

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

THE HONOURABLE SRI JUSTICE N.TUKARAMJI

CRIMINAL PETITION No.9903 OF 2026

DATE: 21.07.2026

Between :

B. Sandeep and 10 others.

... Petitioners/Accused Nos.1 to 11

AND

The State of Telangana
Through S.H.O. P.S. Manthani, Ramagundam
Commissionerate, Peddapalli District, High Court at
Hyderabad.

... Respondent.

ORDER:

This petition is filed under Section 482 of *Bharatiya Nagarik Suraksha Sanhita*, 2023 (for short, "BNSS"), seeking the relief of anticipatory bail.

2. The petitioners are arrayed as Accused Nos.1 to 11 in FIR No.137 of 2026 on the file of Manthani, Ramagundam Commissionerate, Peddapalli District for the offences punishable under Sections 318 (4), 316(4), 316(5), 338 and 61 (2) of *Bharatiya Nyaya Sanhita*, 2023 (for short, "BNS").

3. Heard Mr. K. Venumadhav, learned counsel for the petitioners, and Mr. Syed Yasar Mamoon, learned Additional Public Prosecutor, appearing for the respondent-State.

4.1. The facts, in brief, are that the Secretary of Primary Agricultural Cooperative Society Limited (PACS), Manthani, submitted a report alleging that, during the Rabi Procurement Season, 2025-2026, the petitioners/accused, who were employees/staff of the Paddy Procurement Centre (PPC), Mallepalli, entered into a criminal conspiracy to illegally transport paddy from the State of Maharashtra and other districts into Peddapalli District and falsely show the same as locally procured paddy through PPC, Mallepalli. It is alleged that, in furtherance of the said conspiracy, the accused generated and used fake truck chits of the PPC, manipulated Government procurement records, and misused the procurement system with the object of obtaining wrongful financial benefit.

4.2. Based on the reports of the Task Force Team and the inspection reports submitted by the Civil Supplies Department regarding the irregularities detected, three lorries transporting paddy were intercepted, resulting in the seizure of 2,213 bags of paddy weighing about 885.20 quintals, valued at approximately Rs.20,97,039/-, which were taken into the custody of the Civil Supplies Department. It is further alleged that the drivers disclosed that the paddy had not been

procured from local farmers, while the Tab Operator, Staff Assistant, and PPC In-charge were found to have facilitated the generation and use of fake truck chits. The prosecution further alleges that a subsequent enquiry revealed the generation of eight fake truck chits covering 5,421 bags of paddy weighing about 2,168.40 quintals, valued at approximately Rs.51,39,108/-. According to the prosecution, by manipulating the procurement records and falsely projecting the paddy as locally procured, the accused caused wrongful loss to the State exchequer, obtained wrongful gain for themselves, adversely affected genuine farmers, and thereby committed the alleged offences.

5.1. Learned counsel for the petitioners submits that the petitioners are innocent and have been falsely implicated in the present case without any credible material connecting them with the alleged offences. It is contended that the allegations in the FIR are false, vague, and based on general and omnibus accusations, without attributing any specific overt act to any of the petitioners. It is further submitted that the entire paddy procurement process is carried out through an online system, wherein the paddy is weighed, verified, and electronically recorded, and the sale consideration is directly credited to the bank accounts of the farmers. Therefore, according to the petitioners, the allegation of illegal procurement or misappropriation of paddy is inherently improbable and unsupported by any material. It is

argued that no quantity of paddy could have been misappropriated without completion of the prescribed procurement process involving several official and statutory safeguards. Learned counsel further contends that the complaint was lodged without a proper examination of the procurement process and without any evidence establishing the involvement of the petitioners.

5.2. Learned counsel for the petitioners further submits that the allegation that the paddy was procured from other States is inherently improbable, as the Minimum Support Price (MSP) fixed by the Union Government is uniformly applicable across all States, and no State Government can procure paddy below the price so fixed. It is further submitted that the State Government had fixed the procurement price on par with the Minimum Support Price prescribed by the Central Government. Additionally, it is contended that the consideration for the seized paddy has not been paid so far. Therefore, according to the petitioners, the allegation of loss to the State exchequer at this stage is unfounded. It is further submitted that the petitioners are ready and willing to cooperate with the investigation and abide by any conditions that may be imposed by the Court. Learned counsel also contends that custodial interrogation of the petitioners is not required, as they are willing to cooperate fully with the investigation. Apprehending arrest in

connection with the crime, the petitioners have filed the present petition seeking the relief of anticipatory bail.

6.1. Learned Additional Public Prosecutor opposed the grant of anticipatory bail and submitted that the investigation has prima facie disclosed the involvement of the petitioners in a well-organized racket relating to the illegal transportation of paddy and manipulation of the Government procurement system. It is contended that the petitioners, in furtherance of the criminal conspiracy, transported paddy from the State of Maharashtra and other districts into Peddapalli District and falsely projected the same as locally procured through the Procurement Centre by generating and using fake truck chits.

6.2. Learned Additional Public Prosecutor further submits that, during the inspections, three lorries carrying a huge quantity of paddy were intercepted and the paddy was seized. It is further submitted that the investigation has revealed the generation of eight fake truck chits covering the supply of a huge quantity of paddy sourced from outside the District, valued at approximately Rs.51 lakhs. He further contends that the statements of the witnesses, the seizure panchanama, the enquiry conducted by the Tahsildar and the Civil Supplies authorities, as well as the statements of the lorry drivers, disclose that the paddy was procured from Maharashtra and other districts at a lower price and thereafter sold to the Government at the Minimum Support Price by

falsely representing it as locally procured paddy. He further submits that, although the Minimum Support Price is prescribed by the Central Government, the individual State Governments, being the implementing authorities, make separate arrangements for procurement, and all States are not similarly placed in this regard.

6.3. According to the prosecution, the State Government introduced the paddy procurement scheme with the object of supporting farmers within the State, which was allegedly misused by the accused, acting in conspiracy, by procuring paddy from outside the State for their wrongful gain. It is further submitted that the investigation is still in progress and that custodial interrogation of the petitioners is necessary for an effective investigation, collection of further evidence, and ascertainment of the specific role of each accused. It is, therefore, contended that the grant of anticipatory bail at this stage is likely to hamper the investigation, and the petition deserves to be dismissed.

7. I have carefully considered the rival submissions of the learned counsel and perused the materials available on record.

8. The principal allegation against the petitioners is that they entered into a criminal conspiracy to transport paddy from the State of Maharashtra and other districts into Peddapalli District, generated fake truck chits, manipulated the Government procurement system, and

thereby caused wrongful loss to the State exchequer while securing wrongful gain for themselves. The petitioners are stated to be employees and staff of the Paddy Procurement Centre, self-employed persons, lorry owners, licensed transport operators, and transporters who allegedly worked in connection with the Paddy Procurement Centre. However, except attributing to them their respective roles in the procurement process, the prosecution has not, at this stage, pointed to any specific overt act individually attributable to each of the petitioners in the commission of the alleged offences.

9. It is not in dispute that the investigation is still in progress. It is also an admitted position that a substantial quantity of paddy has already been seized, the relevant witnesses have been examined, and the material records pertaining to the procurement process have been collected by the investigating agency. According to the prosecution, custodial interrogation of the petitioners is necessary to unearth the larger conspiracy, ascertain the precise role of each accused, recover further documentary and electronic evidence, and trace the flow of the alleged illegal transactions. Per contra, the petitioners contend that the entire procurement process is conducted through an online mechanism involving multiple stages of verification, including electronic recording of procurement details and direct transfer of the sale consideration into the bank accounts of the farmers. It is, therefore, argued that the

allegation of manipulation of the procurement process is inherently improbable in the absence of cogent material and that no specific overt act has been attributed to any of the petitioners warranting their custodial interrogation.

10. The power to grant anticipatory bail under Section 438 of the BNSS is an extraordinary discretionary remedy intended to safeguard the personal liberty. While exercising such jurisdiction, the Court is required to strike a delicate balance between the individual's right to personal liberty and the legitimate interest of the investigating agency in conducting a fair, free, and effective investigation. The Constitution Bench of the Hon'ble Supreme Court in *Gurbaksh Singh Sibbia v. State of Punjab*, (1980) 2 SCC 565, held that the power under Section 438 is to be exercised judiciously depending upon the facts and circumstances of each case and cannot be circumscribed by inflexible or rigid limitations. The Court observed that anticipatory bail should not be denied merely because the allegations disclose a serious offence, unless the facts justify the necessity for custodial interrogation or indicate that the accused is likely to evade the process of law or interfere with the investigation.

11. Applying the aforesaid principles to the facts of the present case, this Court finds that there is no material presently placed on record to indicate that any of the petitioners has criminal antecedents,

has attempted to evade the investigation, or is likely to abscond. Equally, the prosecution has not produced any material to demonstrate that the petitioners have attempted to influence witnesses, tamper with the evidence already collected, or otherwise obstruct the course of investigation. Furthermore, the prosecution case appears to rest substantially upon documentary and electronic evidence, including procurement records, truck chits, digital entries, and official records, which are stated to have already been seized or are otherwise within the custody and control of the investigating agency. In such circumstances, the apprehension that the petitioners would prejudice the ongoing investigation can be adequately safeguarded by imposing stringent conditions requiring their cooperation with the investigating agency.

12. Whether the petitioners had any active participation in the alleged conspiracy, whether the procurement records were manipulated, and whether the seized paddy was in fact procured from outside the State are matters that can be effectively investigated and adjudicated during the course of investigation and, if necessary, at trial. At this stage, the Court is not expected to undertake a meticulous appreciation of the evidence or record findings on the merits of the allegations.

13. In the afore stated view, without expressing any opinion on the merits of the prosecution case or the defence set up by the petitioners, and having regard to the nature of the allegations, the stage of investigation, the character of the evidence collected, the absence of any material indicating criminal antecedents, likelihood of absconding, or interference with the investigation, and in the absence of any compelling material demonstrating that custodial interrogation is indispensable, this Court is of the considered opinion that the petitioners have made out a case for the exercise of discretionary jurisdiction for granting the relief of anticipatory bail, subject to such conditions to ensure their effective cooperation with the investigation and to secure the interests of justice.

14. Accordingly, the Criminal Petitions are allowed, subject to the following conditions:

a) Petitioners/Accused Nos.1 to 11 shall surrender before the Station House Officer, Manthani police station, Ramagundam Commisisonerate, Peddapalli District, on or before 04.08.2026. Upon such surrender, or in the event of their arrest, the Station House Officer shall release them on bail upon each of them executing a personal bond for a sum of Rs.25,000/- (Rupees Twenty-Five Thousand only) each, with two sureties for a like sum each, to the satisfaction of the said officer.

b) The petitioners shall furnish their complete residential addresses and contact details to the Investigating Officer and shall keep the same updated throughout the proceedings before the trial court.

c) The petitioners shall appear before the Station House Officer every Tuesday and Thursday between 10:00 a.m. and 3:00 p.m. for a period of ten (10) weeks from the date of his release on bail and shall cooperate with the investigation in all respects.

d) Additionally, the petitioners shall remain available as and when required by the investigating officer during the course of investigation.

e) The petitioners shall neither directly nor indirectly induce, threaten, influence, nor contact any prosecution witness, nor shall they tamper with the prosecution evidence in any manner whatsoever.

f) In the event of breach of any of the aforesaid conditions by the petitioners, the prosecution shall be at liberty to take appropriate steps seeking cancellation of bail.

15. It is made clear that any observations made herein are confined solely to the adjudication of the present application for anticipatory bail and shall not be construed as an expression on the merits of the case.

Pending miscellaneous applications, if any, shall stand closed.

Date: 21.07.2026

N.TUKARAMJI, J

MRKR

THE HON'BLE SRI JUSTICE N. TUKARAMJI

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