

**(SHOW CAUSE NOTICE BEFORE ADMISSION)**  
**IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD**  
**FRIDAY, THE TWENTIETH DAY OF DECEMBER TWO THOUSAND AND**  
**TWENTY FOUR**

**:PRESENT:**

**THE HONOURABLE SRI JUSTICE N.V.SHRAVAN KUMAR**  
**CRIMINAL PETITION NO: 15847 OF 2024**

**Between:**

Kalvakuntla Taraka Ram Rao, S/o.K.Chandra Sekhar Rao, aged about 48 years, occ. M.L.A., and Working President BRS Party R/o.H.No.8-2-120/110/1/1/3 Road No. 14, Nandi Nagar, Banjara Hills, Hyderabad.

**Petitioner/Accused No.1**

**AND**

1. The State ACB, CIU, Hyderabad, Represented by its Special Public Prosecutor For ACB cases, High Court of Telangana, Hyderabad  
Respondent/State
2. Sri.M.Dana Kishore, IAS, Principal Secretary to Government Municipal Administration and Urban Development Government of Telangana, Secretariat, Hyderabad

**Respondent/Respondent**

WHEREAS the Petitioner above named through his Advocate SRI A PRABHAKAR RAO presented this Petition under Section 528 of B.N.S.S. 2023, praying that in the circumstances stated in the grounds filed in support of the Criminal Petition, the High Court may be pleased to call for the records relating to in Crime No.12/RCO-CIU ACB-2024 on the file of Police Station, ACB, CIU, Hyderabad, and quash the proceedings in Crime No.12/RCO-CIU ACB-2024 on the file of Police Station, ACB, CIU, Hyderabad,;

AND WHEREAS the High Court upon perusing the petition and memorandum of grounds filed herein and upon hearing the arguments of Sri C.A.Sundaram, Senior Counsel representing SRI A PRABHAKAR RAO Advocate for the Petitioner and Advocate General for Respondent 1 directed issue of notice to the Respondent 2 herein to show cause as to why this CRIMINAL PETITION should not be admitted.

**You viz:**

Sri.M.Dana Kishore, IAS, Principal Secretary to Government Municipal Administration and Urban Development Government of Telangana, Secretariat, Hyderabad

are directed to show cause on or before 27/12/2024 to which date the case stands posted as to why in the circumstances set out in the petition and the memorandum of grounds filed therewith (copy enclosed) this CRIMINAL PETITION should not be admitted.

**IA NO: 2 OF 2024**

Petition under Section 528 of B.N.S.S. 2023, praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay all further proceedings including the arrest of the petitioner in Crime No. 12/RCO-CIU ACB-2024 on the file of Police Station, ACB, CIU, Hyderabad, pending the disposal of the CRLP No. 15847 of 2024, on the file of the High Court.

**THE COURT MADE THE FOLLOWING ORDER:**

**Learned Advocate General accepts notice on behalf of respondent No.1-State.**

**Issue Notice to respondent No.2.**

**Personal notice is permitted.**

**Learned counsel appearing for the petitioner shall file proof of service.**

**The present Criminal Petition is filed to quash the proceedings against petitioner/A-1 in connection with Crime No.12/RCO-CIUACB-2024 of P.S. ACB, CIU, Hyderabad.**

**Heard Sri C.A.Sundaram, learned Senior Counsel representing Sri A. Prabhakar Rao, learned Counsel for the petitioner/A-1 and Sri A. Sudershan Reddy, learned Advocate General appearing on behalf of respondent - State.**

**The petitioner herein is A-1 in Crime No.12/RCO-CIUACB-2024 of P.S. ACB, CIU, Hyderabad registered for the offences under Section 13 (1) (a) read with 13 (2) of Prevention of Corruption Act, 1988, Section 409 read with 120 B of IPC.**

**In the F.I.R., dated 19.12.2024 the facts alleged are that a Tripartite Agreement was signed on 25.10.2022 between Formulae E Operations Limited (F.E.O.) and Municipal Administration and Urban Development Department, Government of Telangana and Ace Nxt Gen Private Limited (Sponsor) for conducting Formula E races for Seasons 9,10,11 and 12 in Hyderabad. In the said agreement, the role of the Government was limited to the extent of building the track for the event and providing other civic amenities. The event was conducted on 11.02.2023 and while the agreement dated 25.10.2022 was in force, differences seems to have been cropped between FEO and Sponsor resulting in the latter backing out from the conduct of the racing events for Season 10. Thereafter, HMDA has taken approval for long form agreement, wherein the HMDA was mentioned as promoter and host instead of Ace Nxt Gen Private Limited and due authorization was sought for HMDA for undertaking the responsibility of promoter and host it. Subsequently, administrative approvals were sanctioned and then the minister MA & UD**

Department had approved the same on the file of HMDA. In the F.I.R, it is alleged that no formal approvals from the relevant authorities were obtained before transferring the huge amount which resulted in huge tax burden to HMDA and payments were made from the General Funds of HMDA, which resulted in additional tax burden to the HMDA even though there was no obligation to make such payments under the then subsisting agreement and the payments were made in anticipation of an agreement that was supposed to be executed, which is a grave irregularity. Further, no formal orders were given by the competent authority on behalf of the Governor, authorizing the Special C.S to execute the Agreement with F.E.O and no orders were issued even for entering the earlier Tripartite Agreement. That apart several irregularities/lapses have occurred like seeking approval of the Council of Ministers for executing the agreements, ii) the agreement dated 30.10.2023 was executed when the Model Code of Conduct was in force, iii) That the agreement dated 30.10.2023 was vitiated by fraud and is patently against the public policy and thereby causing substantial loss to the public exchequer and in the said circumstances, there appears to be a criminal conspiracy between the public servants and the private beneficiaries in the matter and warrants an elaborate investigation. The Department has also sought and obtained the permission of the Competent Authority in the Government to entrust the investigation of this matter to the Anti-Corruption Bureau

Sri C.A.Sundaram, learned senior counsel would submit that F.I.R has been filed on information received by ACB CIO, Hyderabad on 18.12.2024 at 1730 hours and under Section 173 of BNSS dated 19.12.2024. He would further submit that within a period of one day without making any preliminary enquiry, in view of political vendetta the said F.I.R. has been registered. He would further submit that petitioner has not received any pecuniary benefit. He would further submit that the F.I.R lack ingredients of offence under Sections 13 (1) (a) read with 13 (2) of Prevention of Corruption Act, 1988 (As amended in 2018) and Section 409 read with 120-B of IPC.

He would submit that an agreement was entered into between the parties on 25.10.2022 and later it was terminated on 27.03.2023 and 2<sup>nd</sup> agreement was entered on 30.10.2023. He would further submit that since the agreement has been terminated and in order to keep up the obligations as per the terms of the agreement, the then Government in order to take up the event continuously, in such circumstances amounts were paid to the sponsor as such there is no case made out against the petitioner to be investigated under the said provisions.

In support of his case, learned senior counsel relied on the decision of Hon'ble Apex Court in LALITA KUMARI V. GOVERNMENT OF UTTAR PRADESH<sup>1</sup>, CHARANSINGH V. STATE OF MAHARASHTRA AND OTHERS<sup>2</sup> STATE OF HARYANA AND OTHERS V. BHAJAN LAL AND OTHERS<sup>3</sup>,

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<sup>1</sup> (2014) 2 SCC

<sup>2</sup> (2021) 5 SCC 469

<sup>3</sup> 1992 Supp (1) SCC 335

Per contra, learned Advocate General would submit that there is a serious flaw in making the payments i.e., like deviations to the business rules and irregularities/lapses have occurred and that only the F.I.R has been lodged at present which itself prima-facie proves that the petitioner herein has totally deviated the conditions of the said agreements and had not adhered to the existing rules and regulations related to Foreign Exchange remittances.

Besides that there is a sanction of his Excellency, Governor of Telangana for initiating prosecution against the petitioner herein vide Memo dated 17.12.2024.

Learned Advocate General relied upon the decisions of Hon'bel Apex Court in NEEHARIKA INFRASTRUCTURE PRIVATE LIMITED V. STATE OF MAHARASHTRA<sup>4</sup>, R. VENKATKRISHNAN V. CENTRAL BUREAU OF INVESTIGATION<sup>5</sup>, STATE OF TELANGANA V. HABIB ABDULLAH JEELANI AND OTHERS<sup>6</sup>. He would further submit that without there being any detailed enquiry conducted, there cannot be any reason to quash this criminal petition and prayed to dismiss this petition.

In reply, learned senior counsel appearing for the petitioner however reiterated that there has been no enquiry conducted by the investigating officer and complaint was made based on the preliminary enquiry made by the Government and it is the duty of the investigating officers to conduct enquiry and after arriving to a conclusion that prima-facie case is made out, F.I.R has to be registered. He would further reiterate that the F.I.R lack the ingredients of offence under Sections 13 (1) (a) read with 13 (2) of Prevention of Corruption Act, 1988 (As amended in 2018) and Section 409 read with 120-B of IPC and that the F.I.R lack the reasons for delay in lodging the complaint i.e., after lapse of around 14 months.

This Court in similar set of facts and circumstances in CrI.P.No.14867 of 2024 vide order dated 05.12.2024 observed as under:

*"As discussed supra, there is no explanation for the delay caused in lodging the complaint. Prima-facie, the contents of the complaint lack the very ingredients of the offences alleged against the petitioner, more particularly, under Sections 386, 409 and 506 of IPC. In a matter like this, custodial interrogation of petitioner is not required. He is sitting M.L.A. This Court is having power under Section 482 of Cr.P.C to grant protection to the accused as held by this Court vide order dated 24.06.2024 in CrI.P.No.1866 of 2024."*

*Prima-facie* the issue emanates from the agreements dated 25.10.2022 and 30.10.2023 and the payments were made in terms of the said agreements. However, no specific allegations were made in the FIR dated 19.12.2024 with respect to pecuniary benefit derived by the petitioner and as such lacks the ingredients of Sections 13(1) (a) read with 13(2) of Prevention of Corruption

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<sup>4</sup> (2021) 19 SCC 401

<sup>5</sup> (2009) 11 SCC 737

<sup>6</sup> (2017) 2 SCC 779

Act, 1988 (As amended in 2018) and Sections 409 read with 120-B and the matter requires detailed examination. Let a counter be filed by the respondent No.1.

In the light of the foregoing discussion, this Court by exercising power under Section 482 of Cr.P.C grants protection to the petitioner.

Therefore, Investigating Officer in Crime No.12/RCO-CIUACB-2024 of P.S. ACB, CIU, Hyderabad is directed not to arrest the petitioner till 30.12.2024.

However, investigation may go on and the petitioner herein shall co-operate with the investigating officer by furnishing information and documents, as sought by him.

The Registry is directed to list the matter on 27.12.2024.

//TRUE COPY//

SD/-MD.ISMAIL  
ASSISTANT REGISTRAR

SECTION OFFICER

To,

1. The Prl. Spl. Judge for SPE & ACB Cases, Nampally, Hyderabad
2. The Station House Officer, ACB, CIU P.S., Hyderabad
3. Sri.M.Dana Kishore, IAS, Principal Secretary to Government Municipal Administration and Urban Development Government of Telangana, Secretariat, Hyderabad (by RPAD- along with a copy of petition and memorandum of grounds)
4. One CC to SRI. A PRABHAKAR RAO Advocate [OPUC]
5. Two CCs to the Advocate General, High Court at Hyderabad (OUT)
6. One CC to SRI. T BALA MOHAN REDDY Advocate [OPUC]
7. One spare copy

**HIGH COURT**

**NVSKJ**

**DATED:20/12/2024**

**POST ON 27.12.2024**



**NOTICE BEFORE ADMISSION**

**CRLP.No.15847 of 2024**

**DIRECTION**