify further denial of liberty.

## **VII. GROSS VIOLATION OF ARTICLE 21 – PROTRACTED DETENTION WHERE TRIAL IS A DISTANT MIRAGE:**

24. Learned counsel for the applicant further submits that the present incarceration has effectively degenerated into punishment by process rather than by proof. The prosecution itself asserts that there are 51 accused persons, approximately 1110 witnesses and about 990 documents running into thousands of pages, while charges are yet to be framed and the investigation admittedly continues in respect of several other accused. In these circumstances, there is no realistic prospect of an early conclusion of trial, and continued custody of the Applicant

would amount to pre-trial punishment. Reliance is placed on ***Kapil Wadhawan v. CBI, 2025 INSC 1440***, particularly paragraphs 11–25, wherein the Hon'ble Supreme Court has cautioned that once investigation is complete and the prosecution has marshalled its material, prolonged pre-trial detention ceases to serve any legitimate investigative purpose and impermissible partakes the character of a substantive sentence. It has held that :

11. Having heard parties at length, we need to observe certain settled principles under the bail jurisprudence. There is no gainsaying that under Indian law “bail is the rule and jail is an exception” is etched in the ethos of criminal jurisprudence. This rule stems from the fact that criminal law presumes a person to be innocent unless proven otherwise. Meaning that generally an under-trial prisoner ought not be placed behind bars indefinitely unless there is clear threat to society, influencing witnesses/inquiry or he is a flight risk etc. This rule also ensures that process is also not made punishment, wherein a person is jailed for very many years pending trial. Bail under the Code is a qualified right of an accused before conviction, wherein the accused is not guaranteed bail, rather it puts onus on the prosecution to establish as to why the under-trial prisoner should not be enlarged on bail. Any deviation in the above proposition is constitutionally circumspect.

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14. 14. Fundamentally every accused before this Hon'ble Court seeking bail is an undertrial, clothed with the presumption of innocence, a

foundational postulate that does not dissolve merely because allegations are serious or the statute invoked is stringent. It is established through a catena of decisions that pre-trial incarceration cannot be allowed to degenerate into punishment without adjudication, and courts are constitutionally obliged to intervene where long custody becomes disproportionate, arbitrary, or excessive.

This Court recently in the case of **Javed Gulam Nabi Shaikh v. State of Maharashtra, (2024) 9 SCC 813** 6, while granting bail to an accused being prosecuted under the provisions of the Unlawful Activities (Prevention) Act, 1967, took into consideration his incarceration of 4 years, and the stage of the trial, where charges were yet to be framed and the prosecution further intended to examine not less than eighty witnesses, observed that:

“7. Having regard to the aforesaid, we wonder by what period of time, the trial will ultimately conclude. Howsoever serious a crime may be, an accused has a right to speedy trial as enshrined under the Constitution of India. Over a period of time, the trial courts and the High Courts have forgotten a very well-settled principle of law that bail is not to be withheld as a punishment.

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17. If the State or any prosecuting agency including the court concerned has no wherewithal to provide or protect the fundamental right of an accused to have a speedy trial as enshrined under Article 21 of the Constitution then the State or any other prosecuting agency should not

oppose the plea for bail on the ground that the crime committed is serious. Article 21 of the Constitution applies irrespective of the nature of the crime.

18. We may hasten to add that the petitioner is still an accused; not a convict. The over-arching postulate of criminal jurisprudence that an accused is presumed to be innocent until proven guilty cannot be brushed aside lightly, howsoever stringent the penal law may be.

19. We are convinced that the manner in which the prosecuting agency as well as the Court have proceeded, the right of the accused to have a speedy trial could be said to have been infringed thereby violating Article 21 of the Constitution.”

(emphasis supplied)

This Court therefore emphatically ruled that if the State lacks the wherewithal to ensure a speedy trial, it cannot oppose bail on the ground of seriousness of the offence, thereby clarifying that Article 21 applies irrespective of the nature of crime.

15. Adding to the above, there has been many cases before this Court, which indicate that a separate treatment is meted out in large scale economic offenses regarding grant of bail. Wherein this Court has on many occasions held that strictest standards have to be applied while granting bail involving large scale economic fraud. [See also State of Bihar & Anr. v. Amit Kumar alias Bachcha Rai, (2017) 13 SCC 751.

XXXXX                  XXXXX                  XXXXX

24. Coming back to the facts of the case, it is clear that the appellant was made accused on account of non-payment of loan and credit facility

availed from a consortium of 17 Banks and divesting of the money in 81 shell companies. Admittedly, this is a case based on documentary evidence and all the accused persons connected with these companies, except the appellants herein have been granted bail. In the present case, total 11 cases have been registered against the appellant as indicated in para 3 above. In all other cases, the appellants have been released on bail. The chargesheet filed by the CBI is voluminous in nature containing more than 4 lakh pages and having 736 witnesses. In addition, 17 trunks of documents are those which are not relied upon and may be brought on record subsequently if deemed necessary by the prosecution. The proceedings against the assets have already been taken up by the NCLT and the CIRP is in progress. In the present case, pending trial, the charges have not yet been framed by the Court.

25. Thus, looking to the number of witnesses and the orders passed by the Courts, it appears that if the case is taken up on day-to-day basis, even in two to three years, the conclusion is not possible. Considering all the facts and circumstances of the case, subject to putting the restrictions on movement of appellants out of India, and without expressing any opinion on the merits of the case, while disposing of these appeals, we deem it appropriate to release the appellants on bail with the following conditions – .....

25. This is punishment by process, not proof. As has been held in the matter of *Kapil Wadhawan v. CBI, (supra)* "Pre-trial detention becomes punishment post-investigation completion. In the matter of *Manish Sisodia v. ED, 2024 SCC OnLine SC 1920* and *K.A. Najeeb v. UOI, (2021) 3 SCC 713*, It has been held as under:

53. The Court further observed that, over a period of time, the trial courts and the High Courts have

forgotten a very well-settled principle of law that bail is not to be withheld as a punishment. From our experience, we can say that it appears that the trial courts and the High Courts attempt to play safe in matters of grant of bail. The principle that bail is a rule and refusal is an exception is, at times, followed in breach. On account of non-grant of bail even in straight forward open and shut cases, this Court is flooded with huge number of pendency. It is high time that the trial courts and the High Courts should recognize the principle that "bail is rule and jail is exception".

54. In the present case, in the ED matter as well as the CBI matter, 493 witnesses have been named. The case involves thousands of pages of documents and over a lakh pages of digitized documents. It is thus clear that there is not even the remotest possibility of the trial being concluded in the near future. In our view, keeping the appellant behind the bars for an unlimited period of time in the hope of speedy completion of trial would deprive his fundamental right to liberty under Article 21 of the Constitution. As observed time and again, the prolonged incarceration before being pronounced guilty of an offence should not be permitted to become punishment without trial.

55. As observed by this Court in the case of *Gudikanti Narasimhulu (supra)*, the objective to keep a person in judicial custody pending trial or disposal of an appeal is to secure the attendance of the prisoner at trial.

56. In the present case, the appellant is having deep roots in the society. There is no possibility of the country and not being available for facing the trial. In any case, conditions can be imposed to address the concern of the State."

## VIII. THE GOLDEN CANON: BAIL, NOT JAIL – REINFORCED BY CONDITIONS

26. In the matter of *State of Rajasthan v. Balchand, (1977) 4 SCC 308*: "Basic rule is bail, not jail. In *P. Chidambaram Vs. ED, (2020) 13*

**SCC 791**, it has been held as under:

23. In *Kalyan Chandra Sarkar v. Rajesh Ranjan and another*

(2004) 7 SCC 528, it was held as under:-

“11. The law in regard to grant or refusal of bail is very well settled. The court granting bail should exercise its discretion in a judicious manner and not as a matter of course. Though at the stage of granting bail a detailed examination of evidence and elaborate documentation of the merit of the case need not be undertaken, there is a need to indicate in such orders reasons for *prima facie* concluding why bail was being granted particularly where the accused is charged of having committed a serious offence. Any order devoid of such reasons would suffer from non-application of mind. It is also necessary for the court granting bail to consider among other circumstances, the following factors also before granting bail; they are:

(a) The nature of accusation and the severity of punishment in case of conviction and the nature of supporting evidence.

(b) Reasonable apprehension of tampering with the witness or apprehension of threat to the complainant.

(c) *Prima facie* satisfaction of the court in support of the charge. (See *Ram Govind Upadhyay v. Sudarshan Singh* (2002) 3 SCC 598 and *Puran v. Rambilas* (2001) 6 SCC 338.)

Referring to the factors to be taken into consideration for grant of bail, in *Jayendra Saraswathi Swamigal v. State of Tamil Nadu* (2005) 2 SCC 13, it was held as under:-

“16. ....The considerations which normally weigh with the court in granting bail in non-bailable offences have been explained by this Court in *State v. Capt. Jagjit Singh AIR 1962 SC 253 and Gurcharan Singh v. State (Delhi Admn.) (1978) 1 SCC 118* and basically they are — the nature and seriousness of the offence; the character of the evidence; circumstances which are peculiar to the accused; a reasonable possibility of the presence of the accused not being secured at the trial; reasonable apprehension of witnesses being tampered with; the larger interest of the public or the State and other similar factors which may be relevant in the facts and circumstances of the case.....”

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30. The learned Solicitor General submitted that the statement of witness ‘X’ who is said to have been approached not to disclose any information regarding the appellant and his son, has been recorded under Section 164 Cr.P.C. in which the said witness ‘X’ has made the statement that he has been approached. Statement under Section 164 Cr.P.C. of the said witness ‘X’ is said to have been recorded on 15.03.2018. The said witness allegedly approached or the other witnesses in a case of the present nature, cannot be said to be a rustic or vulnerable witness who could be so easily influenced; more so, when the allegations are said to be based on documents. More particularly, there is no material to show that the appellant or his men have been approaching the said witness so as to influence the witness not to depose against the appellant or his son.”

27. He thus submits that as catalogued above – where arrest reeks of *mala fides*, investigation stands vitiated, parity screams for equality,

triple test stands traversed, and Article 21 liberty hangs by a thread – this Court may graciously be pleased to grant regular bail to the Applicant forthwith on such terms as deemed fit. No other effective remedy subsists. Hence prayed accordingly.

### **SUBMISSION ON BEHALF OF THE RESPONDENT/STATE**

28. Learned counsel for the State submits the following point-wise reply to the submissions advanced by the learned Senior Counsel for the applicant, demonstrating why the applicant-the alleged kingpin and principal beneficiary of a Rs. 4000 plus crore liquor syndicate oses an existential threat to the ongoing investigation and merits continued custody:

#### **I. ARREST MALAFIDE/"EVERGREENING" – A BASELESS CANARD; ARREST TIMED PERFECTLY WITH EVIDENTIARY FOLDING**

29. The Applicant's narrative of "insurance arrest" is a deliberate distortion of unimpeachable investigative chronology. Far from being unnamed or peripheral, the Applicant emerges as the architect of the scam through emerging evidence post-five supplementary chargesheets: Chargesheet No. 03/2024 (01.07.2024, pg. 239) contained initial leads on Applicant's fund routing; full culpability crystallized via post-chargesheet statements (**Probir Sharma dt. 04.12.2025; Laxminarayan Bansal**) + banking trails confirming ₹1000+ crores parked on Applicant's instructions. Arrest on 24.09.2025 followed dismissal of anticipatory bail by this Hon'ble Court (24.09.2025) – not ED's 60-day cusp – after 2-hour interrogation (12.09.2025) revealed

non-cooperation and evasion tactics. No notice is needed under Section 41A BNSS where custodial confrontation is imperative (***Siddharth v. State of U.P., (2022) 1 SCC 676***, wherein it has been held as under:

“19. It appears that the learned Special Judge was labouring under a misconception that in every non-bailable and cognizable offence the police is required to invariably arrest a person, even if it is not essential for the purpose of investigation.

20. Rather the law is otherwise. In normal and ordinary course the police should always avoid arresting a person and sending him to jail, if it is possible for the police to complete the investigation without his arrest and if every kind of co-operation is provided by the accused to the Investigating Officer in completing the investigation. It is only in cases of utmost necessity, where the investigation cannot be completed without arresting the person, for instance, a person may be required for recovery of incriminating articles or weapon clue as to offence or for eliciting some information or his accomplices or any circumstantial evidence, that his arrest may be necessary. Such an arrest may also be necessary if the concerned Investigating Officer or Officer-in-charge of Police Station thinks that presence of accused will be difficult to procure because of grave and serious nature of crime as the possibility of his absconding or disobeying the process or fleeing from justice cannot be ruled out....’

“9. We are in agreement with the aforesaid view of the high courts and would like to give our imprimatur to the said judicial view. It has rightly been observed on consideration of Section 170 of the Cr.P.C. that it does not impose an obligation on the Officer-in-charge to arrest each and every accused at the time of filing of the chargesheet. We have, in fact, come across cases where the accused has cooperated with the investigation

throughout and yet on the chargesheet being filed non-bailable warrants have been issued for his production premised on the requirement that there is an obligation to arrest the accused and produce him before the court. We are of the view that if the Investigating Officer does not believe that the accused will abscond or disobey summons he/she is not required to be produced in custody. The word "custody" appearing in Section 170 of the Cr.P.C. does not contemplate either police or judicial custody but it merely connotes the presentation of the accused by the Investigating Officer before the court while filing the chargesheet.

10. We may note that personal liberty is an important aspect of our constitutional mandate. The occasion to arrest an accused during investigation arises when custodial investigation becomes necessary or it is a heinous crime or where there is a possibility of influencing the witnesses or accused may abscond. Merely because an arrest can be made because it is lawful does not mandate that arrest must be made. A distinction must be made between the existence of the power to arrest and the justification for exercise of it. If arrest is made routine, it incalculable harm to the reputation and self-esteem of a person. If can cause the Investigating Officer has no reason to believe that the accused will abscond or disobey summons and has, in fact, throughout cooperated with the investigation we fail to appreciate why there should be a compulsion on the officer to arrest the accused."

30. Notice is dispensable where arrest necessity crystallizes during investigation"). The Apex Court matter of ***Joginder Kumar (1994) 4 SCC 260*** applies to routine cases, not mega-scams involving ₹4000 crores where financial trails demand custodial decoding (***Nimmagadda***

**Prasad v. CBI, (2013) 7 SCC 466**, it has been held as under:

22) It is also pointed out that M/s Indus Techzone Pvt. Ltd., availed Rs. 175 crores of loans by mortgaging about 75 acres of land which is shown to have been spent for the development of project. The investigating agency is of the opinion that a major chunk of the funds was diverted/misappropriated by way of fake work orders/RA bills."

31. Economic offences warrant stricter bail scrutiny"). **Arvind Kejriwal (2024 SCC OnLine SC 2550)** distinguished: There, pre-cognizance arrest; here, post-6 chargesheets + witness statements.

**II: SECTION 35(b) BNSS FULLY SATISFIED CUSTODY IMPERATIVE FOR FUND TRACING & CONFRONTATION** The remand grounds (24.09.2025-06.10.2025) explicitly satisfied Section 35(b):

He submits that no recovery is needed in documentary financial scam as has been held in the matter of **Y.S. Jagan Mohan Reddy v. CBI, (2013) 7 SCC 439** where in it has been observed that "Custody for tracing money trails, not physical recovery".

**III: FURTHER INVESTIGATION PERFECTLY VALID – DEEMED PERMISSION VIA SUCCESSIVE CHARGESHEET ACCEPTANCE**

32. Applicant's "void ab initio" bogey stands rejected by judicial precedent and this Court's own orders: Judicial Acquiescence: Special Court accepted all 6 chargesheets (main + 5 supplements) without demur – clear deemed permission (Anil Tuteja SLP(Crl) 11659/2024 dismissed 16.09.2025). Applicant's Suppression: Cr.M.P. 2654/2025 (challenging further investigation) dismissed by this Court on 28.08.2025

on maintainability, granting liberty for fresh petition – never filed. Annexure-A proves suppression – smacks of abuse of process. The Apex Court Precedent: *Vinay Tyagi (2013) 5 SCC 762*, which permits informal intimation. it has been held that:

“49. On the contrary, the court had noticed explicitly in its order that it was a case of supplementary or further investigation and filing of a ‘supplementary report’.

50. Once the Court has taken this view, there is no question of treating the first report as being withdrawn, cancelled or capable of being excluded from the records by the implication. In fact, except by a specific order of a higher court competent to make said orders, the previous as well as supplementary report shall form part of the record which the trial court is expected to consider for arriving at any appropriate conclusion, in accordance with law. It is also interesting to note that the CBI itself understood the order of the court and conducted only ‘further investigation’ as is evident from the status report filed by the CBI before the High Court on 28th November, 2007.”

In the matter of *Robert Lalchungnunga (2025)* doesn't retroactively invalidate accepted chargesheets. The present case of the applicant Chaitanya Baghel (17.10.2025) is distinguished: There is no chargesheet acceptance; full judicial cognizance.

#### **IV: PARITY INAPPLICABLE – BAILS TO MINORS; SUPREME COURT REJECTED KINGPINS**

33. Applicant's cherry-picked list misleads this Court:True Position: 12/22 bailed are minor operatives; kingpins (like Applicant) denied (Vipin

Yadav distinguished – no ₹4000 crore scam there). Laxminarayan Bansal: Voluntarily cooperated pre-arrest (NBW issued 22.05.2025 for investigation aid, not trial); application for cancellation pending – no Section 72 violation (***Siddharth v. State of UP (2022) 1 SCC 676*** para 18: "Cooperation overrides mechanical arrest").

#### V: TRIPLE TEST HOPELESSLY FAILED – APPLICANT FAILS EVERY PRONG

34. It is submitted the by the learned Senior counsel for the respondent that the applicant egregiously fails each limb of the well-settled "triple test" governing the grant of bail. His stature, resources and demonstrated conduct make him a quintessential high-risk accused on all three counts—flight risk, likelihood of tampering with evidence, and propensity to influence or intimidate witnesses. In the matter of ***Krishna Mochi v. State of Bihar, (2002) 6 SCC 81***, the Apex Court has cautioned that powerful and politically connected accused often overawe or terrorize witnesses, leading to retractions, hostility and collapse of prosecutions. The present case is a classic illustration of that principle: the Applicant's enormous financial muscle and deep political-bureaucratic nexus, coupled with specific allegations of pressure on key witnesses, create a clear, present and intolerable risk of interference with the due course of justice, thereby disentitling him to the discretionary relief of bail. It has been stated that the accused if "Powerful, intimidate witnesses".

#### VI: OVERWHELMING PRIMA FACIE CASE – APPLICANT AS UNDISPUTED KINGPIN

35. It is submitted that the material on record discloses an overwhelming *prima facie* case, firmly establishing the Applicant as one of the principal kingpins of the conspiracy. The evidentiary matrix is irrefutable and multi-layered: Statement of Probir Sharma (Section 161 BNSS, dated 04.12.2025): He has categorically deposed that, at the Applicant's behest, a sum of about ₹70 crores was routed through Pappu Bansal to Vijay Agrawal, thereby providing both direct naming and a concrete money trail. Statement of Laxminarayan Bansal: He has further disclosed that approximately ₹1000 crores of scam proceeds were parked with Ram Gopal Aggarwal on the specific instructions of the Applicant, again linking the Applicant to the ultimate destination of illicit funds. Bank records and ledgers: The accounts of Shivam Constructions show large volumes of unexplained cash deposits which mirror, in timing and magnitude, the proceeds of the liquor scam. Shell entities: Concerns such as **Vitthal Green Project and Baghel Developers** have surfaced as bogus or facade entities, contrived and used at the instance of the Applicant for parking and layering tainted funds. This corroborated chain of oral and documentary evidence satisfies the threshold laid down in ***Haricharan Kurmi and Nimmagadda Prasad v. CBI***, negating any need for a mini-trial at the bail stage. The statutory ingredients of the offences are, therefore, clearly made out even at this preliminary stage: Section 120-B IPC: A common design is evident from the coordinated routing and parking of funds, demonstrating a shared criminal agreement implemented over several years. Sections 420, 467, 468, 471 IPC: Forged holograms and related fabricated documents were generated and routed through the

Applicant's network as part of the scam architecture. Sections 7 and 12 of the Prevention of Corruption Act: The record discloses systematic abetment of corrupt acts through a nexus of political and official actors, operating for the benefit of the Applicant and his associates. Imminent; Delay Attributable to Applicant There is, therefore, no infraction of Article 21 in continuing the Applicant's custody. The investigation is nearing completion: six chargesheets have already been filed; approximately 885 witnesses and 939 documents stand marshalled and are ready to be proved at trial. Any marginal delay is substantially attributable to the Applicant's own litigation strategy, including an extended anticipatory-bail marathon between 12.09.2025 and 24.09.2025, which necessarily consumed judicial and investigative time.

## **VII: BAIL, NOT JAIL CANON INAPPLICABLE TO KINGPINS**

36. It is submitted that Applicant's "Unnamed in FIR/Chargesheets" Plea: Deliberate Suppression of Emerging Evidence Contrary to the Applicant's insinuation of peripheral involvement, post-chargesheet investigation under Section 173(8) BNSS crystallized his pivotal role: Probir Sharma (s.161 CrPC dt. 04.12.2025): "Applicant orchestrated ₹ 270 crores routing via Laxminarayan Bansal to Vijay Agrawal"—direct naming of the money trail. Laxminarayan Bansal: "₹1000 crores parked with absconder Ram Gopal Aggarwal (Chhattisgarh Congress Treasurer) on Applicant's explicit instructions." Bank Ledgers (Vitthalpuram Residential Complex): Crores in unexplained cash deposits mirroring scam proceeds; cash expenditures on construction masked laundering (e.g., casual shoes-3, sandals-2, slippers-2, towels-21). *A.R. Antulay v. R.S. Nayak, (1988) 2 SCC 602* (para 133):

Prosecution not bound to array all in FIR; may examine as witnesses.

No right to joint trial. ***Laxmipat Choraria v. State of Maharashtra, AIR 1968 SC 938***: Accomplice evidence (protected u/s 132 Evidence Act)

admissible with caution—precisely applicable.2. Role of Applicant:

Kingpin & Master Architect (Not Peripheral Player)Applicant's centrality

demolishes parity claims. He supervised the scam ecosystem (2019-

2023):Illegal duty-free liquor production; commissions from distillery

owners. Hologram forgery; government shop sales; Part-B siphoning.

Engineered policy subversion: Tailored Excise Policy for FL/IMFL

commissions; manpower agencies for Part-B loot; strategic officer

postings; district-level "contact persons" under his command. Financial

nerve centre: Accounting of illicit proceeds; laundered via shell entities

(Vitthalpuram Residential Complex, Shivam Constructions)—₹4000

crore exchequer loss, syndicate profit. In ***Gulabrai Babukar Deokar v. State of Maharashtra, (2013) 16 SCC 190***:

Nature/seriousness of economic offence + societal impact paramount in bail calculus.Bank

Entries Affirm Direct Infusion: Vitthalpuram Residential Complex

accounts unmistakably establish tainted funds infusion via large,

unexplained cash receipts—matching scam collections in

timing/quantum. Cash layered as unsecured loans/advances/sham

receipts, integrating proceeds into real estate. Applicant: principal

beneficiary and money-launderer.3. "No Search/Recovery" Red Herring:

Irrelevant in Financial Scams Physical recovery immaterial in

documentary money-laundering rackets:ED search (18.07.2025): Bank

documents/ledgers confirming layered laundering. EOW remand

(24.09.2025–06.10.2025): Revealed non-cooperation + custodial

confrontation; witness intimidation (not recovery). **Y.S. Jagan Mohan Reddy v. CBI, (2013) 7 SCC 439** wherein it has been held that Custody decodes financial trails, not yields seizures.4. Further Investigation Judicially Sanctioned & Chargesheets Accepted.

37. Applicant's "void ab initio" trope rejected. Special Court accepted deemed chargesheets (main + 5 supplements) sans demurrer; permission u/s 173(8) BNSS implied. Applicant's Cr.M.P. 2654/2025 dismissed (28.08.2025)—suppression proves abuse of process. Anil Tuteja SLPs dismissed (16.09.2025); Chaitanya Baghel distinguished (no chargesheet acceptance there). Vinay Tyagi v. Irshad Ali, (2013) 5 SCC 762 (para 49): Informal intimation suffices.5. Parity Illusion: Bailed Co-Accused Minors; Kingpins Denied 12/22 bailed: minor logistics handlers. Core financiers (Applicant-tier) incarcerated.6. Triple Test Catastrophically Failed—Existential Threat to ProbeFlight Risk: Undeclared foreign assets (Shivam Constructions); political escape networks. Tampering Risk: Probir Sharma: "Applicant threatened post-ED arrest"; documents manipulated. Influence Risk: Laxminarayan Bansal: "Relatives pressurized"; Ram Gopal Aggarwal absconding. Y.S. Jagan Mohan Reddy (2013) 7 SCC 439 (para 42): Influential accused threatening integrity? Bail denied. Krishna Mochi v. State of Bihar, (2002) 6 SCC 81 (para 31): Powerful accused paralyze witnesses. Laxminarayan Bansal: Voluntary cooperation (NBW investigative aid); cancellation pending (Siddharth v. State of UP, (2022) 1 SCC 676 para 18).7. Prima Facie Case Ironclad: Corroborated Financial Matrix Beyond Haricharan Kurmi caution: Direct Statements: Probir Sharma + Laxminarayan Bansal (naming quantum). Documentary Backbone: Bank

entries + ledgers (₹1000 crores traced).Policy Manipulation: Excise Policy + tender rigging (Applicant's fingerprints).IPC/PC Ingredients:S.120B: Proven common design (district contact grid).S.420/467/468/471: Hologram forgery abetment; proceeds delivery.PC S.7/12: Political-official nexus.Nimmagadda Prasad v. CBI, (2013) 7 SCC 466: Financial trail = *prima facie* guilt.8. No Article 21 Infraction: Public Interest Trumps DelayTrial imminent (chargesheets complete); delay self-inflicted (anticipatory bail chain). K.A. Najeeb (PMLA-specific); Kapil Wadhawan (2025 INSC 1440): Ongoing economic probe overrides delay.9. Bail Canon Inapplicable: "Kingpin Exception" GovernsSanjay Chandra/P. Chidambaram: Concluded probes. Here, live investigation unmasks layers. State of Rajasthan v. Balchand limited by ₹4000 crore societal devastation.

38. In light of the foregoing—*prima facie* kingpin role established via corroborated financial trails; triple test fails catastrophically; parity illusory; further probe demands uninterrupted custody and may therefore, graciously dismiss the application and uphold the impugned order dt. 08.10.2025. Public interest outweighs private liberty

## **VIII. BANK ENTRIES ESTABLISH DIRECT INFUSION AND UTILIZATION OF SCAM PROCEEDS**

39. It is specifically reiterated that the bank account entries of the applicant's firm, Vitthalpuram Residential Complex unmistakably establish the infusion of tainted funds in exchange for large, unexplained cash receipts. These cash inflows match, in timing and quantum, the cash collections generated from the liquor scam and routed through the

syndicate's channels. The investigation has disclosed that such cash was systematically introduced into the banking system in the guise of unsecured loans, advances or sham business receipts, thereby layering and integrating the proceeds of crime into the Applicant's real estate project. These facts belie the attempt of the Applicant to portray himself as a mere bystander and instead affirm his role as a principal beneficiary and money-launderer. The Applicant further utilized these unaccounted proceeds to finance goods, services and construction-related payments for his private project, thereby not only legitimizing black money but also causing substantial loss of tax and excise revenue to the State. These acts constitute classic instances of generation, layering and integration of proceeds of crime, squarely attracting the rigours of economic-offence jurisprudence as recognized in

***Nimmagadda Prasad v. CBI, (2013) 7 SCC 466* and *Gulabrao Deokar v. State of Maharashtra, (2013) 16 SCC 190*.**

## **2. Witness Statements**

Form a Coherent, Corroborated Chain Against the Applicant

2.1 The Applicant's contention that there is "no material" or only "bald statements" is demonstrably false. The prosecution relies not on a solitary, uncorroborated declaration but on a convergent body of statements recorded under Section 161 BNS from multiple independent witnesses, including Shri Probir Sharma – who has categorically stated that, at the behest of the Applicant, he facilitated large-scale cash movements and investments in the Applicant's projects using scam proceeds; Shri Rajesh Bisen and Shri Vimal Kumar Tiwari – employees connected with co-accused; their statements explain how cash collections from the liquor trade were systematically channelled;

Shri Santosh Aggarwal and Shri Rajendra Kumar Aggarwal – whose evidence throws light on the downstream handling and routing of funds; Shri Rakesh Dodhi – Chartered Accountant, whose testimony and records lend professional corroboration to the financial structuring undertaken for the Applicant.

40. If Read together with the banking records and ledger entries, these statements form a robust, mutually-reinforcing evidentiary chain. At the bail stage, the law only requires *prima facie* satisfaction based on such material; conclusive proof is not the standard, as repeatedly held by the Hon'ble Supreme Court in ***Nimmagadda Prasad and Y.S. Jagan Mohan Reddy v. CBI, (2013) 7 SCC 439.***

41. The reliance placed by the Applicant on the principle that accomplice evidence requires caution is misplaced in the present context. The State does not rest its case on an isolated accomplice statement; instead, it relies on interlocking statements and documentary material which collectively establish the Applicant's culpability.

4. Systematic Intimidation of Witnesses Demonstrates Real and Present Risk of Tampering:

During investigation, it has emerged from multiple independent sources and from the statements of key witnesses that the Applicant, acting in concert with his highly influential father, has coerced, threatened and intimidated material witnesses with the express object of compelling them to retract, dilute or resile from their earlier statements. This pattern of conduct is not speculative; it is borne out from the record. Witnesses have specifically narrated how pressure was brought upon

them through visits, phone calls and intermediaries, with a clear message that adverse testimony against the Applicant would invite serious consequences.

42. In ***Krishna Mochi v. State of Bihar, (2002) 6 SCC 81***, the Supreme Court poignantly noted the inherent vulnerability of witnesses when confronted with powerful, politically connected accused persons and cautioned that courts must factor in the real likelihood of intimidation and repression. The present case is a textbook application of that dictum, given the Applicant's enormous financial muscle, political connections and familial influence. In these circumstances, the apprehension that the Applicant will tamper with evidence and browbeat witnesses is not a mere allegation of the prosecution; it is a well-founded, evidenced reality. Grant of bail in such a situation would send a message of impunity and irreparably damage the ongoing investigation.

43. **Applicant's Conduct Disentitles Him to Discretionary Relief :**  
The cumulative material – bank entries, corroborated witness statements, and documented attempts at interference – clearly demonstrates that the Applicant has benefitted directly and substantially from the proceeds of the scam; Actively participated in generation, layering and integration of illicit funds; and sought to thwart, derail and contaminate the investigation by pressurizing witnesses.

Bail is a discretionary and equitable relief. A litigant who abuses the process, suppresses relevant facts and interferes with the administration of justice cannot seek to invoke that discretion in his

favour. The Applicant's conduct, far from inspiring confidence, calls for judicial circumspection.

44. In view of the above, it is submitted that there exists strong *prima facie* material demonstrating the Applicant's role as a principal conspirator and major beneficiary of a multi-crore economic offence; The risk of tampering with evidence and intimidating witnesses is not hypothetical but established; and the interests of a fair and effective investigation, as also the larger public and State interest, would be gravely prejudiced by the Applicant's release at this stage.

45. Evidence Discloses a Formally Structured, Politically Protected State-Wide Liquor Scam. The investigation has unearthed that, between 2018 and 2023, during the tenure of the then political dispensation, a formally structured, politically protected and State-wide liquor scam was executed in Chhattisgarh. The material on record shows that bureaucratic officials, political representatives and private individuals operated not as isolated wrongdoers but as part of an organized syndicate functioning in a coordinated, hierarchical manner. These actors moved in lockstep and with explicit approval, knowledge and consent of the present Applicant, who has been identified as one of the central conspirators and a key architect of the criminal enterprise. The evidence demonstrates that the scam was not an ad-hoc aberration but a systematically institutionalized scheme of corruption running across multiple years and across the entire excise chain.

46. Roles of Co-Conspirators Demonstrate Applicant's Centrality in

the Conspiracy. The statements and documents collected during investigation identify several crucial co-conspirators whose roles, when read together, underscore the Applicant's central position:a. **Mrs. Soumya Chaurasia** – Initially posted as Sub-Divisional Officer and later as Commissioner, Bhilai–Charoda Municipal Corporation, she was subsequently elevated as Deputy Secretary in the Chief Minister's Office. Her proximity to the highest executive authority and her strategic positions made her a vital conduit for policy and administrative facilitation of the scam. b. **Shri Anil Tuteja, IAS** – A senior IAS officer closely aligned with the then political leadership, who played an instrumental role in orchestrating administrative manoeuvres that enabled the smooth functioning of the illicit system. His bureaucratic influence and access to departmental structures fortified and insulated the conspiracy. **Shri Anwar Dhebar** – An influential politician and brother of the then Mayor of Raipur Municipal Corporation. He acted as a central channel for movement of illegal cash, coordinating between distilleries, syndicate managers and political beneficiaries. These roles, taken cumulatively, demonstrate that the Applicant was not an incidental participant but sat at the apex of a pyramidal command structure comprising bureaucrats, political figures and private operatives, each performing functions that ultimately served his financial and personal interests.

III. Applicant's Direct Role in Clandestine Cash Movements and Routing of Scam Proceeds. It has been conclusively revealed during investigation that the Applicant ensured the clandestine movement of illegal cash – internally referred to as “goods” – derived from the liquor

scam. These funds were transported to and from several persons, including Ramgopal Aggarwal, on a routine basis.

47. Substantial number of such deliveries and collections were routed through Rajiv Bhawan, Raipur, the headquarters of the Chhattisgarh Pradesh Congress Committee. Cash dispatched by co-accused Anwar Dhebar was routinely carried by his trusted aide, Deepen Chavda, and thereafter delivered to Devendra Dadseña at Rajiv Bhawan at around 10:00 A.M., approximately four times every month. This systematic and scheduled pattern of delivery continued uninterrupted for almost two years, from 2019 to 2021, thereby demonstrating the existence of a well-organized, well-oiled criminal machinery, rather than sporadic or isolated transactions. The Applicant's name repeatedly surfaces in internal communications and statements as the ultimate controller and beneficiary of these movements.

#### **IX. INFUSION OF TAINTED FUNDS INTO APPLICANT'S PROJECT – GENERATION, LAYERING AND INTEGRATION OF PROCEEDS OF CRIME**

48. The bank account entries of the Applicant's firm "Vitthalpuram Residential Complex" clearly reveal that crores of rupees generated from the excise scam were routed through various channels and ultimately deposited into the firm's bank accounts. These deposits correspond to unaccounted cash collections from the liquor operations and are not supported by any legitimate business rationale or documentary explanation. The Applicant then used these illicitly generated and laundered funds to finance goods, services and

construction work for his private project. Such conduct amounts to the classic three-stage process of (i) generation, (ii) layering and (iii) integration of proceeds of crime:Generation through corrupt commission mechanisms in the liquor trade;Layering via shell entities, cash couriers and intermediaries;Integration through infusion into the Applicant's ostensibly lawful real-estate venture. These findings are supported by the statements of Probir Sharma, Rajesh Bisen, Vimal Kumar Tiwari, Santosh Aggarwal, Rajendra Kumar Aggarwal and Rakesh Dondhi, whose testimonies, when read together with the bank and ledger records, constitute strong *prima facie* evidence of the Applicant's role as a principal money-launderer and financial architect of the scam.

## **X. SYSTEMATIC INTIMIDATION OF WITNESSES – GRAVE RISK OF TAMPERING AND OBSTRUCTION**

49. During the course of investigation, it has emerged from multiple independent sources, including statements of key witnesses, that the applicant, acting in tandem with his highly influential father, has coerced, threatened and intimidated crucial witnesses with the object of compelling them to retract, dilute or resile from their earlier statements. Witnesses have specifically stated that they were approached and warned against supporting the prosecution version, and were pressured to modify or withdraw their cooperation with the investigating agency. This conduct is not an isolated allegation but a consistent pattern, which shows a deliberate design to obstruct, derail and contaminate the investigation. Such interference strikes at the very heart of the criminal justice system and demonstrates that, if enlarged on bail, the Applicant

would pose a serious, imminent and well-founded threat to the integrity of the ongoing proceedings. In the context of powerful and politically connected accused persons, the apprehension of witness intimidation is not merely theoretical but amply justified, as noticed by the Hon'ble Supreme Court in **Krishna Mochi v. State of Bihar, (2002) 6 SCC 81.** Applicant's Influence, Financial Muscle and Political Nexus – Bail Would Seriously Jeopardize Investigation. The record shows that the Applicant is an individual of enormous influence, substantial financial resources and deep-rooted connections within bureaucratic and political circles. His proximity to decision-makers in the erstwhile government, his control over front entities, and his demonstrated capacity to manipulate administrative processes collectively render him a high-risk accused. In these circumstances, his release at this juncture would pose a clear and credible danger of: Tampering with documentary and electronic evidence; Engineering retractions or hostile stances from key witnesses; Coordinating with absconding conspirators and further frustrating the trace of scam proceeds. The investigation has already revealed that approximately ₹4000 crores of public money has been siphoned off through the scam. The magnitude of the economic offence and its impact on public interest, especially in a resource-constrained State, are compelling factors militating against grant of bail, as underscored in **Gulabrao Babukar Deokar v. State of Maharashtra, (2013) 16 SCC 190.**

50. Tampering with documentary and electronic evidence; Engineering retractions or hostile stances from key witnesses; Coordinating with

absconding conspirators and further frustrating the trace of scam proceeds. The investigation has already revealed that approximately ₹4000 crores of public money has been siphoned off through the scam. The magnitude of the economic offence and its impact on public interest, especially in a resource-constrained State, are compelling factors militating against grant of bail, as underscored in **Gulabrao Babukar Deokar v. State of Maharashtra, (2013) 16 SCC 190**.

51. Respondent submits that there exists overwhelming *prima facie* evidence of the Applicant's role as a principal conspirator and financial kingpin of the liquor scam; The risk of witness intimidation and evidence tampering is real, established and continuing; and the gravity, magnitude and societal impact of the offence, coupled with the Applicant's influence and conduct, render this a case wholly unfit for grant of bail. It is, therefore, respectfully prayed that this Court may be pleased to reject the present bail application and affirm the order dated 08.10.2025 passed by the Learned Special Court (PC Act), Raipur, in the interest of justice and public interest.

52. Formally Structured, Politically Shielded Liquor Scam (2018–2023)1.1 The investigation has now conclusively revealed that between 2018 and 2023, during the tenure of the then political dispensation, a formally structured, politically protected, State-wide liquor scam was executed in Chhattisgarh. The scheme was not a series of isolated acts, but a cohesive and centrally coordinated criminal enterprise.1.2 The material on record demonstrates that bureaucratic officials, political representatives and select private individuals operated as members of

an organized syndicate, each performing defined roles at different stages of the excise chain—policy formulation, tendering, procurement, hologram supply, retail operations, cash collection and laundering.

53. All these key actors functioned in close coordination and with the explicit approval, knowledge and consent of the present Applicant, who has emerged as a principal conspirator and one of the central command figures of this criminal enterprise.2. Specific Institutional Roles of Co-Conspirators – Contextualizing the Applicant’s Position.

54. The investigation has, *inter alia*, identified the roles of the following senior functionaries, which in turn underscore the Applicant’s centrality:a. Mrs. Soumya Chaurasia – Initially posted as Sub-Divisional Officer (SDM), Patan, and later as Commissioner, Bhilai-Charoda Municipal Corporation; subsequently elevated as Deputy Secretary in the Chief Minister’s Office. Her proximity to the highest executive authority and her strategic postings made her a crucial conduit in enabling, facilitating and shielding the syndicate’s operations. Shri Anil Tuteja, IAS – A senior IAS officer closely aligned with the then Chief Minister, who played an instrumental role in orchestrating administrative manoeuvres that enabled the smooth functioning of the scam. His bureaucratic influence and access to departmental structures significantly fortified the conspiracy.

55. Shri Anwar Dhebar – A prominent political figure and an influential Congress leader, who served as a key operative of the syndicate and acted as a central channel for the movement of illegal cash generated

from the scam.

56. These roles show that the Applicant was operating at the apex of a vertically integrated network, exercising supervisory control over bureaucratic, political and private actors who worked in tandem to execute and conceal the scam. The material collected clearly shows that the Applicant is an individual of enormous influence, substantial financial muscle and deep-rooted connections within bureaucratic and political circles. His network spans elected representatives, senior civil servants and private intermediaries embedded across the excise and administrative apparatus. In light of this profile, the investigating agency has justifiably apprehended that his release at this stage would pose a serious, imminent and well-founded threat to the integrity of the ongoing investigation. The apprehension is neither vague nor speculative; it is grounded in concrete instances of: Coercion, threats and inducements extended to key witnesses; Efforts to influence or neutralize co-accused and couriers involved in cash transportation; and the Applicant's demonstrated inclination to obstruct, derail and contaminate the evidentiary process. In such circumstances, the settled principles governing bail in serious economic offences and corruption cases (including ***Gulabrao Babukar Deokar v. State of Maharashtra and Y.S. Jagan Mohan Reddy v. CBI***) squarely support the State's contention that the risk of witness intimidation and evidence tampering is both real and grave, and that continued custody is necessary to secure the ends of justice.

57. Overall Impact and Necessity of Continued Custody. The

cumulative effect of the evidence—documentary, financial and testimonial—shows that: The Applicant was at the heart of a State-wide corruption grid, functioning as one of the top-tier commanders; He personally supervised the financial architecture and ensured the movement, parking and utilization of illicit proceeds; and the scam has caused an unprecedented loss of approximately ₹4000 crores to the State exchequer, gravely undermining public interest, revenue integrity and institutional credibility. In the face of such material, the present case does not warrant any indulgence by way of bail. On the contrary, it calls for heightened judicial vigilance to ensure that the investigation is permitted to reach its logical conclusion free from interference, intimidation or dilution.

58. In view of the above additional facts and circumstances, read with the earlier written and oral submissions, it is humbly reiterated that: The Applicant's role is that of a principal conspirator and major beneficiary, not a peripheral participant; His release at this stage would gravely imperil the ongoing investigation by enabling further tampering with evidence and suborning of witnesses; and the gravity, magnitude and organized nature of the offence, coupled with the Applicant's influence and conduct, render this a case wholly unfit for grant of bail. It is, therefore, most respectfully prayed that this Hon'ble Court may reject the present bail application and affirm the order dated 08.10.2025 passed by the Learned Special Court (PC Act), Raipur.

## **FINDINGS AND THE CONCLUSION**

59. Heard learned counsel for the Applicant, Respondent-State, at length over multiple adjournment dates. Perused the record meticulously, including FIR No. [04/2024], chargesheets (main + 5 supplements), witness statements, seized documents, and materials placed on record.

60. The prosecution's narrative unmasks a sophisticated syndicate involving kingpin orchestration of illegal liquor production, hologram forgery, policy subversion, Part-B siphoning, and ₹4000 crore exchequer devastation—layered through shell entities like Vitthalpuram Residential Complex and Shivam Constructions.

61. It is the case that the applicant was allegedly involved in a large scale syndicate which was operating in the State of Chhattisgarh. It is further case of prosecution that the allegations arise out of certain transactions and official decisions allegedly taken during the relevant period, wherein it is sought to be contended that the applicant, along with other accused persons was part of a larger conspiracy which allegedly resulted in wrong gain to certain private individuals and corresponding loss to the public exchequer. The applicant has been arrayed as an accused primarily on the basis of the statements recorded during investigation and alleged linkages drawn by the investigating agency.

62. Notably, the applicant was not named in the First Information Report nor does the FIR attribute any direct, specific or overt role to the applicant in the alleged offence. The allegations sought to be levelled

against the applicant would necessarily require a detailed appreciation of evidence, examination of witnesses and scrutiny of documentary material which lies exclusively within the domain of the trial. It is well settled that such an exercise is wholly impermissible at the stage of consideration of a bail application, as bail proceedings cannot be converted into a mini-trial.

63. Investigation was initiated by the Police/EOW/ACB and the applicant was arrested on 24.09.2025 in connection with the FIR No. 04/2024 dated 17.01.2024. The investigation as informed, is substantially complete and custodial interrogation of the applicant is no longer required. The material relied upon by the prosecution is largely documentary in nature and is already in the custody of the investigating agency.

64. In the first charge-sheet filed by the Economic Offences Wing (EOW) in Crime No. 03/2024, the applicant was not arrayed as an accused. Even thereafter, the EOW filed multiple supplementary charge-sheets, as many as five in number, yet in none of the said charge-sheets was the applicant shown or arraigned as an accused.

65. Even after filing as many as five supplementary charge-sheets, the investigating agency consistently refrained from arraigning the applicant as an accused. It is an admitted position that no recovery whatsoever—neither money, property nor any incriminating article—has been effected from the possession of the applicant. The prosecution has not alleged that even a single penny of the purported proceeds of crime

has been recovered by the EOW from the present applicant.

67. The investigation, as conceded by the prosecution itself, is substantially complete, and there is nothing on record to suggest that custodial interrogation of the applicant is either necessary or justified at this stage. Continued incarceration, therefore, serves no investigational purpose. The statements of witnesses recorded under Section 161 Cr.P.C. are predominantly directed against co-accused **Trilok Singh Dhillon** and the applicant is sought to be implicated by way of alleged association. It is of considerable relevance that the said co-accused has already been granted bail by the High Court, thereby squarely attracting the **principle of parity** in favour of the present applicant.

68. The prosecution has relied on the statement of co-accused Lakshmi Narayan Bansal. Despite an open-ended/permanent warrant of arrest having been issued against the proclaimed absconder/co-accused, and despite his availability to the Investigating Officer, he was neither arrested nor proceeded against and was permitted to walk free after recording of his statement. Such selective application of the law glaringly reflects a “pick and choose” approach, which is antithetical to the concept of fair and impartial investigation.

68. The magnitude of the case itself demonstrates the futility of prolonged pre-trial incarceration. As per the prosecution’s own version, the matter involves 51 accused persons, 1110 witnesses and approximately 990 documents spanning thousands of pages. Charges are yet to be framed against several accused, and investigation is stated

to be continuing. In such circumstances, the prospect of an early conclusion of trial is illusory. Prolonged incarceration in a case of this nature would amount to punishment before conviction and would plainly violate the applicant's fundamental right to a speedy trial guaranteed under Article 21 of the Constitution of India.

69. Adding to the procedural infirmities, the EOW has proceeded with further investigation and filing of supplementary reports without obtaining prior permission of the competent court, contrary to the law laid down by the Hon'ble Supreme Court in *Vinay Tyagi, Vinubhai Haribhai Malaviya, and Robert L. Chonthu @ R.L. Chonthu (supra)*. Such deviation further weakens the sanctity of the prosecution's case.

70. The allegations sought to be levelled against the applicant would require meticulous appreciation of evidence, examination of a vast body of witnesses and scrutiny of voluminous records, an exercise which can only be undertaken during trial. It is trite law that bail proceedings cannot be transformed into a mini-trial. Viewed cumulatively—absence of the applicant's name in the FIR, consistent non-arrainment in first charge-sheet and thereafter five supplementary charge sheets, lack of recovery, completion of investigation, grant of bail to similarly placed co-accused, procedural lapses on the part of the investigating agency, and the inevitability of a protracted trial—this Court finds no compelling reason to curtail the applicant's liberty any further.

71. It is further significant to note that, as per the prosecution's own case, the alleged masterminds and key conspirators of the entire liquor

scam are stated to be **Arun Pati Tripathi, Trilok Singh Dhillon, Anurag Dwivedi, and Arvind Singh**, who are alleged to have conceived, orchestrated and implemented the criminal conspiracy, including formation of the syndicate and distribution of proceeds of crime to politicians and public officials. It is further of considerable significance that as many as 29 Excise Officials who are alleged to have been involved in the very same liquor scam and against whom serious allegations were levelled by the prosecution, have already been enlarged on bail by the Apex Court. The grant of bail to such a large number of public officials, whose alleged role was integral to the execution of the purported conspiracy, unmistakably fortifies the applicant's claim to parity. In the absence of any material demonstrating a role attributable to the applicant that is graver or distinguishable from those officials already on bail, the continued incarceration of the applicant would be wholly unjustified and contrary to the settled principles governing grant of bail.

72. Applying the aforesaid authoritative pronouncements to the facts of the present case, it is evident that:

- (a) The applicant was not named in the FIR;
- (b) He was never arraigned as an accused in the original or five supplementary charge-sheets;
- (c) No recovery has been effected from him by the EOW;
- (d) His alleged role, if any, is at best derivative and associative;

Singh Dhillon, have already been granted bail by the Apex Court.

74. In the absence of any distinguishing material against the applicant, denial of bail would amount to hostile discrimination, directly offending the doctrine of parity as expounded by the Apex Court.

75. This Court is, therefore, persuaded to hold that the applicant has made out a clear and compelling case for grant of bail, not only on facts but also on the anvil of binding constitutional and precedential mandates laid down by the Apex Court.

76. Despite the fact that a permanent warrant/open ended warrant was issued by the Special Court, in this case against Mr. Lakshmi Narayan Bansal and the same was available to the Investigating Officer, he merely recorded the statement of the co-accused LNB, without effecting his arrest and let him escape, such actions constitute a grave violation of law. Therefore, this Court direct the Director General of Police of the State to look into this matter and issue appropriate directions to all the police officers across the State and ensure that similar violations do not occur in future.

77. Having bestowed anxious consideration to the material placed on record, and with due deference to the imperatives of investigation, this Court, without venturing into the merits of the matter, is of the considered opinion that no compelling or justifiable reason now survives for the continued incarceration of the applicant. The ends of justice, in the facts and circumstances of the case, would be sufficiently

safeguarded by enlarging the applicant on bail.

81. Accordingly, the present bail application deserves to be and is hereby allowed. It is directed that the applicant shall be released on bail upon his furnishing a personal bond in the sum of ₹1,00,000/- (Rupees One Lakh only) along with two local sureties of the like amount, to the satisfaction of the learned Trial Court, subject to the following stringent conditions so as to ensure the fair, smooth and expeditious conduct of the trial:

- (a) 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 he is 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) any stringent conditions as may be imposed by the trial court.

Any violation of the above conditions will entitle the prosecution to move application for cancellation of bail which shall be considered promptly and on merits.

82. It is made clear that the observations made hereinabove are

confined strictly to the adjudication of the present bail application. Nothing stated in this order shall be construed as an expression of opinion on the merits of the case. The learned Trial Court shall proceed with the matter independently and uninfluenced by any of the observations contained in this order.

83. Nothing stated herein shall be construed as an expression of opinion on the merits of the case and the trial court shall proceed independently, uninfluenced by any of the observations made in this order.

Sd/-

(Arvind Kumar Verma)  
Judge