NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

MCRC No. 5394 of 2026

Order Reserved on 29.07.2026

Order Delivered on 06.08.2026

- N. Uday Rao, S/o Late N.N. Rao, aged about 63 Years, R/o Flat No. 34, Tower 4A, Surya Vihar Colony, Junwani, Bhilai, Thana- Supela, Durg, Chhattisgarh.

... Applicant

versus

- State of Chhattisgarh, Through the Investigating Officer, Economic Offence Wing / Anti-Corruption Bureau Raipur Chhattisgarh.

...Non-applicant

(Cause-title is taken from Case Information System)

For Applicant	:	Mrs. Naushina Afrin Ali, Senior Advocate appears along with Mr. Mohit Kumar, Mr. Rishabh Agrawal and Ms. Monika Singh, Advocates
For State	:	Mr. Praveen Das, Additional Advocate General

(Hon'ble Shri Amitendra Kishore Prasad, Judge)

C.A.V. Order

1. This is the first application under Section 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023 preferred by the applicant seeking grant of regular bail in connection with Crime No.44/2024 registered by the Economic Offences Wing/Anti-Corruption Bureau, Raipur, for commission of offences punishable under Sections 467, 468, 471 and 120-B of the Indian Penal Code and Sections 7(b) and 8 of the Prevention of Corruption Act, 1988.

2. Briefly stated, the prosecution case is that during the period between the years 2019 and 2023, the Chhattisgarh State Marketing Corporation Limited (CSMCL) awarded contracts to various manpower supply agencies including A-2-Z Infraservices Limited, Eagle Hunter Solutions Limited, Alert Commandos Private Limited, Primeone Workforce Private Limited, Sumeet Facilities Limited and other agencies for providing manpower such as salesmen, supervisors and helpers for operation of retail liquor shops established throughout the State of Chhattisgarh. During investigation, it allegedly came to light that these manpower agencies, in conspiracy with certain officers of CSMCL and private intermediaries, devised a systematic mechanism for raising inflated claims under the heads of overtime wages, bonus, four additional working days and service charges. It is alleged that although CSMCL released payments towards such claims, the actual employees were not paid the entire amounts shown in the bills and a substantial portion of the excess amount was diverted towards payment of illegal gratification to public servants and intermediaries for securing clearance of bills, while the remaining amount was retained by the manpower agencies and persons managing their affairs as wrongful gain, thereby causing corresponding wrongful loss to the State exchequer.

3. According to the prosecution, one of the principal manpower agencies involved in the aforesaid arrangement was A-2-Z Infraservices Limited, which had entered into agreements with CSMCL for supply of manpower across the State. Investigation allegedly revealed that the said company received approximately Rs.34.06 crores towards overtime, bonus, four additional working days and service charges over and above the actual entitlement of employees. Out of the said amount, approximately Rs.6.90 crores is alleged to have been routed as illegal commission through intermediaries to members of the alleged syndicate headed by the principal accused, whereas the balance amount constituted wrongful pecuniary advantage retained by the company and persons associated with its affairs.

4. The prosecution further alleges that although the applicant was neither a Director nor a shareholder of A-2-Z Infraservices Limited, he was entrusted with the management of the affairs of the company relating to the CSMCL contract in the State of Chhattisgarh. According to the prosecution, the applicant was responsible for manpower deployment, recruitment, maintenance of attendance records, liaison with officers of CSMCL, preparation of payment-related records, operation of the company's bank account as an authorised signatory and supervision of other activities connected with execution of the contract. It is alleged that the memorandum statement of co-accused Amit Mittal, owner/director of A-2-Z Infraservices Limited, statements of witnesses and documentary material collected during investigation prima facie disclose that the applicant actively participated in the mechanism through which inflated claims were generated and processed.

5. It is further alleged that financial analysis undertaken during investigation discloses that approximately Rs.34.06 crores was received by A-2-Z Infraservices Limited under the aforesaid heads and out of the said amount approximately

Rs.6.90 crores was routed as illegal commission through the present applicant to one Siddharth Singhania, who thereafter transmitted the amount through other intermediaries, ultimately reaching the principal accused. According to the prosecution, the applicant was not merely involved in local coordination but also played an active role in facilitating the movement of illegal commission generated out of inflated claims.

6. The prosecution has also relied upon the example of the bill relating to the month of August, 2023 to demonstrate the modus operandi allegedly adopted by the accused persons. According to the prosecution, overtime payments amounting to approximately Rs.81.87 lakhs were claimed in respect of 394 employees, whereas the actual payment made to each employee was substantially lower than the amount claimed from CSMCL. Such discrepancies, according to the prosecution, reveal that inflated claims were systematically raised in the name of employees, while a substantial part of the amount was diverted towards payment of illegal commission and wrongful gain to the persons managing the affairs of the manpower agencies.

7. Upon completion of investigation, the investigating agency filed charge-sheet against the present applicant along with other co-accused for offences punishable under Sections 467, 468, 471 and 120-B of the Indian Penal Code and Sections 7(b) and 8 of the Prevention of Corruption Act.

8. Learned Senior Counsel appearing for the applicant submits that the applicant is innocent and has been falsely implicated. It is contended that the applicant was never named in the First Information Report and came to be implicated only during the course of investigation. According to the learned Senior Counsel, the entire prosecution case against the applicant rests substantially upon the memorandum statement of co-accused- Amit Mittal and other inadmissible material, without there being any independent evidence connecting the applicant with the alleged offences. It is submitted that admittedly the contract with CSMCL stood in the name of A-2-Z Infraservices Limited and not in the name of the applicant. The applicant was neither a Director, shareholder nor office bearer of the said company. Throughout the relevant period, he was serving as Vice-President (Marketing) with Chhattisgarh Distilleries Limited and had no managerial or financial control over A-2-Z Infraservices Limited. According to the applicant, he merely coordinated local manpower arrangements on behalf of others without exercising any decision-making authority in the affairs of the company.

9. Learned Senior Counsel further submits that no amount has ever been credited into the personal bank account of the applicant; no recovery of cash or incriminating material has been effected from his possession; no disproportionate assets have been traced to him; nor is there any material showing that he derived any pecuniary benefit from the alleged transactions. It is argued that the prosecution has failed to establish any money trail connecting the applicant with the alleged proceeds of crime and, therefore, the essential ingredients of the offences alleged against him are not *prima facie* made out.

10. It is further argued that the prosecution has incorrectly projected the applicant as having complete operational control over the affairs of A-2-Z Infraservices Limited. Referring to the Board Resolution relied upon by the prosecution, learned Senior Counsel submits that the applicant was merely one of the joint authorised signatories for operating the company's bank account and that no transaction could be undertaken by him independently without the signatures of another authorised signatory. According to the applicant, mere authority to jointly operate the bank account cannot lead to an inference that he exercised complete control over the financial or managerial affairs of the company or that he was responsible for the alleged conspiracy.

11. Learned Senior Counsel further submits that the applicant was arrested on 12.05.2026 and within a short period thereafter, i.e., on 18.05.2026, the charge-sheet came to be filed. According to the learned Senior Counsel, the investigating agency never sought police remand of the applicant unlike certain other co-accused, which itself demonstrates that no custodial interrogation of the applicant was considered necessary. It is submitted that throughout the course of investigation, the applicant remained available before the Investigating Officer as and when required and never attempted to evade the process of law. The conduct of the applicant, according to the learned Senior Counsel, clearly establishes that he has cooperated with the investigation and there exists no likelihood of his absconding or obstructing the course of justice.

12. Learned Senior Counsel has further contended that the applicant is entitled to parity with co-accused- Amit Mittal, Director of A-2-Z Infraservices Limited, who has been enlarged on bail by this Court vide order dated 03.07.2026 passed in M.Cr.C. No.4981 of 2026. Referring to paragraphs 39 to 49 of the said order, it is submitted that the observations made therein regarding the applicant allegedly supervising the affairs of A-2-Z Infraservices Limited were recorded only on the basis of submissions advanced on behalf of the said co-accused and not on the basis of any Board Resolution seized during investigation. It is submitted that no document has been recovered authorising the applicant to independently manage the affairs of the company. Learned Senior Counsel would submit that the Board Resolution relied upon by the prosecution merely authorised the applicant to jointly operate the bank account along with another authorised signatory and did not confer upon him any independent authority to manage the day-to-day affairs of the company.

13. It is further submitted that even according to the memorandum statement of co-accused- Amit Mittal, the applicant was never an employee, Director or shareholder of A-2-Z Infraservices Limited and no salary, remuneration or consultancy charges were ever paid to him by the said company. The applicant merely rendered assistance in local deployment of manpower as the tender conditions required engagement of manpower from within the State of

Chhattisgarh. Learned Senior Counsel submits that there existed no employer-employee relationship between the applicant and A-2-Z Infraservices Limited and, therefore, the question of attributing vicarious criminal liability to the applicant does not arise.

14. Learned Senior Counsel has further argued that no recovery whatsoever has been effected from the applicant. Neither any cash nor any incriminating document nor any electronic device evidencing payment of illegal gratification has been recovered from his possession. No immovable property, investment or asset allegedly acquired from the proceeds of the crime has been traced to the applicant. It is submitted that in absence of any recovery or money trail connecting the applicant with the alleged proceeds of crime, his continued incarceration is wholly unjustified.

15. Learned Senior Counsel has also urged that the applicant is about 63 years of age and is suffering from multiple serious ailments including coronary artery disease, Grade-I left ventricular diastolic dysfunction, hypertension, metabolic disorders and Non-Alcoholic Fatty Liver Disease (NAFLD). Referring to the medical documents filed along with the application, it is submitted that the applicant requires constant medical supervision and specialised treatment. It is further submitted that despite orders passed by the learned Special Judge directing proper medical treatment, adequate medical facilities have not been provided to the applicant while in judicial custody. According to the learned Senior Counsel, continued incarceration would seriously prejudice the health of the applicant and violate his fundamental right guaranteed under Article 21 of the Constitution of India.

16. Learned Senior Counsel has further questioned the maintainability of the present prosecution by contending that the allegations forming the basis of the present FIR substantially overlap with those already under investigation in Crime No.04 of 2024 relating to the alleged liquor scam. It is argued that registration of a second FIR in respect of substantially the same transaction is impermissible in law and contrary to the principles laid down by the Supreme Court in ***T.T. Antony v. State of Kerala, (2001) 6 SCC 181 and Amitbhai Anilchandra Shah v. CBI, (2013) 6 SCC 348***.

17. In support of the prayer for bail, learned Senior Counsel has further placed reliance upon the decisions of the Supreme Court in ***Sanjay Chandra v. CBI, (2012) 1 SCC 40; Satender Kumar Antil v. CBI, (2022) 10 SCC 51; Dataram Singh v. State of U.P., (2018) 3 SCC 22; National Small Industries Corporation Ltd. v. Harmeet Singh Paintal,***

(2010) 3 SCC 330; Sunil Bharti Mittal v. CBI, (2015) 4 SCC 609; Arvind Dham v. Directorate of Enforcement, 2026 SCC OnLine SC 30; Arvind Kejriwal v. CBI, 2024 SCC OnLine SC 2550; Mohd. Zubair v. State (NCT of Delhi), (2023) 16 SCC 764; Siddharth v. State of U.P., (2022) 1 SCC 676 and other decisions to contend that once investigation is complete, the evidence is primarily documentary in nature and the accused satisfies the triple test, continued incarceration would amount to pre-trial punishment.

18. Per contra, learned counsel appearing for the respondent/State vehemently opposed the prayer for grant of bail. It is submitted that the present case pertains to a deep-rooted and well-organised conspiracy involving large-scale corruption in the functioning of Chhattisgarh State Marketing Corporation Limited, resulting in wrongful loss to the State exchequer and corresponding wrongful gain to private entities and members of the alleged syndicate. According to the learned counsel for the State, the investigation has revealed that various manpower agencies, including A-2-Z Infraservices Limited, systematically generated inflated claims under the heads of overtime, bonus, four additional working days and service charges and, after obtaining payment from

CSMCL, diverted a substantial portion thereof towards payment of illegal commission to public servants and intermediaries for securing clearance of their bills.

19. Learned counsel for the State submits that the role attributed to the present applicant is not that of a mere employee or local coordinator. According to the prosecution, the applicant was entrusted with the management of the affairs of A-2-Z Infraservices Limited in relation to the CSMCL contract within the State of Chhattisgarh and was responsible for manpower deployment, attendance records, agreements, payment-related records, liaison with CSMCL authorities, operation of the company's bank account as an authorised signatory and financial transactions connected with execution of the contract. The memorandum statement of co-accused Amit Mittal, statements of witnesses and documentary evidence collected during investigation, according to the State, prima facie establish that the applicant actively managed the execution of the contract and facilitated the mechanism through which inflated claims were processed.

20. Learned counsel for the State has further submitted that the financial analysis conducted during investigation reveals that A-2-Z Infraservices Limited received excess payments aggregating to approximately Rs.34.06 crores under the heads of overtime, bonus, four additional working days and service charges, out of which approximately Rs.6.90 crores was allegedly routed as illegal commission through the present applicant to Siddharth Singhania and thereafter transmitted through other intermediaries to the principal accused, Anwar Dhebar. It is submitted that the material collected during investigation *prima facie* discloses the applicant's active involvement in the movement of illegal commission and, therefore, considering the gravity of the offence, magnitude of the financial irregularities and the stage of the trial, the applicant does not deserve to be enlarged on bail.

21. I have heard learned Senior Counsel appearing for the applicant, learned counsel appearing for the respondent/State at length and have perused the case diary, charge-sheet, documents placed on record and the rival submissions with due care.

22. At the outset, it deserves to be noticed that the allegations in the present case are not confined to mere breach of contractual obligations or accounting irregularities. The prosecution case, as unfolded during investigation, discloses a *prima facie* case of a well-organised conspiracy whereby inflated claims were allegedly generated under the heads of overtime, bonus, four additional working days and service charges in respect of manpower supplied to CSMCL. It is alleged that after obtaining payment on the basis of such inflated claims, a substantial portion of the excess amount was diverted towards payment of illegal gratification to public servants and members of the alleged syndicate, while the remaining amount was retained by the manpower agencies and persons managing their affairs, thereby causing wrongful loss to the public exchequer. The offences alleged include criminal conspiracy, forgery, use of forged documents and offences under the Prevention of Corruption Act, which are undoubtedly serious in nature.

23. The principal contention advanced on behalf of the applicant is that he was neither a Director nor a shareholder nor the owner of A-2-Z Infraservices Limited and was merely serving as Vice-President (Marketing) of Chhattisgarh Distilleries Limited. According to the applicant, he only rendered assistance in local coordination of manpower and never exercised any financial or managerial control over A-2-Z Infraservices Limited. It has also been contended that no salary or remuneration was ever paid to him by the said company and, therefore, no criminal liability can be fastened upon him merely because he assisted in execution of the contract.

24. *Prima facie*, the aforesaid submission does not persuade this Court. The material collected during investigation, particularly the memorandum statement of co-accused- Amit Mittal, statements of witnesses, attendance records, operational documents, banking records and other documentary material, *prima facie* indicates that though the applicant may not have been a Director or shareholder of A-2-Z Infraservices Limited, he was actively associated with the execution of the CSMCL contract within the State of Chhattisgarh. The prosecution material indicates that manpower deployment, attendance management, liaison with CSMCL authorities, preparation and forwarding of payment-related documents and other operational activities connected with execution of the contract were being carried out by the applicant.

25. The charge-sheet further reveals that the applicant's mobile number and e-mail address were linked with the operational bank account of A-2-Z Infraservices Limited and that he functioned as one of the authorised signatories for operation of the said account. Though learned Senior Counsel has contended that the applicant could not have independently operated the account without another authorised signatory, such contention pertains to appreciation of evidence, which cannot be undertaken at this stage. Whether the Board Resolution authorised the applicant only to jointly operate the account or whether such authority ultimately establishes criminal liability are questions which fall for consideration during trial. At the stage of consideration of bail, this Court is only required to examine whether the material collected during investigation discloses a *prima facie* case against the applicant.

26. The prosecution has further placed material to indicate that A-2-Z Infraservices Limited received approximately Rs.34.06 crores towards overtime, bonus, four additional working days and service charges and that out of the said amount, approximately Rs.6.90 crores was allegedly routed as illegal commission through various intermediaries. According to the prosecution, the present applicant was instrumental in facilitating the movement of the said illegal commission. At this stage, these allegations find *prima facie* support from the financial analysis, bank records, documentary evidence and statements recorded during investigation. Whether such material ultimately establishes the guilt of the applicant beyond reasonable doubt is a matter which shall be decided by the learned trial Court on appreciation of evidence.

27. The submission that the applicant has been implicated solely on the basis of the memorandum statement of co-accused- Amit Mittal also does not appear to be entirely correct. The prosecution has relied not only upon the memorandum statement of the co-accused but also upon attendance registers, bank documents, payment records, witness statements, financial analysis and other documentary evidence collected during investigation. At the stage of consideration of bail, this Court cannot embark upon a meticulous examination of the admissibility or evidentiary value of each document or witness statement.

28. Equally, the contention that no recovery has been effected from the applicant and that no amount has been credited to his personal bank account cannot, by itself, constitute a ground for grant of bail in the peculiar facts of the present case. The allegations against the applicant are not confined to personal enrichment but extend to his alleged active participation in execution of the criminal conspiracy by facilitating inflated claims and routing illegal commission. The question whether the applicant personally derived any financial benefit is a matter to be examined during trial.

29. Much emphasis has been laid by learned Senior Counsel upon the order dated 03.07.2026 passed by this Court granting bail to co-accused- Amit Mittal and the applicant has claimed parity therewith. The submission does not merit acceptance. It is well settled that parity is not an absolute rule. The role attributed to each accused, the nature of evidence available against him and the surrounding circumstances have to be independently considered. Grant of bail to one accused does not automatically entitle another accused to the same relief unless the role attributed to both is substantially identical.

30. In the present case, the prosecution has specifically alleged that the applicant was the person supervising execution of the CSMCL contract within the State of Chhattisgarh, maintaining attendance records, coordinating with CSMCL officials, operating the bank account as an authorised signatory and facilitating financial transactions connected with the alleged commission mechanism. At this stage, this Court is unable to hold that the applicant stands on the same footing as co-accused- Amit Mittal or the other co-accused who have already been granted bail. Therefore, the principle of parity is of no assistance to the applicant.

31. It has also been argued on behalf of the applicant that the investigation stands concluded, charge-sheet has been filed and the entire prosecution case rests upon documentary evidence already seized by the investigating agency. Though filing of the charge-sheet is undoubtedly a relevant consideration while deciding an application for bail, the same by itself cannot be regarded as conclusive. The Court is equally required to consider the nature and gravity of the accusation, the extent of involvement attributed to the accused, the magnitude of the offence, the possibility of influencing witnesses and the larger interest of society.

32. The present case concerns allegations of large-scale financial irregularities involving diversion of public funds running into several crores of rupees. The allegations disclose an organised mechanism whereby inflated claims were allegedly generated and public money intended for payment of employees was siphoned off by routing a part thereof as illegal gratification to public servants and intermediaries. Economic offences involving corruption and diversion of public money constitute a class apart, affecting not merely an individual victim but the financial health of public institutions and public confidence in governance. The Hon'ble Supreme Court has repeatedly held that while considering bail in cases involving economic offences, the Court is required to keep in mind the larger societal interest and the seriousness of the allegations.

33. The prosecution has also expressed a specific apprehension that several material witnesses are connected with attendance records, billing processes, manpower deployment, financial transactions and the alleged commission mechanism. The trial has not yet commenced and none of the prosecution witnesses has been examined. Having regard to the position allegedly occupied by the applicant in the execution of the CSMCL contract, the apprehension expressed by the prosecution that his release at this stage may result in influencing witnesses or otherwise affecting the fair conduct of the trial cannot be said to be wholly unfounded.

34. So far as the medical condition of the applicant is concerned, the documents placed on record indicate that the applicant is about 63 years of age and is suffering from certain ailments requiring regular medical supervision. However, no material has been placed before this Court to establish that the necessary medical facilities cannot be extended to the applicant while he remains in judicial custody. In the event specialised treatment is required, it shall be open to the competent authorities to ensure that the applicant receives appropriate medical treatment in accordance with law. Therefore, at this stage, the medical condition of the applicant does not constitute an exceptional circumstance warranting grant of regular bail.

35. The contention advanced on behalf of the applicant that the present FIR is liable to be questioned on the ground that it constitutes a second FIR in respect of the same transaction as Crime No.04 of 2024 also cannot be examined in detail while deciding the present application for bail. Whether the present prosecution is hit by the principles laid down in ***T.T. Antony v. State of Kerala, (2001) 6 SCC 181 and Amitbhai Anilchandra Shah v. CBI, (2013) 6 SCC 348***, or whether both prosecutions arise out of the same transaction, are issues which may appropriately be examined in proceedings instituted for that purpose. Such questions do not fall for adjudication while considering an application for regular bail.

36. Likewise, the decisions relied upon by the learned Senior Counsel for the applicant in ***Sanjay Chandra, Satender Kumar Antil, Dataram Singh, Sunil Bharti Mittal, Harmeet Singh Paintal, Arvind Dham, Arvind Kejriwal, Mohd. Zubair, Siddharth*** (supra) and other judgments undoubtedly reiterate the settled principles governing grant of bail and the constitutional importance of personal liberty under Article 21 of the Constitution. However, it is equally well settled that every application for bail has to be decided on its own facts.

The ratio of the aforesaid decisions cannot be applied in isolation, ignoring the nature of the allegations, the *prima facie* material collected during investigation and the specific role attributed to the accused.

37. Having considered the totality of the circumstances, the gravity and magnitude of the alleged offence, the *prima facie* material collected during investigation, the specific role attributed to the applicant in the execution of the alleged conspiracy, the nature of evidence collected by the investigating agency and the stage of the proceedings, this Court is of the considered opinion that the applicant has not been able to make out a case for grant of regular bail at this stage.

38. Having considered the totality of the facts and circumstances of the case, this Court is of the opinion that the material collected during investigation prima facie indicates the involvement of the applicant in the alleged conspiracy relating to submission of inflated claims and routing of illegal commission. At this stage, the prosecution case is supported by documentary evidence, bank records, financial transactions and statements recorded during investigation. Considering the gravity and nature of the allegations, the magnitude of the alleged financial irregularities, the stage of the trial and the possibility of the applicant influencing the prosecution witnesses, this Court is not inclined to exercise its discretionary jurisdiction in favour of the applicant.

39. So far as the contention of the applicant that he has been treated differently in comparison to co-accused persons is concerned, the same cannot be examined in isolation at this stage. The material available on record prima facie indicates that the present applicant was allegedly acting as an intermediary between the manpower agencies and the concerned government officials and was involved in the process of routing the alleged illegal commission. The role attributed to the present applicant requires appreciation of evidence during the course of trial and cannot be conclusively determined at the stage of consideration of the application for bail.

40. The contention of the applicant that there existed no employer-employee relationship between the applicant and co-accused Amit Mittal and that no remuneration was paid to the applicant for his services, thereby excluding any question of vicarious criminal liability, also cannot be accepted at this stage. The allegations against the applicant are not based merely on any employer-employee relationship but pertain to his alleged role in the conspiracy and facilitation of the transactions forming part of the alleged offence.

41. It is also urged that no recovery of any nature has been effected from the applicant; no cash has been recovered from his possession; no incriminating documents or electronic devices have been seized from him; no property, investment or asset allegedly acquired from the proceeds of the offence has been identified; and no amount has been traced to his personal bank account. However, the absence of recovery by itself cannot be a sole ground for grant of bail when the prosecution case is based on other material collected during investigation, including documentary evidence, financial transactions and statements of witnesses. The evidentiary value of such material is a matter for consideration during the course of trial.

42. Therefore, considering the nature of allegations, the material collected during investigation, the specific role attributed to the applicant and the overall circumstances of the case, this Court does not find it to be a fit case for grant of bail to the applicant at this stage.

43. Consequently, this Court is of the considered opinion that the applicant has failed to make out a case for grant of regular bail under Section 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023.

44. Accordingly, the application being devoid of merit deserves to be and is hereby dismissed.

45. It is, however, made clear that the observations made hereinabove are only for the purpose of deciding the present application for bail and shall not be construed as an expression of opinion on the merits of the case. The learned trial Court shall proceed to decide the case independently on the basis of the evidence adduced before it, without being influenced by any observation made in this order.

46. Ordered accordingly.

Sd/-

(Amitendra Kishore Prasad)
Judge

Vishakha