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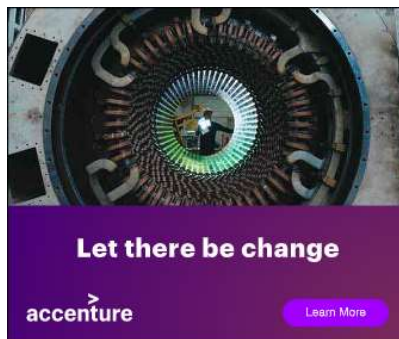
**Business Today Desk**

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Delhi's Deputy Chief Minister Manish Sisodia was arrested on Sunday after around eight hours of interrogation by the Central Bureau of Investigation (CBI) regarding the alleged irregularities in the now-scraped Delhi excise policy.

The Rouse Avenue Court on Monday reserved the order in the case pertaining to the CBI seeking the remand of Manish Sisodia.



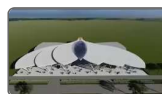
The CBI produced Manish Sisodia before a city court and sought five-day custody, saying "conspiracy was hatched in a very planned and secret manner," reported news agency ANI.

Senior Advocate Dayan Krishnan, appearing for Manish Sisodia, opposed the remand application, saying, "If someone is not willing to say something you want to hear is no ground for arrest."

SPOTLIGHT



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What is Delhi's alleged liquor scam?

The investigation pertains to the now-withdrawn Delhi liquor sales policy introduced in 2021. Manish Sisodia is the head of Delhi's excise department, which is how he has come into the line of fire.

Under the policy, in a departure from norms in most states, the government no longer had anything to do with selling liquor and allowed only private shops to do so.

Under the new policy, 849 liquor vends were awarded to private companies through open bidding. The city was divided into 32 zones, each with a maximum of 27 vends. Instead of individual licences, bidding was done zone-by-

zone.

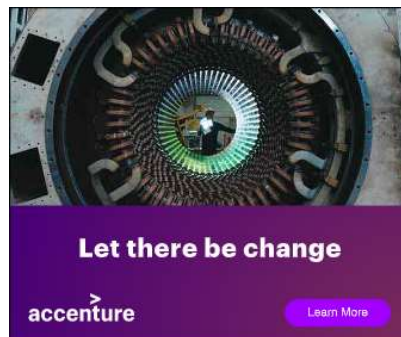
The new policy was implemented in a bid to increase government revenues, better customer experience and end the liquor mafia's influence and black marketing.

It also allowed the home delivery of liquor and shops to stay open till 3 AM. Licensees could also offer unlimited discounts.

However, controversy erupted after it was alleged that the new excise policy 2021-22 was leveraged to bend rules and provide undue benefits to liquor licensees, much after the tenders had been awarded, and thus caused huge losses to the ex-chequer.

A report by the Chief Secretary of Delhi, dated July 8, 2022, showed prima facie violations of the GNCTD Act 1991, Transaction of Business Rules (ToBR) 1993, Delhi Excise Act 2009 and Delhi Excise Rules 2010.

On the basis of the report, Delhi Lieutenant Governor VK Saxena ordered a probe into the controversial Delhi Excise Policy 2021-22 of the Arvind Kejriwal-led government.



The Delhi Chief Secretary's report alleged that "Minister In-charge of the Excise Department, Manish Sisodia, took and got executed, major decisions/actions", which were "in violation of the statutory provisions and the notified Excise Policy that had huge financial implications."

In August, the CBI had then registered an FIR in a special court against Sisodia and 14 others under various sections of the Indian Penal Code (IPC), including 120B (criminal conspiracy) and 477A (falsification of records), and section 7 of the Prevention of Corruption Act.

The CBI raided 31 locations across seven states and Union territories on August 19, including the residence of Sisodia in Delhi.

The FIR flagged payments in crores allegedly made to close associates of Sisodia by Sameer Mahendru -- the owner of Indospirits -- one of the liquor traders actively involved in irregularities in the framing and implementation of the excise policy.

Old vs new liquor policy

After the whole controversy around the new excise policy, Delhi reverted to the old excise regime, with the opening of government-run liquor vends in the city and exit of private players from retail business.

The return of the old excise policy also meant that discounts offered by private vends on liquor brands among others became a thing of the past for Delhi.

