

APHC010713262025



**IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI
(Special Original Jurisdiction)**

[3396]

TUESDAY, THE TWENTY FOURTH DAY OF MARCH
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE DR. JUSTICE VENKATA JYOTHIRMAI PRATAPA

CRIMINAL PETITION No: 1238 / 2026

Between:

ANIL CHOKHARA, S/O.BABULAL, AGED ABOUT 47 YEARS,
OCCUPATION: BUSINESS, R/O.FLAT NO.1103, KESAVA KUNJ III,
NAVI MUMBAI, THANE.

...PETITIONER/ACCUSED No.49

AND

THE STATE OF ANDHRA PRADESH, THROUGH ADDITIONAL
SUPERINTENDENT OF POLICE, CID POLICE STATION,
MANGALAGIRI, GUNTUR DISTRICT, REPRESENTED BY PUBLIC
PROSECUTOR, HIGH COURT OF ANDHRA PRADESH AT
AMARAVATI.

...RESPONDENT/COMPLAINANT(S):

Counsel for the Petitioner/Accused No.49:

1.B.ABHAY SIDDHANTH

Counsel for the Respondent/complainant(S):

1.PUBLIC PROSECUTOR

The Court made the following:

ORDER:

The instant Criminal Petition under Sections 480 and 483 of Bharatiya
Nagarik Suraksha Sanhita, 2023¹ has been filed by the Petitioner / Accused
No.49, seeking regular bail in connection with Crime No.21 of 2024 of CID
Police Station, Mangalagiri, Guntur District registered for the offences under
Sections 409, 420, and 120-B read with Sections 34, 37 of the Indian Penal

¹For short 'BNSS'

Code, 1860² and Sections 7, 7(a), 8, 13(1)(b) & 13(2) of the Prevention of Corruption Act, 1988³.

Case of the Prosecution precisely, is as follows:

2. The present crime arises out of allegations concerning large-scale irregularities in the implementation of the excise policy and functioning of the Andhra Pradesh State Beverages Corporation Limited (APSBCL) during 2019 to 2024. The matter came to light upon a representation made to the Principal Secretary to the Government of Andhra Pradesh, on 26.08.2024 by one Venkateswara Rao Srinivas, alleging irregularities in the excise policy from 2019 to 2024. The report highlighted issues such as unfair discrimination in the allocation of Orders for Supply (OFS) of liquor, leading to the suppression of established brands and preferential treatment for new brands, in violation of existing norms. It also raised concerns about the shift from an automated to a manual OFS system, which could allow for manipulations. After an enquiry, Principal Secretary referred the complaint to CID Police, Mangalagiri, which registered a case in Crime No.21 of 2024 against unknown persons on 23.09.2024, alleging offences under Sections 409, 420, and 120-B of IPC. On 05.02.2025, the Government constituted a Special Investigation Team (SIT), *vide* G.O.Rt.No.262 to investigate the alleged irregularities in the excise policy and related crimes.

3. Petitioner herein is Accused No.49 in the above crime. The allegations against the Petitioner / Accused No.49 are that, he deeply

² For short 'IPC'

³ For short 'PC Act'

involved in a well-orchestrated criminal conspiracy involving creating of bank accounts and operation and incorporation of shell companies for the facilitation of transactions arising out of the illicit liquor trade and to route the funds received as kickbacks. Petitioner is one of the principal organizers of a structured network of shell companies, operated through benami Directors and financial conduits.

Arguments advanced at the Bar:

4. Heard Sri B.Abhay Siddhanth, learned counsel for the Petitioner / Accused No.49, and Sri M.Lakshmi Narayana, learned Public Prosecutor assisted by Ms.K.Priyanka Lakshmi, learned Assistant Public Prosecutor for State.

On behalf of the Petitioner / Accused No.49:

5. Learned counsel for the Petitioner / Accused No.49 would submit that the complaint, FIR, and remand report do not attribute any specific overt act or distinct role to the Petitioner. Learned counsel would further submit that the alleged act of converting white money into black money is not *per se* criminalized under the Indian Penal Code. In the absence of a statutory prohibition, the prosecution's case is fundamentally untenable, rendering the invocation of IPC provisions and the Prevention of Corruption Act legally unsustainable. It is further submitted that the material on record does not disclose any act attributable to the Petitioner constituting the alleged offences. The investigation is complete, and the charge sheet has also been filed and hence, continued detention would amount to pre-trial punishment.

Learned counsel further contends that the trial is likely to be protracted, given the large number of witnesses and voluminous evidence, thereby infringing the Petitioner's fundamental right to a speedy trial under Article 21 of the Constitution of India. All evidence is documentary and already in custody of the investigating agency, eliminating any risk of tampering. The Petitioner has cooperated throughout and was initially treated as a witness before being arrested. It is submitted that, Accused No.4, who is alleged to be a principal conspirator was already released on bail, and the principle of parity applies. The Petitioner has no convictions and has consistently complied with legal processes in prior cases. In these circumstances, no offence is made out, and continued incarceration is unjustified. Learned counsel would submit that the Petitioner is ready to abide any of the conditions that may be imposed by the Court. Hence, prayed to enlarge the Petitioner / Accused No.49 on bail. In support of their contentions, learned counsel has placed reliance on the judgments of the Hon'ble Supreme Court in **Inder Mohan Goswami and another vs. State of Uttaranchal and others**⁴, **Deepak Bajaj vs. State of Maharashtra**⁵, **P.Krishna Mohan Reddy vs. State of Andhra Pradesh**⁶, **State of Kerala vs. Raneef**⁷.

⁴ (2007) 12 SCC 1

⁵ (2008) 16 SCC 14

⁶ Special Leave Petition (Criminal) No.7532 of 2025, dated 16.05.2025

⁷ (2011) 1 SCC 784

On behalf of Respondent / State:

6. Learned Public Prosecutor appearing for the Prosecution would submit that, the present bail application is not maintainable as all grounds now urged were already considered and rejected by the learned Special Judge, Vijayawada in CrI. M.P. No. 2094 of 2025 by order dated 04.02.2026. The Petitioner has failed to demonstrate any change in circumstances warranting reconsideration. It is further submitted that, the Petitioner was absconding and was arrested only after execution of non-bailable warrants, reflecting disregard for the process of law. The investigation clearly establishes his role in a large-scale criminal conspiracy involving creation and operation of shell companies for laundering illicit funds arising from the liquor trade.

Learned Public Prosecutor further contends that the material on record, including multiple witness statements, bank records, and forensic evidence, shows that ₹77.55 crores were routed through shell entities controlled by the Petitioner under the guise of bogus transactions. The investigation has also revealed that these shell companies were created using fabricated or misused KYC credentials, with the Petitioner exercising actual control through benami directors. Physical verification and witness statements confirm that these entities had no genuine business activity.

It is further submitted that there exists a strong *prima facie* case supported by oral, documentary, and electronic evidence, including CDRs and FSL reports establishing nexus with co-accused. Further, the Petitioner's criminal antecedents in similar economic offences demonstrate his conduct

in committing such crimes and strengthen the apprehension that he may interfere with the investigation if released. The fact that he has obtained bail in other cases does not entitle him to bail in the present matter.

Learned Public Prosecutor would finally submit that, in view of the gravity of the offence, the role played by the Petitioner, the strong *prima facie* case, and the likelihood of tampering with evidence, the present bail application deserves to be rejected. Hence, prayed for dismissal of the petition. In support of their contentions, learned Public Prosecutor has placed reliance on the judgments of the Hon'ble Supreme Court in **Netsity Systems (Ltd.) vs. State (NCT Delhi)**⁸, **State of Rajasthan vs. Indraj Singh**⁹, **Manik Madhukar Sarve vs. Vitthal Damuji Meher**¹⁰, **Centrum Financial Services Ltd., vs. State (NCT Delhi)**¹¹, **State of Bihar vs. Amit Kumar**¹², **Y.S.Jagan Mohan Reddy vs. CBI**¹³, **Nimmagadda Prasad vs. CBI**¹⁴ and **Hemant Dhasmana vs. CBI**¹⁵

7. Having heard the rival submissions on sides, this Court has perused the material available on record. Now, the point that arises for determination is:

Whether the Petitioner / Accused No.49 is entitled for the grant of regular bail?

⁸ 2025 SCC OnLine SC 2079

⁹ 2025 SCC OnLine SC 518

¹⁰ (2024) 10SCC 753

¹¹ (2022) 13 SCC 28

¹² (2017) 13 SCC 751

¹³ (2013) 7 SCC 439

¹⁴ (2013) 7 SCC 466

¹⁵ (2001) 7 SCC 536

Determination by the Court

8. Before delving into the question of grant of bail in this petition, it is beneficial to state the settled principles of law governing bail jurisprudence.

9. Consideration for grant of bail is not in a strait jacket formula and it will have to be determined on case-to-case basis on the facts involved. A three-Judge Bench of the Hon'ble Supreme Court in ***P. Chidambaram v. Directorate of Enforcement***¹⁶, discussed the factors to be considered in dealing with a bail application as follows;

“21. The jurisdiction to grant bail has to be exercised on the basis of the well-settled principles having regard to the facts and circumstances of each case. The following factors are to be taken into consideration while considering an application for bail:

(i) the nature of accusation and the severity of the punishment in the case of conviction and the nature of the materials relied upon by the prosecution;

(ii) reasonable apprehension of tampering with the witnesses or apprehension of threat to the complainant or the witnesses;

(iii) reasonable possibility of securing the presence of the accused at the time of trial or the likelihood of his abscondence;

(iv) character, behaviour and standing of the accused and the circumstances which are peculiar to the accused;

(v) larger interest of the public or the State and similar other considerations.

[Vide Prahlad Singh Bhati v. State (NCT of Delhi) [Prahlad Singh Bhati v. State (NCT of Delhi), (2001) 4 SCC 280 : 2001 SCC (Cri) 674] .]

23. *In Kalyan Chandra Sarkar v. Rajesh Ranjan [Kalyan Chandra Sarkar v. Rajesh Ranjan, (2004) 7 SCC 528 : 2004 SCC (Cri) 1977] , it was held as under: (SCC pp. 535-36, para 11)*

“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

¹⁶(2020) 13 SCC 791

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 [Puran v. Rambilas, (2001) 6 SCC 338.]”

24. Referring to the factors to be taken into consideration for grant of bail, in *Jayendra Saraswathi Swamigal v. State of T.N.* [*Jayendra Saraswathi Swamigal v. State of T.N.*, (2005) 2 SCC 13 : 2005 SCC (Cri) 481], it was held as under: (SCC pp. 21-22, para 16)

“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. Jagjit Singh [State v. Jagjit Singh, AIR 1962 SC 253 : (1962) 1 Cri LJ 215] and Gurcharan Singh v. State (Delhi Admn.) [Gurcharan Singh v. State (Delhi Admn.), (1978) 1 SCC 118 : 1978 SCC (Cri) 41] 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.”

25. After referring to para 11 of *Kalyan Chandra Sarkar* [*Kalyan Chandra Sarkar v. Rajesh Ranjan*, (2004) 7 SCC 528], in *State of U.P. v. Amarmani Tripathi* [*State of U.P. v. Amarmani Tripathi*, (2005) 8 SCC 21 : 2005 SCC (Cri) 1960 (2)], it was held as under: (*Amarmani Tripathi case* [*State of U.P. v. Amarmani Tripathi*, (2005) 8 SCC 21], SCC p. 31, para 18)

“18. It is well-settled that the matters to be considered in an application for bail are (i) whether there is any prima facie or reasonable ground to believe that the accused had committed the offence; (ii) nature and gravity of the charge; (iii) severity of the punishment in the event of conviction; (iv) danger of the accused absconding or

*fleeing, if released on bail; (v) character, behaviour, means, position and standing of the accused; (vi) likelihood of the offence being repeated; (vii) reasonable apprehension of the witnesses being tampered with; and (viii) danger, of course, of justice being thwarted by grant of bail [see *Prahlad Singh Bhati v. State (NCT of Delhi)* [*Prahlad Singh Bhati v. State (NCT of Delhi)*, (2001) 4 SCC 280] and *Gurcharan Singh v. State (Delhi Admn.)* [(1978) 1 SCC 118 : 1978 SCC (Cri) 41]. While a vague allegation that the accused may tamper with the evidence or witnesses may not be a ground to refuse bail, if the accused is of such character that his mere presence at large would intimidate the witnesses or if there is material to show that he will use his liberty to subvert justice or tamper with the evidence, then bail will be refused.”*

(emphasis supplied)

10. It is also settled principle that economic offences constitute as a class apart in the context of considering bail applications, as has been noted by the Hon’ble Supreme Court in ***Serious Fraud Investigation Office v. Nittin Johari***¹⁷, ***Nimmagadda Prasad v. CBI***¹⁸ and ***State of Bihar v. Amit Kumar***¹⁹. Such cases involve deep-rooted conspiracies and massive siphoning of public funds, which pose a direct threat to the national financial health and the moral fabric of society, warranting a cautious approach to bail, particularly those alleged to be the “kingpin” with the utmost seriousness. Explaining this, a three Judge Bench of the Hon’ble Supreme Court in ***P. Chidambaram case referred to supra***, held as follows;

“23. Thus, from cumulative perusal of the judgments cited on either side including the one rendered by the Constitution Bench of this Court, it could be deduced that the basic jurisprudence relating to bail remains the same inasmuch as the grant of bail is the rule and refusal is the exception so as to ensure that the accused has the opportunity of securing fair trial. However, while considering the same the gravity

¹⁷ (2019) 9 SCC 165

¹⁸(2013) 7 SCC 466

¹⁹(2017) 13 SCC 751

of the offence is an aspect which is required to be kept in view by the Court. The gravity for the said purpose will have to be gathered from the facts and circumstances arising in each case. Keeping in view the consequences that would befall on the society in cases of financial irregularities, it has been held that even economic offences would fall under the category of "grave offence" and in such circumstance while considering the application for bail in such matters, the Court will have to deal with the same, being sensitive to the nature of allegation made against the accused. One of the circumstances to consider the gravity of the offence is also the term of sentence that is prescribed for the offence the accused is alleged to have committed. Such consideration with regard to the gravity of offence is a factor which is in addition to the triple test or the tripod test that would be normally applied. In that regard what is also to be kept in perspective is that even if the allegation is one of grave economic offence, it is not a rule that bail should be denied in every case since there is no such bar created in the relevant enactment passed by the legislature nor does the bail jurisprudence provide so. Therefore, the underlining conclusion is that irrespective of the nature and gravity of charge, the precedent of another case alone will not be the basis for either grant or refusal of bail though it may have a bearing on principle. But ultimately the consideration will have to be on case-to-case basis on the facts involved therein and securing the presence of the accused to stand trial."

(emphasis supplied)

11. In the light of the precedents referred to above, in the context of economic offences, while considering an application for bail, the Court is required to keep in mind the nature of the accusations, the nature of the evidence in support thereof, the severity of the punishment that a conviction may entail, the character of the accused, the circumstances peculiar to the accused, the reasonable possibility of securing the presence of the accused at trial, the reasonable apprehension of witnesses being tampered with, the larger interests of the public/State, and other similar considerations.

12. In a catena of decisions of the Hon'ble Supreme Court viz., **Niranjan Singh v. Prabhakar Rajaram Kharote**,²⁰ at para 3; **Ajwar v. Waseem**,²¹ at

²⁰ (1980) 2 SCC 559

para 17, it was cautioned that at the stage of granting bail, detailed examination of evidence and elaborate documentation of the merits of the case should be avoided. Thus, though a *prima facie* case satisfaction is necessary, an exhaustive exploration of the merits should be avoided.

13. It is also settled in ***Kalyan Chandra Sarkar v. Rajesh Ranjan***²², at para 20, that while an accused possesses the right to file successive bail applications, the Court has a mandatory duty to consider the reasons for previous rejections and record fresh grounds for a new decision. Any bail order that lacks such reasoning or fails to consider the gravity of the offence suffers from a non-application of mind. Further, in ***State of Tamil Nadu v. S.A.Raja***²³ at para 9, the Hon'ble Supreme Court held that for a successive bail application to be maintainable, there must be a substantial change in circumstances rather than mere cosmetic updates.

14. It is also well settled that parity is not an absolute claim for grant of bail and it applies only when the roles of the individuals are similar in nature. Recently, the Hon'ble Supreme Court in ***Sagar v. State of Uttar Pradesh & Another***,²⁴ held that in the context of bail applications, parity is focused on the role played by the accused and not the thread of the same offence being the only common factor between the accused persons. It was explained that when weighing an application on parity, it is "position" that is important and that this requirement of "position" is not satisfied solely by involvement in the

²¹ 2025 INSC 968

²²(2004) 7 SCC 528

²³(2005) 8 SCC 380

²⁴2025 INSC 1370

same offence; rather, it refers to the role of the accused in the commission of the crime, including the nature and extent of his involvement.

15. In ***Manish Sisodia v. Directorate of Enforcement***²⁵, the Hon'ble Supreme Court held that Article 21 serves as a constitutional safety valve that can override even the most stringent statutory bars to bail. It was held that 17 months of pre-trial incarceration without the trial commencing constitutes a violation of the right to liberty. The Hon'ble Supreme Court also emphasized that prolonged pre-trial detention must not be utilized as a tool for punishment, as punishment should only follow a formal conviction. Additionally, in ***Union of India v. K.A. Najeer***²⁶, it was held that gross delay in trial disposal justifies the invocation of Article 21, even in matters governed by laws with restrictive bail provisions. This position of law has also been recently reiterated by the Hon'ble Apex Court in ***Arvind Dham v Directorate of Enforcement***.²⁷

16. In the present case, upon consideration of the rival submissions and the material placed on record, this Court finds that though the allegations levelled against the Petitioner are undoubtedly grave and relate to alleged economic offences involving substantial financial transactions, the parameters governing grant of bail at the pre-trial stage must be applied with due regard to settled principles of criminal jurisprudence.

²⁵ (2024) 12 SCC 660

²⁶ (2021) 3 SCC 713

²⁷ 2026 INSC 12

17. At the outset, it is pertinent to note that the investigation in the present case has been completed and the charge sheet has already been filed before the competent Court. Consequently, the custodial interrogation of the Petitioner is no longer required. The continued detention of an accused, once the investigation is complete, must be justified on compelling grounds such as the likelihood of tampering with evidence, influencing witnesses, or absconding from the process of law. In the case at hand, the prosecution has not demonstrated any specific or imminent circumstance necessitating further custodial detention of the Petitioner, particularly when the entire case rests substantially on documentary and electronic evidence already collected and secured by the investigating agency.

18. This Court also takes into account that the nature of evidence in the present case is largely documentary, including bank records, company documents, and electronic data. Such evidence, which is in the custody of the investigating authorities, is far from the possibility of being tampered. While the apprehension of the prosecution regarding possible interference cannot be brushed aside lightly, the same can be adequately addressed by imposing stringent conditions.

19. Further, the record indicates that the prosecution proposes to examine a large number of witnesses and relies upon voluminous documentary material. It is therefore reasonable to anticipate that the trial may take considerable time to conclude. Prolonged incarceration of the Petitioner as

an under-trial prisoner, in such circumstances, may infringe the guarantee of personal liberty under Article 21 of the Constitution of India.

20. This Court is also mindful of the principle of parity. It is not in dispute that a co-accused, who is alleged to have played a significant role in the alleged conspiracy, has already been enlarged on bail. Though parity cannot be claimed as a matter of right and each case must be assessed on its own facts, consistency in judicial approach is a relevant consideration. In the absence of distinguishing features brought on record by the prosecution to justify differential treatment, denial of bail to the present Petitioner would require stronger justification. At this stage, this Court consciously refrains from making any observations on the merits of the allegations or the evidentiary value of the material collected by the prosecution, as the same would fall within the domain of the trial Court. The present consideration is confined to the question of whether the continued detention of the Petitioner is necessary pending trial.

21. Having regard to the totality of the circumstances, including completion of investigation and filing of charge sheet; the documentary nature of evidence already secured, the likelihood of a protracted trial, and the grant of bail to a similarly placed co-accused, this Court is satisfied that the Petitioner has made out a case for grant of bail. However, considering the seriousness of the allegations and the magnitude of the alleged offence, it is apposite that the grant of bail be conditioned by stringent safeguards to

ensure the Petitioner's presence during trial and to protect the integrity of the prosecution case.

22. Accordingly, the Criminal Petition is allowed and the Petitioner / Accused No.49 shall be released on bail, subject to the following conditions:

(i) The Petitioner / Accused No.49 shall execute personal bond for a sum of Rs.1,00,000/- (Rupees one lakh only) with two sureties for a like sum each, to the satisfaction of the trial Court.

(ii) The Petitioner / Accused No.49 shall surrender his passport, if any, before the trial Court and shall not leave India without prior permission of the said Court.

(iii) The Petitioner / Accused No.49 shall appear before the Investigating Officer as and when required and shall cooperate with further investigation, if any.

(iv) The Petitioner / Accused No.49 shall not directly or indirectly tamper with evidence nor influence, intimidate, or induce any prosecution witness.

(v) The Petitioner / Accused No.49 shall not contact any of the prosecution witnesses or co-accused, except during legal proceedings.

(vi) The Petitioner / Accused No.49 shall file his affidavit before the trial Court disclosing all his movable and immovable properties, bank accounts, *demat* accounts, business interests, and financial holdings, whether held individually or jointly within a period of two weeks from the date of his release.

(vii) The Petitioner / Accused No.49 shall not make or publish or disseminate any information, statement, or post whether in print, electronic or social media concerning the present crime till conclusion of the trial.

(viii) The Petitioner / Accused No.49 shall not alienate, encumber, or create third-party interests in any property disclosed by him or identified by the prosecution, without prior permission of the trial Court.

(ix) The Petitioner / Accused No.49 shall not operate or manage any company, firm, or bank account alleged to have been used in connection with the offence, except with prior intimation to the Investigating Agency.

(x) The Petitioner / Accused No.49 shall furnish his active mobile number to the Investigating Officer and shall be available at all times and any change shall be intimated forthwith.

(xi) The Petitioner / Accused No.49 shall appear before the Investigating Agency once in a week i.e., on every Sunday between 10.00 a.m. and 5.00 p.m., until further orders.

In the event of violation of any of the above conditions, the prosecution shall be at liberty to seek cancellation of bail.

It is also made clear that the observations made in this order are only for the purpose of deciding the bail application and they shall not be construed as opinion on the merits of the Crime.

As a sequel thereto, miscellaneous petitions pending, if any, shall stand closed.

Dr.JUSTICE VENKATA JYOTHIRMAI PRATAPA

Dt.24.03.2026

Note: Issue C.C today

B/o.

Dinesh

HON'BLE DR. JUSTICE VENKATA JYOTHIRMAI PRATAPA

CRIMINAL PETITION No:1238 / 2026

Dated:24.03.2026

Dinesh