APHC010357792026

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI **[3604]**
(Special Original Jurisdiction)

MONDAY, THE 7th DAY OF SEPTEMBER 2026

PRESENT

THE HONOURABLE SMT JUSTICE SUNITHA GANDHAM

CRIMINAL PETITION NO: 5763/2026

Between:

1. DONTHIREDDY VASUDEVA REDDY, S/O SRI D. VENKATESWAR REDDY, AGEDABOUT 48 YEARS, OCC GOVERNMENT EMPLOYEE FORMER MANAGING DIRECTOR,APSBCL, R/O FLAT NO. 602, MYSCAPE MEA, A BLOCK, NANAKRAMGUDA,RANGA REDDY DISTRICT, TELANGANA.

...PETITIONER/ACCUSED

AND

1. THE STATE OF ANDHRA PRADESH, REPRESENTED BY ITS PUBLIC PROSECUTOR, HIGH COURT OF ANDHRA PRADESH, HIGH COURT BUILDINGS, AMARAVATI, GUNTUR DISTRICT, ANDHRA PRADESH. THROUGH THE STATION HOUSE OFFICER, CID POLICE STATION, MANGALAGIRI.

...RESPONDENT/COMPLAINANT

Petition under Section 437/438/439/482 of Cr.P.C and 528 of BNSS praying that in the circumstances stated in the Memorandum of Grounds of Criminal Petition, the High Court pleased to grant anticipatory bail to the petitioner/accused No. 1 in the event of his arrest in Crime No. 11/2026 dated 10.02.2026 on the file of the CID Police Station, Mangalagiri, Guntur District and pass

IA NO: 1 OF 2026

Petition under Section 482 of Cr.P.C and 528 of BNSS praying that in the circumstances stated in the Memorandum of Grounds of Criminal Petition,the High Court may be pleased to grant interim order that Accused No. 1 shall not be arrested, produced, or taken into custody for interrogation in connection with Crime No. 11 of 2026 on the file of CID Police Station, Mangalagiri, including pursuant to any P.T. (Prisoner Transit) Warrant that may be issued at the instance of the Respondent-State, and pass

IA NO: 2 OF 2026

Petition under Section 482 of Cr.P.C and 528 of BNSS praying that in the circumstances stated in the Memorandum of Grounds of Criminal Petition, the High Court may be pleased to grant interim anticipatory bail to the Petitioner/Accused No. 1 in the event of his arrest in connection with Crime No. 11 of 2026 on the file of the CID Police Station, Mangalagiri registered for the offences under Sections 409, 420, 468 and 471 read with Section 120-B IPC, Sections 111, 212, 217 and 317 of the BNS and Sections 7, 7A, 8, 9, 10, 12, 13(1) and 13(2) of the PC Act pending disposal of the main Criminal Petition and to pass

Counsel for the Petitioner/accused:

1. V SAI KUMAR

Counsel for the Respondent/complainant:

1. PUBLIC PROSECUTOR
2. JAVVAJI SARATH CHANDRA

The Court made the following:

HON'BLE SMT. JUSTICE SUNITHA GANDHAM

CRIMINAL PETITION No: 5763 OF 2026

ORDER:

This Criminal Petition is filed under Section 482 of Bharatiya Nagarik Suraksha Sanhita, 2023 (hereinafter referred to as 'BNSS') by the petitioner/accused No.1 seeking anticipatory bail in connection with crime No.11 of 2026 of CID Police Station, Mangalagiri of the offences under Sections 409, 420, 468, 471 read with 120-B IPC and Section 111(1), 212, 217 and 317(1) of Bharatiya Nyaya Sanhita, 2023 (hereinafter referred to as 'BNS').

2. **Case of the petitioner in brief is thus:**

(a) The gravamen of the allegations in the FIR and Vigilance Report are that while functioning as Managing Director of APSBCL of the Andhra Pradesh State Beverages Corporation Limited (hereafter after referred to as 'APSBCL') along with other accused conspired to replace the then District Level liquor transportation system contemplated under G.O.Ms.No.357 dated 16.08.2019 with a centralized state-level transportation policy, floated tenders in September and October, 2020 and tailored the same in favour of M/s. Sigma Supply Chain Solutions Private Limited and subsequent tender tenders of 2023 in favour of M/s. Prasad Transports, without approval of the competent authority are not true and correct. The transportation contracts in question have long since concluded, the petitioner ceased to be Managing Director of APSBCL well before registration of the instant crime and the entire record basing upon the allegations are ceased.

(b) The petitioner/accused No.1 filed petition in Crime No.251 of 2026 and having considered the memo filed by the learned Public Prosecutor, the same is dismissed to approach the appropriate Court *vide* order dated 30.04.2026. Subsequently, petitioner/accused No.1 filed another application in

Crl.M.P.No.1124 seeking anticipatory bail in the event of his arrest and the same is also dismissed *vide* order dated 01.07.2026.

(c) The petitioner/accused No.1 was earlier examined in Crime No.21 of 2024 of CID Police Station, Mangalagiri registered in respect of the alleged irregularities from 2019 to 2024 and the allegations in the instant crime are substantially similar and overlapping in the subject matter. The Director of Enforcement registered ECIR/HYZO/17/2026 dated 22.05.2026 arrested this petitioner/accused No.1 on 11.06.2026 and since then, he has been languishing in judicial custody. Though he is in custody, petitioner/accused No.1 moved application seeking anticipatory bail and the apprehension of petitioner is well founded and genuine. There is no specific or demonstrated necessity for custodial interrogation as he has already been arrested and examined and arrest of the petitioner/accused No.1 is nothing but violation of personal liberty under Article 21 of the Constitution. Petitioner has taken official and institutional decisions and they cannot be construed as criminal conspiracy.

(d) Being Managing Director, APSBCL, he had addressed letter dated 31.07.2020 seeking permission to float a centralized tender, Government positively responded *vide* Memo dated 04.09.2020, tenders are issued through the Government’s e-procurement platform, technical and financial evaluation committees participated in the scrutiny of bids, M/s. Sigma Supply Chain Solutions Private Limited was declared as L-1 bidder and the contracts are renewed and subsequent tenders of 2023, another company stood as successful bidder, however, vigilance report negated all these procedures adopted by the Government in implementing the new policy. Government has not issued any instructions to discontinue the said policy and in fact, the policy was implemented openly and permitted to continue for more than three years without any intervention.

(e) The loss of Rs.195.33 crores is unverified, defective and internally inconsistent and there is no basis for it. Vigilance authorities failed to consider the expenses, sales, income and other allied aspects in calculating the said amount. No concrete material against the petitioner and his individual role is particularized. There is much delay in conducting enquiry, in registering the instant crime and unexplained delay in registration of this crime, supported the defence of the petitioner/accused No.1 and there is no requirement of seeking custodial interrogation of the petitioner/accused No.1.

(f) Finally, the petitioner has fixed residence, long record of Government service and deep roots in society, he is already in judicial custody in the ECIR. Statements of all material witnesses, Government officials and contractors have already been recorded. Petitioner undertakes to abide by each of the conditions enumerated in Section 482(2) of BNSS.

3. During arguments, learned Senior Counsel for respondent submitted that they have filed detailed counter in Crl.M.P.No.1124 of 2026 in the application filed by the petitioner seeking anticipatory bail before the Special Judge for Trial of SPE & ACB Cases, Vijayawada and the same may be considered as counter in this case. Learned counsel for the petitioner/accused No.1 fairly conceded to consider the said counter in this case. Refuting the defences taken by the petitioner/accused No.1, respondent filed counter, wherein, *inter alia*, contended as follows:

(a) Petitioner is not an ordinary accused implicated on vague allegations and he was the then Managing Director of APSBCL and the investigation reveals that he occupied the central official position through which the liquor transportation tender process was alternated, controlled, manipulated and continued to confer undue advantage upon pre-selected entities, thereby causing huge wrongful loss to APSBCL and the public exchequer. The existing binding Government framework under G.O.Ms.No.357 dated 16.08.2019 which mandated district-level transportation arrangements through District Committees, was consciously bypassed without lawful amendment, relaxation or approval, and the said deviation was used as a mechanism to concentrate control over the entire State-level transportation process. During enquiry, Vigilance and Enforcement Department conducted enquiry, collected records from APSBCL, examined the manner in which the transportation system was altered, verified the tender process and submitted a report. The Government did not grant any relaxation or amendment of G.O.Ms.No.357. The investigation reveals that the tender conditions, eligibility criteria and tender structure were not framed through an independent and transparent procurement exercise. The successful entity in Phase-I was not merely a successful bidder in an ordinary open competition and there was prior coordination, advance planning, internal arrangements and pre-identification of the entity before the tender process was concluded.

(b) The prosecution case concerns the entire chain of events namely unauthorized change from district-level to State-level tendering, preparation of tender documents in advance, tailoring of tender conditions, restricted competition, use of dummy or supporting bidders, inflated rates, award of contract, repeated extensions and later subcontracting arrangements through which wrongful gain was generated and they are all carried forward under the authority, directions and control of the petitioner/accused No.1.

(c) The complaint and preliminary enquiry reveals loss in the range of Rs.200 corores to 400 crores and the investigation presently indicates wrongful loss of approximately Rs.188.27 crores to APSBCL/Government exchequer. The petitioner being the Managing Director of APSBCL did not protect the corporation from avoidable expenditure and not to facilitate inflated public contracts. Though objections were raised in respect of higher rates and directions issued by the Government to prevent subcontracting, petitioner failed to implement corrective measures and permitted continuation of the same system.

(d) The case is not a simple documentary irregularity and the investigation concerns a larger conspiracy involving prior planning, coordination with private entities, dummy bidding, EMD arrangements, forged or suspicious documents, subcontracting, illegal commissions, routing of proceeds and identification of financial beneficiaries and mere seizure of documents does not reveal the full conspiracy. Economic offences of this nature are not discovered like ordinary crimes and requires scrutiny of records, vigilance enquiry, verification of official files, examination of procurement process, digital forensic analysis, financial comparison and identification of beneficiaries and after following due process, the instant crime is registered. The technical objections taken by the petitioner/accused No.1 in respect of the status and punishable Sections cannot be taken at this stage.

(e) The petitioner/accused No.1 is already shown as accused in another serious crime relating to the liquor scam and his status, position and influence make the risk of interference with investigation more serious and many relevant persons were either subordinate are dealt with under his authority, or were connected with the tender and transport process and granting anticipatory bail at this stage would create real and reasonable apprehension of influencing witnesses, coordinating versions and frustrating recovery of further material. The investigation of the petitioner is not sufficient in the facts of the present case and the investigating agency is still examining the complete end-to-end conspiracy, including pre-tender planning, tender manipulation, illegal extensions, sub-contracting, flow of illegal commissions, role of related persons and financial beneficiaries etc. and with other formal denials, prayed to dismiss the petition.

<u>4. Arguments:</u>

(a) Heard Ms. Liz Mathew, learned senior counsel representing Sri V. Sai Kumar, learned counsel for the petitioner/accused No.1, Sri B. Adinarayana Rao, learned Senior Counsel and Sri Javvaji Sarath Chandra, learned special public prosecutor appearing for the respondent/complainant.

(b) Petitioner/Accused No.1:

(i) Entire investigation in this crime is being conducted in procedure unknown to law and is an act of malicious exercise of investigative powers.

(ii) The coordinate bench of this Court has made observations about the conduct of prosecution, application of mind of the learned Special Judge and participation of the petitioner in the investigative process etc.

(iii) Over implications in the first information report are not applicable to the petitioner/accused No.1 and the administrative decisions taken by the petitioner shall not be treated as conspiracy.

(iv) There is absolutely no allegation of entrustment and without any allegation of entrustment, there is no offence of breach of trust which can be said to be invoked.

(v) As per the judgment of Hon'ble Apex Court in ***Delhi Race Club (1940) Ltd. & Ors. v. State of U.P. & Anr***[1], both offences under Section 406 and 420 are independent and distinct and two offences cannot coexist simultaneously in the same set of facts.

vi) As per Section 111 of BNS, to show organized crime syndicate, more than one charge sheet ought to have been filed before the competent court within the preceding period of ten years and *prima facie* record reveals that the said section does not attract against the petitioner.

(vii) The investigation in respect of the present allegations is already carried out by the investigating agency in Crime No.21 of 2024 and the power to arrest must answer the test of necessity and cannot be exercised mechanically or in a manner which frustrates the liberty of an accused or trumps orders of bail as held by the Hon'ble Apex Court in ***Arvind Kejriwal v. CBI***[2].

[1] 2024 10 SCC 690
[2] 2024 SCC OnLine SC 2550

(viii) As per the judgment of Hon'ble Apex Court in ***Binay Kumar Singh and Anr. V. State of Jharkhand and Ors***[3], successive registration of FIRs and arrests deployed to keep an accused in custody despite an order of bail amounts to trumping the bail order and the accused would be entitled to relief in the subsequent cases as well.

(ix) The instant crime is registered on 10.02.2026 while the petitioner was in judicial custody in Crime No.21 of 2024 and the same was never disclosed to the learned trial court which granted bail on 17.04.2026.

(x) The learned Special Judge failed to consider the aspects regarding necessity for custody of the petitioner/accused No.1.

(xi) The petitioner has already been arrested by the Enforcement Directorate in ECIR/HYZO/17/2026 on 11.06.2026 relating to the present crime.

(xii) While considering application for anticipatory bail, court is required to focus on the exact role attributed to the accused whose application is under consideration; the case of each accused has to be seen on its own footing as held by the Hon'ble Apex Court in ***Siddharam Satlingappa Mhetre v. State of Maharashtra***[4].

(C) Respondent/Complainant:

(i) There is no connection between the first case in Crime No.21 of 2024 and this case. This case specifically concerns the transportation, tender arrangement and the change from district level to state level tendering etc. and whether those transactions constitute the very same transaction in Crime No.21 of 2024 is a matter requiring substantive comparison of the two cases and cannot simply be assumed in this application.

(ii) Petitioner/accused No.1 is principle offender and being Managing Director of APSBCL, he has introduced State-level transportation process so as to

---

[3] 2026 SCC OnLine SC 208
[4] (2011) 1 SCC 694

facilitate contracts in favour of selected entities at inflated rates and proposal to change the transportation system, preparation of tender documents, tender conditions, cancellation and re-tendering, approval of contracts, execution of agreements, processing of payments and extensions were all carried forward under his authority, directions and control.

(iii) Petitioner also pressurized the officials and persons connected with the transportation process to act in accordance with his directions. So far, investigation indicates wrongful loss of approximately Rs.188.27 crores to APSBCL and the loss may be upto Rs.200 crores to 400 crores. In complex economic offences and corruption cases, custodial interrogation has a distinct purpose and the petitioner was the head of the very corporation, whose files, officers and decisions are under investigation and as such, his custodial interrogation is necessary.

(iv) Petitioner/accused No.1 is already shown as accused in another serious crime relating to the liquor scam and his status, position and influence make the risk of interference with investigation more serious. The principles in ***Arvind Kejriwal and Binay Kumar Singh and Another*** (*supra*) cannot be applied to the present facts of the case as the instant crime was registered very long prior to the release of the petitioner/accused No.1.

(v) Custodial interrogation is independently necessary to unearth material in respect of preparation of tender documents, modification of tender conditions, cancellation of retendering, alleged supporting participation, EMD and financial arrangements, acceptance of transportation rates, repeated extensions, subcontracting, coordination with private persons etc.

(vi) The gravity of the offence, magnitude of loss and official position of the petitioner shall be taken into consideration and if the petitioner is enlarged on anticipatory bail, there is every possibility of feeing from justice, likelihood of influencing witnesses and as such, custodial interrogation is required.

(vii) At this stage of anticipatory bail, the Court is not required to conduct a meticulous trial like appreciation of each item of material and the material discloses a *prima face* case and as such, custodial interrogation is required.

(viii) Even the order in Crl.P.Nos.6456, 6463 & 6467 of 2026 concerns the legality of the particular arrest and consequential remand effected on 20.07.2026 and it cannot be enlarged into a perpetual prohibition against lawful arrest or custodial interrogation in this case and even as per the said order, SIT does not preclude from continuing the investigation and directed the petitioner to cooperate the SIT. Further, challenging the said orders, the State of Andhra Pradesh filed special leave petitions before the Hon'ble Apex Court.

(ix) Learned senior counsel for respondent/complaint relied upon the following judgments:

i) ***Mihir Rajesh Shah v. State of Maharashtra***[5]**.**

While deciding the issue regarding constitutional mandates in respect of arrest, Hon'ble Apex Court held that an earlier arrest being held illegal for non-compliance with communication of grounds does not create permanent immunity and if required, again an application for remand or custody, can be moved along with reasons and on such application, the Magistrate shall decide the same.

ii) ***State Rep. by CBI v. Anil Sharma***[6].

Custodial interrogation is qualitatively more elicitation-oriented than questioning an accused protected by anticipatory bail; it may be necessary to elicit useful information or concealed material. Post-arrest bail considerations cannot simply be imported into pre-arrest bail.

iii) ***Arvind Kejriwal v. CBI*** (*supra*).

[5] 2026 1 SCC 500
[6] 1997 7 SCC 187

No legal impediment to arrest a person already in custody for investigation, whether in the same or another offence.

Supports independent SIT investigation despite ED custody.

Timing/evergreening principle relied up on by the petitioner, distinguishable because the CBI had not arrested for about 22 months and acted immediately after bail in the ED case.

iv) ***Pavana Dibbur v. Directorate of Enforcement***[7]***.***

Money laundering depends upon the proceeds of crime arising from scheduled criminal activity. If the scheduled offence itself ceases to survive in the legally recognized manner, PMLA prosecution cannot remain founded on it.

Supports the foundational importance of SIT investigation into Crime No.11 of 2026.

v) ***P. Chidambaram v. Directorate of Enforcement***[8]***.***

Disputed applicability of a penal/predicate provision should not be finally adjudicated at anticipatory-bail stage. No mini-trial. Serious economic offences require circumspection; pre-arrest protection may prejudice effective investigation and collection of concealed material.

vi) ***Y.S. Jagan Mohan Reddy v. CBI***[9]***.***

Economic offences involving deep-rooted conspiracy and substantial public funds constitute a class apart. Relevant considerations include gravity, material, position/influence of accused, possibility of interference and larger public interest.

5. On hearing both sides and upon perusing the material available on record including counter filed by the respondent/complainant in

[7] (2023) 15 SCC 91
[8] (2019) 9 SCC 24
[9] (2013) 7 SCC 439

Crl.M.P.No.1124 of 2026 and the written arguments filed by the petitioner and respondent, the point that would arises for consideration is:

> **"Whether the petitioner established grounds to grant interim order/anticipatory bail in Crime No.11 of 2026 of CID Police Station, Mangalagiri?"**

6. Crux of the prosecution case is, existing government framework under G.O.Ms.No.357 dated 16.08.2019 which mandated district level transportation arrangements through district committees was consciously bypassed without lawful amendment, relaxation or approval and the said deviation was used as a mechanism to concentrate control over the entire state level transportation process and to facilitate contracts in favour of selected entities at inflated rates and further, petitioner/accused No.1 and accused Nos.2 to 9 and others are responsible for the said violations for their own pecuniary benefits and basing on the vigilance and enforcement department report, this crime is registered and investigation is being conducted by the respondent/complainant.

7. Before delving into the facts of the case, it is apposite to mention the admitted facts and they are as follows:

a) Petitioner served as Managing Director of APSBCL during the relevant period. Petitioner/accused No.1, accused No.3 and accused No.4 filed this petition and petitions in Crl.P.No.4189 of 2026 and Crl.P.No.3077 of 2026 respectively. Petitioner is arrayed as accused in Crime No.21 of 2024 and was arrested on 21.02.2026. While the petitioner was in judicial custody in that case, the instant crime is registered for the offence under Sections 409, 420, 468, 471 r/w 120-B IPC and Sections 111, 212, 217 and 317 BNS alleging manipulation of the liquor transportation, tender process of APSBCL. In Crime No.21 of 2024, petitioner/accused No.1 was enlarged on bail *vide* order dated 17.04.2026 in Crl.P.No.482 of 2026. After registration of the First Information Report in this case, prosecution filed memo adding offences under Sections 7, 7A, 8, 9, 10, 12, 13(1) and 13(2) of the Prevention of Corruption Act, 1988. The Enforcement Directorate arrested the petitioner in ECIR/HYZO/17/2026 on 11.06.2026. Petitioner filed an application in Crl.M.P.No.1124 of 2026, seeking anticipatory bail and the same is dismissed by the learned trial court *vide* order dated 01.07.2026. Since the petitioner was arrested by the Enforcement Directorate, prosecution filed a petition before the trial court, seeking production transit warrant and the same is allowed and accordingly, production transit warrant was issued. Consequently, petitioner/accused No.1 was taken into custody from the Central Prison, Chanchalguda and produced before the learned trial court and then, he was remanded to judicial custody. Feeling aggrieved by the said order, petitioner/accused No.1 and accused No.4 preferred Crl.P.Nos.6463 and 6456 of 2026 to quash the remand orders dated 20.07.2026. Having considered the material placed in Crl.P.Nos.6456 & 6463 of 2026, coordinate bench of this Court quashed the remand orders dated 20.07.2026 passed by the learned trial court and feeling aggrieved by the same, respondent preferred SLP (Crl) Nos.15850-15851 of 2026 before the Hon'ble Supreme Court of India and the same is pending. When second time this matter is posted before this bench on 20.08.2026, heard arguments in all the matters simultaneously and reserved for orders.

8. Since averments of the petition, counter and arguments of both sides are mentioned in detail, they are not reproducing again, to avoid repetition.

9. With regard to the maintainability of this petition, it is to be noted that in ***Dhanraj Aswani v. Amar S. Mulchandani and Another***[10]***,*** while dealing with the right of an accused who is already in judicial custody to file anticipatory bail application in respect of other crime, Hon'ble Apex Court held that there is no restriction in the text of Section 438 or the scheme of the Code of Criminal Procedure precluding a person from seeking anticipatory bail in relation to an offence while being in custody in relation to another offence and in the absence of any such restriction, there would be no valid reason to read any prohibition in the text of Section 438 of the Code, to preclude a person in custody from seeking anticipatory bail in relation to different offences.

[10] (2024) 10 SCC 336

10. The petitioner/accused No.1 is already in judicial custody in ECIR/HYZO/17/2026, his previous remand order in this case is quashed by this court vide order dated 13.08.2026. As per the version of the petitioner, again the prosecution filed another petition seeking production transit warrant and it is pending. So, as rightly argued by the learned senior counsel for the petitioner/accused No.1, he has reasonable apprehension of arrest in the instant case and as such, this petition is absolutely maintainable.

11. While disposing the petitions in Crl.P.Nos.6456 & 6463 of 2026, coordinate bench of this Court elaborately discussed the aspects regarding grounds of arrest, rights of accused, precautions that are to be taken by the police and certain other aspects regarding registration of the instant crime etc. The instant petition is filed seeking anticipatory bail which is altogether different aspect. So, having considered the scope of Section 482 BNSS, nature of offence, allegations leveled against the petitioner, stage of investigation, settled legal principles etc., this petition has to be disposed of.

12. Now, it has to be seen that whether the petitioner/accused No.1 established his case to answer the point in the affirmative and in his favour. As per the version of the petitioner/accused No.1 allegations leveled in this case are already investigated into in Crime No.21 of 2024, official, independent and other witnesses are examined, collected material regarding liquor transportation allegations and only to harass the petitioner/accused No.1, this case is pressed into service and per contra, the said contention is counteracted by the prosecution on the ground that multiple issues are involved in the allegations in respect of liquor transportation and during investigation in Crime No.21 of 2024, SIT unearthed certain information regarding liquor transportation and to find out total scam details for bypassing G.O.Ms.No.357 without approval of the Government, separate investigation is required and except few accused, other accused in both the cases are not one and the same.

13. Initially in the year 2024, basing on the enquiry report dated 23.09.2024, the case in Crime No.21 of 2024 was registered of the offence under Sections 420, 409, 120B Indian Penal Code (hereinafter referred to as ‘the Code’) alleging that internal committee of senior officers of the Andhra Pradesh Excise Department is constituted to inquire into the allegations and after examination of records, committee found: (i) Suppression of the established popular brands and unfair discrimination in allocation of OFS over a period of time leading to almost disappearance of some brands from the market; (ii) Favorable and preferential allocation of orders to certain new brands in violations of the existing norms giving them undue market share and competitive advantage; (iii) The procurement system was shifted to manual process giving scope for manipulation in OFS against the previous system of automated OFS compromising the integrity or the process etc. In the enquiry report of the internal committee, it is highlighted about the issues regarding suppression of brands, unfair discrimination, preferential allocation, orders for supply violation etc.

14. Further, having considered the vigilance report No.52 (C.No.5117/V & E/D1/Engg/2025) dated 25.11.2025 along with its enclosures received from the Director General, GA (V&E) Department, the instant crime is registered of the offences under Sections 420, 409, 468, 471 r/w 120B of the Code, 111(1), 212, 217, 317(1) BNS and allegations in this case are in respect of transportation-tender conspiracy, displacement of the district-level mechanism under G.O.Ms.No.357, pre-tender preparation, Sigma and later Prasaad Transports, controlled/dummy bidders, EMD financing, tender rate manipulation, extensions, prohibited sub-contracting, commission structures and the resultant financial flows.

15. Admittedly, total allegations are in respect of alleged violations and fraud occurred in APSBCL. As per the findings in vigilance report No.52 (C.No.5117V&E/D1/Engg/2025) dated 25.11.2025, a systematic and well orchestrated conspiracy involving senior APSBCL officials, politically exposed

persons, their benamis who collectively manipulated the liquor transportation tender process between 2020 and 2024 to siphon off massive public funds, willfully violated the G.O.Ms.No.357 dated 16.08.2019 introduced state-level transportation, tender process tailored to benefit specific companies of accused Nos.3 to 5, inflated cost of liquor transport from Rs.19.68 crores to Rs.35.57 crores, caused loss of approximately Rs.195.33 crores and the funds were routed through fake vendors. As per the version of the petitioner/accused No.4, findings regarding the allegations of liquor transportation are mentioned in the charge sheet filed in Crime No.21 of 2024 in the statements of LWs-142, 179/Anjani Kumar and 180 and at (i) and (ii) of para 11.34 (generation and laundering of proceeds of crime from transport tender floated by APSBCL), at para Nos.13.9 and 13.10 of prosecution complaint filed by the Enforcement Directorate in ECIR/HYZO/33/2025. As seen from the said paragraphs, there are some findings regarding liquor transportation, involvement of the petitioner/accused No.4, accused Nos.1, 3 & 5, one Sh. Anjani Kumar, Ms. Sigma Chain Supply Solutions Private Limited, TEKKR, Arroyo and Ezyload and total amount involved is approximately Rs.3,500 crores.

16. It is also undisputed fact that the Crime No.21 of 2024 was registered on 23.09.2024 of the offences under Section 420, 409 and 120B of the Code and after completion of investigation, charge sheet laid of the offences under Sections 420, 409, 468, 471 r/w 120B of the Code and Sections 111, 212, 217, 317 of BNS, petitioner/accused No.1 was in judicial custody for nearly one year and was enlarged on bail on 17.04.2026 and before that, the instant crime is registered on 10.02.2026 of the offence under Sections 420, 409, 468, 471 r/w 120B of the Code and Sections 111(1), 212, 217, 317(1) of BNS and subsequently, filed memo adding Sections 7, 7A, 8, 9, 10, 12, 13(1)(B) and 13(2) of Prevention of Corruption Act.

17. As per the version of the petitioner, only to keep him behind the bars, this crime is registered and immediately after his release, tried to arrest again, obtained production transit warrant, took custody of this petitioner and having considered the material, the said remand orders are quashed in Crl.P.Nos.6456 & 6463 of 2026 and again, the respondent is taking steps to arrest him. In ***Arvind Kejriwal*** (*supra*), a crime was registered by the CBI against the appellant and he was in judicial custody for 22 months in ED case and after granting regular bail to the appellant in the ED case, CBI sought for his custody and in such circumstances, Hon'ble Apex Court held that the investigating agency must see the necessity of arrest before causing arrest of a person. In this case, the petitioner/accused No.1 was enlarged on bail on 17.04.2026 and after ED arrested him in ECIR/HYZO/17/2026 on 11.06.2026, respondent filed petition under Section 267 of Code of Criminal Procedure on 09.07.2026. In ***Binay Kumar Singh and another*** (*supra*), three crimes are registered on 20.05.2025, 24.11.2025 and 26.11.2025 respectively and having considered the facts and circumstances of that case, and also by discussing the rights of the accused therein, Hon'ble Apex Court granted bail to the accused observing that successive registration of FIRs was to ensure to keep the accused therein within the custody. In the present case at hand, admittedly, two crimes are registered i.e. one in the year 2024 and the instant crime is registered on 10.02.2026 and as per the prosecution case, basing on the vigilance report dated 25.11.2025, the second crime is registered in respect of specific allegations of liquor transportation tender process.

18. Since 11.06.2026, the petitioner/accused No.1 has been languishing in judicial custody in ECIR/HYZO/17/2026 and as per the version of prosecution, that case is registered under Prevention of Money Laundering Act, 2002 in respect of the financial crimes committed by the petitioner/accused No.1 and others so as to seize their assets and confiscate the same and as such, the said case is no way concerned with the ongoing investigation.

19. So far as contentions of the learned Senior Counsel for the petitioner/accused No.1 that Section 409 and 420 of the Code shall not run together and to attract Section 111(1) of BNS, more than one charge sheet must have been filed within the preceding ten years, this court is conscious about the Sections of law and settled principles of law. While dealing with this petition which is filed seeking anticipatory bail, over all material placed before this court shall be taken into consideration.

20. As per the decision in ***Uday Chand and others v. Sheikh Mohd. Abdullah, Chief Minister, J&K and others***[11] relied upon by the petitioner, before passing order enlarging the accused in one case, it is the bounden duty of the authorities of the State concerned to appraise the court that any case or cases were under investigation against any of the accused. As per the version of learned senior counsel for the petitioner/accused No.1, prosecution didn't bring to the notice of the learned trial court which granted bail to the petitioner/accused No.1 in crime No.21 of 2024, about registration of this crime. As per the version of prosecution, immediately after registration of this crime, the same is forwarded to the learned trial court, however, it is not clarified that whether during the course of the arguments it is brought to the notice of the learned trial court or not, and neither party filed bail order copy in Crl.P.No.482 of 2026.

21. With regard to the contentions of the learned senior counsel for the petitioner and respondent in respect of custodial interrogation/entitlement of the petitioner to get relief, it is to be noted that merely because custodial interrogation is not required, itself is not a ground to allow the anticipatory bail application. In this regard, reference is required to be made to the decision of Hon'ble Apex Court in ***Sumitha Pradeep v. Arun Kumar C.K***[12], wherein it is observed thus:

---

[11] 1983 (2) SCC 417
[12] 2022 SCC OnLine (SC) 1529

> "In many anticipatory bail matters, we have noticed one common argument being canvassed that no custodial interrogation is required and, therefore, anticipatory bail may be granted. There appears to be a serious misconception of law that if no case for custodial interrogation is made out by the prosecution, then that alone would be a good ground to grant anticipatory bail. Custodial interrogation can be one of the relevant aspects to be considered along with other grounds while deciding an application seeking anticipatory bail. There may be many cases in which the custodial interrogation of the accused may not be required, but that does not mean that the prima facie case against the accused should be ignored or overlooked and he should be granted anticipatory bail."

22. Inasmuch as discretion that is to be considered while deciding anticipatory bail is concerned, Hon'ble Apex Court has consistently emphasized that anticipatory bail should not be granted as a matter of routine, particularly in serious economic offences, involving large scale fraud, public money or complex financial crimes. The contention of the respondent/SIT that though they examined the petitioner/accused No.1, he has not furnished all details and not answered all questions. In this regard, it is to be noted that it is settled principle of law that bail cannot be rejected solely on the ground that the accused declined to answer questions posed by the investigating officer, as such conduct cannot automatically be construed as non cooperation. In a recent case in ***Tusharbhai Rajnikantbhai Shah v. State of Gujarat***[13], the Hon'ble Apex Court held that non-cooperation by the accused is one matter and the accused refusing to confess to the crime is another and there would be no obligation upon the accused that on being interrogated, he must confess to the crime and only thereafter, would the Investigating Officer be satisfied that the accused has cooperated with the investigation. At the same time, the contention of the petitioner that he has appeared before the investigating officer and has joined the investigation do not vest a right of granting anticipatory bail and the case made out against the petitioner/accused No.1 is certainly a relevant ground to consider this petition. In ***State of M.P. v. Ram Kishna Balothia***[14], it is held that the right of anticipatory bail is not a part of Article 21 of the Constitution of India and a

[13] 2024 LiveLaw (SC) 557
[14] (1995) 3 SCC 221

delicate balance is required to be established between the two rights i.e. safeguarding the personal liberty of an individual and the societal interest.

23. Further, in ***P. Chidambaram*** (*supra),* it was observed as under:

> "69. Ordinarily, arrest is a part of procedure of the investigation to secure not only the presence of the accused but several other purposes. Power under Section 438 CrPC is an extraordinary power and the same has to be exercised 2 (2019) 9 SCC 24 sparingly. The privilege of the pre-arrest bail should be granted only in exceptional cases. The judicial discretion conferred upon the court has to be properly exercised after application of mind as to the nature and gravity of the accusation; possibility of the applicant fleeing justice and other factors to decide whether it is a fit case for grant of anticipatory bail. 70…………..
>
> 71. Article 21 of the Constitution of India states that no person shall be deprived of his life or personal liberty except according to procedure prescribed by law. However, the power conferred by Article 21 of the Constitution of India is not unfettered and is qualified by the later part of the Article i.e. "…except according to a procedure prescribed by law".
>
> 72 to 77……
>
> 78. Power under Section 438 CrPC being an extraordinary remedy, has to be exercised sparingly; more so, in cases of economic offences. Economic offences stand as a different class as they affect the economic fabric of the society. In Directorate of Enforcement v. Ashok Kumar Jain [Directorate of Enforcement v. Ashok Kumar Jain, (1998) 2 SCC 105: 1998 SCC (Cri) 510], it was held that in economic offences, the accused is not entitled to anticipatory bail."

24. It is settled principle of law that pre-trial incarceration makes justification depending upon the offences, heinous nature, term of the sentence prescribed in the statue for such a crime, probability of the accused fleeing from justice, tampering the investigation, criminal history of the accused, and doing away with the victims and witnesses and further, the court is under an obligation to maintain balance between all stake holders and safeguard the interests of the victim, accused, society and the state.

25. Prima facie perusal of both FIRs shows that, although the nature of the allegations appears to be similar, analysis from the perusal of the instant first information report, vigilance report No.52 dated 25.11.2025 and other material, it can be culled out that the petitioner/accused No.1/Managing

Director of APSBCL and other accused violated G.O.Ms.No.357 and committed serious financial irregularities through benami transactions and caused loss to the government exchequer to a tune of Rs.195.33 crores by introducing new state wise transportation tender policy without any prior approval for their financial benefits. Petitioner/ accused No.1, accused Nos.3 and 4 are accused in both the cases. Considering the facts and circumstances of the case coupled with the aforementioned authorities including the authorities relied upon by the both parties, this court is of the considered view that at the stage of anticipatory bail under Section 482 BNSS, this Court is not expected to conduct a threadbare comparative analysis of allegations in this case and in Crime No.21 of 2024 and hold a mini trial to decide whether allegations are identical or not. Further, whether the allegations in both crimes are same, overlapping or distinct, whether it is a case of same transaction or different transactions, are all matters to be decided on full facts and in a separate proceedings but not in a bail petition. That exercise is to be done at the time of trial or in the quash petition. Therefore, it cannot be said at this stage that second FIR is not maintainable. Plea of political vendetta/harassment/mala fides cannot be a ground for grant of anticipatory bail when the material *prima facie* discloses commission of cognizable offence involving huge loss to public exchequer. The allegations are in respect of an economic offence affecting State revenue. Investigation is at crucial stage. The argument that petitioner/accused No.1 is being harassed by registration of successive crimes is not a ground to grant pre-arrest bail.

26. For the foregoing reasons, without expressing any opinion touching the merits of the case as to whether allegations in both cases are same or not, and keeping in view of the gravity of allegations and as per the law laid down by the Hon’ble Supreme Court in the case of ***Siddharam Satlingappa Mhetre*** (supra), this Court is of the considered opinion that this is not a fit case to exercise the jurisdiction in favour of the petitioner/accused No.1. It is made

clear that observations made herein are only for disposal of this petition and shall not influence the investigation or any other proceeding/trial.

27. Accordingly, this anticipatory bail petition is dismissed.

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

SUNITHA GANDHAM, J

07.09.2026
Vns