

Arvind Kejriwal Arrested

What Is Delhi Excise Policy Case

Why In News

- Delhi Chief Minister and Aam Aadmi Party chief **Arvind Kejriwal** has been **arrested by the Enforcement Directorate** in the alleged liquor policy scam, unleashing waves of protest by thousands of the party workers and supporters and strident condemnation from the leaders of the Opposition.



- The arrest of a serving Chief Minister -- an unprecedented, seismic development in national politics -- comes just weeks ahead of the Lok Sabha election.
- It is the first time in independent India that a serving Chief Minister has been arrested. The move came after Kejriwal skipped multiple summons by the investigation agency, nine in total, calling them "illegal".

All You Need To Know

- **Two cases, one by CBI** and one on alleged money laundering being investigated **by ED**, have been registered in relation to the excise policy.
- The case arose out of a report submitted by Delhi Chief Secretary **Naresh Kumar** to Lieutenant Governor (LG) **Vinai Kumar Saxena** in July 2022, pointing to alleged procedural lapses in the formulation of the policy.



- The report said **“arbitrary and unilateral decisions”** taken by then Delhi Deputy CM Manish Sisodia in his capacity as Excise Minister had resulted in **“financial losses to the exchequer”** estimated at more than Rs 580 crore.



- It alleged that **“kickbacks...received by the AAP Delhi government and AAP leaders”** from owners and operators of alcohol businesses for preferential treatment such as discounts and extensions in licence fee, waiver on penalties and relief due to disruptions caused by the Covid-19 pandemic, etc. were used to **“influence”** the Assembly elections held in Punjab and Goa in early 2022. The AAP went on to form the government in Punjab.
- This report was referred to the CBI, and led to Sisodia’s arrest. Then, once the CBI named Sisodia and 14 other accused in its FIR, including AAP communications in-charge **Vijay Nair**, the ED told a court in March that the alleged proceeds of crime amounted to **more than Rs 292 crore**, and that it was necessary to establish the modus operandi.



- The ED alleged that the “scam” was to give the wholesale liquor business to private entities and fix a **12% margin, for a 6% kickback**.
- In its first prosecution complaint in November 2021, the ED said the policy was “formulated with deliberate loopholes” that “promoted cartel formations through the back door” to benefit AAP leaders.
- The ED also alleged that AAP leaders received kickbacks to the tune of Rs 100 crore from a group of **individuals identified as the “South Group”**.
- Recently, **K Kavitha, Bharat Rashtra Samithi (BRS) leader** and daughter of former Telangana Chief Minister K Chandrasekhar Rao, was arrested allegedly for being part of **this ‘South Group’**.



- Others alleged to be part of the group include **Ongole MP Magunta Srinivasulu Reddy’s son** Raghav Magunta, P Sarath Chandra Reddy, son of P V Ramprasad Reddy and co-founder of **Hyderabad-based Aurobindo Pharma**.



- According to the ED, this group “**secured uninhibited access**, undue favours, attained stakes in established wholesale businesses and multiple retail zones (over and above what was allowed in the policy)”.
- It was after Kavitha’s arrest that the Enforcement Directorate alleged — for the first time — that **Chief Minister Arvind Kejriwal was a conspirator in the case**, on March 18.



- “ED investigation revealed that Ms K Kavitha along with others conspired with the top leaders of AAP including Arvind Kejriwal and Manish Sisodia for getting favours in the Delhi excise policy formulation and implementation.
- In exchange for these favours, **she was involved in paying Rs 100 crore to the leaders of AAP,**” alleged the ED spokesperson on Monday. “By the acts of corruption and conspiracy in the formulation and implementation of Delhi Excise Policy 2021-22, a continuous stream of illegal funds in the form of kickback from the wholesalers was generated for AAP.”
- Earlier, in a supplementary prosecution complaint, the ED had alleged that Kejriwal himself spoke to one of the main accused, **Sameer Mahendru, over a video call and asked him to continue working with co-accused Vijay Nair** whom he referred to as “his boy”.



Current Scenario

- In Delhi HC On **Senior Advocate Abhishek Manu Singhvi**, Appearing For Kejriwal, Said The ED Was “Attempting, At This Stage, To Create A Non-level Playing Field” And Summons Issued To AAP Convenor Was “Vague, Arbitrary And Amount To A Fishing And Roving Inquiry” In As Much As It Does Not Disclose Capacity In Which He Is Being Summoned As An Individual, A CM Or National Convenor Of AAP.



- The **Delhi Chief Minister Arvind Kejriwal** is expected to be produced before a special PMLA court here by the ED on Friday for obtaining his remand for custodial interrogation in the money laundering case linked to alleged irregularities in the scrapped Delhi excise policy 2021-22, officials said.