

Rejoice may not last long

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'Nothing More Than Speculative Construct'

Court Says Serious Allegations Must Be Supported By Admissible Material, Upholds 'Procedural Integrity Of Policy-Making Process'

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The prosecution projected Kejriwal as occupying the apex position and exercising overarching control over the alleged conspiracy in the policy's formulation and implementation, while Sisodia, as excise and finance minister, was said to be instrumental in shaping it. Durgesh Pathak and Vijay Nair were alleged to have worked in proximity to further the conspiracy, with Arjun Pandey described as closely associated with Nair. Rejecting the allegations against Kejriwal outright, Judge Singh noted that his role featured only in the fourth supplementary chargesheet filed in July 2024 and that the principal material relied upon to implicate him was the statement of approver Magunta Sreenivasulu Reddy. Dismissing the claim that Kejriwal played a central conspiratorial role, the court stated, "Serious allegations must be supported by admissible material. In the absence of foundational material connecting Kejriwal with any criminal design, and in the absence of independent corroboration of the statements... the attribution of a central conspiratorial role cannot be sustained." Even on Sisodia, the court found that the prosecution failed to establish even a prima facie case against him. He was arrested by CBI in Feb 2022 and later by ED in March, was accused of "recommending" and "taking decisions" regarding the policy "without the approval of any competent authority". "The attempt to construct a conspiracy theory, without the approval of any competent authority", "The attempt to construct a conspiracy theory, without the approval of any competent authority", "The attempt to construct a conspiracy theory, without the approval of any competent authority".

FROM JAIL TO BAIL — TO CLEAN CHIT

NOV 2021 DELHI GOVT INTRODUCES NEW LIQUOR POLICY

THE POLICY, A QUICK RECAP

- > Govt withdraws from the retail sale of liquor, allows private licenses to run stores
- > The move, it is argued, will crack down on the liquor black market while increasing revenue for govt and also improve overall customer experience
- > Liquor shops could stay open past midnight and offer discounts



You sent five of our top people to jail...even after that, you couldn't harm me. Now the only way left to deal with Kejriwal is to get him killed

—ARVIND KEJRIWAL | FORMER CM

WHO ALL HAVE BEEN ACQUITTED?

Full list of 23 accused acquitted

Arvind Kejriwal
Manish Sisodia



THE CRITICISM

- > Opposition BJP accuses AAP of allowing liquor shops to open in residential areas and promote a 'liquor culture' in the capital
- > 'Gross violations' in the new policy, including an illegal rebate of hundreds of crores in licence fees during the pandemic, are flagged, triggering investigations by ED and CBI

2022

- July | LG VK Saxena recommends CBI probe into alleged irregularities in formulation, implementation of policy
- Aug 17 | CBI registers a case against 15 accused, including the then deputy CM, Manish Sisodia
- Aug 19 | CBI raids Sisodia's house
- Sept 1 | Delhi govt scraps policy
- Nov 14 | ED arrests Vijay Nair, former CEO of an events company, who was associated with AAP, and Hyderabad-based businessman Abhishek Boinpally
- Nov 25 | CBI files chargesheet against seven accused in the case

2023

- Feb 26 | CBI arrests Sisodia after interrogating him for eight hours
- Feb 28 | Sisodia moves Supreme Court

2024

- Feb 3 | ED files complaint against Kejriwal before magisterial court for skipping summonses
- March 16 | Magisterial court grants bail to Kejriwal on ED's complaints against him for skipping summonses after he appears before it
- March 21 | Delhi HC refuses to grant protection from arrest to Kejriwal on his petition challenging summonses issued to him. ED arrests Kejriwal shortly after
- March 23 | Kejriwal moves Delhi HC challenging his arrest
- April 1 | Special court sends Kejriwal to judicial custody in Tihar Jail
- April 2 | Sanjay Singh gets bail from SC
- April 9 | HC dismisses Kejriwal's petition against arrest by ED
- April 10 | Kejriwal moves SC, challenging HC order upholding his arrest by ED. A Delhi court also dismisses his application to have five weekly meetings with his lawyers instead of two
- April 22 | Delhi court denies Kejriwal's request for consultation with a private doctor through video conferencing
- April 27 | Kejriwal tells SC that his 'illegal arrest' constitutes an unprecedented assault on tenets of democracy based on 'free and fair elections' and 'federalism'
- April 29 | SC questions non-appearance of Kejriwal before ED despite repeated summonses for recording of statements, and asks if he can challenge arrest on grounds of non-recording of his version
- May 10 | SC grants interim bail to Kejriwal till June 1 for LS polls, says he will have to surrender and go back to jail on June 2
- June 2 | Kejriwal surrenders at Tihar Jail after the interim bail ended
- June 20 | Kejriwal gets bail from a lower court in money laundering case; ED gets stay on his release
- June 26 | CBI arrests him for alleged irregularities in formulation and implementation of excise policy
- July 12 | SC grants him interim bail; Refers the legality and necessity of his arrest by ED to a larger bench
- Aug 5 | Delhi High Court upholds the CBI's decision to arrest Kejriwal; directs him to approach the lower court for bail
- Aug 9 | Manish Sisodia gets bail from Supreme Court
- Aug 12 | Kejriwal challenges the Delhi HC's order in Supreme Court
- Sept 5 | SC concludes hearing on the bail plea; reserves its decision
- Sept 13 | SC grants bail to Kejriwal in the CBI case, says prolonged incarceration amounts to unjust deprivation of liberty
- Sept 17 | Kejriwal resigns as chief minister, Atishi steps in

2026

- Feb 12 | Rouse Avenue court reserves its order on charge
- Feb 27 | Court discharges Arvind Kejriwal, Manish Sisodia and 21 others in the case

Yesterday's verdict of trial court in Delhi Excise Policy Case comes as a big relief to a political party which assumed political power initially in Delhi and then Punjab by riding on tide of anti-corruption sentiments, and thereafter the party itself became controversial. All the accused have been discharged at charge-framing stage itself. A link to access trial court's judgment is shared with you.

<https://lawyerics.law/wp-content/uploads/2026/02/2026-02-27-Judgment.pdf>

The trial court's approach is that even if all facts presented by prosecuting agency, Central Bureau of Investigation (CBI) are assumed to be correct, yet no credible case of corruption under anti-corruption law, the Prevention of Corruption Act, 1988 is made out. It would be futile to subject policy makers to trial. With the trial court's verdict, money-laundering case will also fall to the ground.

The trial court has also taken note that policy framers are

constitutional functionaries who have statutory power to frame policies as considered best by them. The court also found that investigating agencies case primarily rests on corroborative statements of some witnesses. Without this, the case has no legs to stand.

However, at the same time, the trial court's verdict has tinge of conducting mini trial at the stage of framing the charge. Is it a sound judicial policy to pre-empt trial in this manner? – that is the aspect on which next higher court will have to take a call. The investigating agency may say that trial court has missed vital evidence and has not taken a holistic view of the matter. The CBI in its armoury has sufficient material to argue that trial process has been terminated by deviating from established judicial norms. Those interested to know the material in possession of investigation agency may like to go through the High Court judgment in *Manish Sisodia v. CBI*, (2023) 2 HCC (Del) 763. There are evidence at least civil servants that policy was tainted by extraneous considerations, and their views were ignored.

Corruption does not have any comprehensive statutory definition in our anti-corruption law.



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Investigation agencies generally build up their case on causing wrongful loss to Government or conferring undue advantage to a private party. Corruption is a ghost which takes many forms. It haunts but is generally not clearly visible. Same is the case here. There is distinct possibility that higher court may not go along with trial court's approach. It may allow the trial to proceed though with some riders. At the stage of bail, the matter reached up to Supreme Court which made some observations which may come to the aid of investigating agencies that the trial must proceed. The investigating agency may now be driven to the situation where it has to dig out electronic evidence which is said to have been destroyed.

However, there is a lesson to be learnt by both sides. It may be possible to smokescreen political corruption under carpet, but controversy continues to smoulder. The chapter will not be closed with trial court's verdict. Investigating agencies too must learn that it is not good for them to rest their case on thin ice. We in TheLawyerics have repeatedly noticed that whenever investigating agency does not find sufficient evidence, it falls back on criminal conspiracy which is another elusive ghost difficult to catch hold. This is how the case might take twists and turns, and one day when there is change of power at the centre, the

case may be closed as it has happened several times earlier, Bofors, 2G Scam, etc. You and I will remain baffled for all times to time.

