

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CRM-M-13080-2022
Reserved on: 30.08.2022
Date of Pronouncement: 19.09.2022

Anil Goel

...Petitioner (s)

Versus

Directorate of Enforcement through Assistant Director, Jalandhar

...Respondent(s)

CORAM: HON'BLE MR. JUSTICE ANOOP CHITKARA

Present:- Mr. Prateek Pandit, Advocate
for the petitioner(s).

Mr. Satya Pal Jain, Sr. Advocate for
Mr. Shobit Phutela, Advocate
for the respondent-ED.

Mr. R.S. Dhaliwal, Advocate for
Mr. Rajeev Anand, Advocate
for respondent-CBI.

ANOOP CHITKARA, J.

Complaint No.	Dated	Pending in Court	Sections
COMA/03/2011	22.9.2021	Special Court, CBI (PMLA),	44 and 45 of the Prevention of Money Laundering Act, 2002 as defined u/s 3 R/w Section 70 and punishable u/s 4 of the PMLA Act 2002.

1. The petitioner apprehending arrest in the FIR captioned above has come up before this Court under Section 438 CrPC seeking anticipatory bail.
2. In paragraph 31 of the bail application, the accused declares the following criminal antecedents:

Sr. No.	FIR No.	Date	Offences	Police Station
1	61	13.05.2013	420, 465, 467, 468, 471 & 120-B IPC	City Phagwara
2	86	30.07.2013	420, 120B IPC	City Phagwara

3. In Maulana Mohd Amir Rashadi v. State of U.P., (2012) 3 SCC 382, Hon'ble Supreme Court holds,

[10] It is not in dispute and highlighted that the second respondent is a sitting Member of Parliament facing several criminal cases. It is also not in dispute that most of the cases ended in acquittal for want of proper witnesses or pending trial. As observed by the High Court, merely on the basis of criminal antecedents, the claim of the second respondent cannot be rejected. In other words, it is the duty of the Court to find out the role of the accused in the case in which he has been charged and other circumstances such as possibility of fleeing away from the jurisdiction of the Court etc.

4. In Paramjeet Singh v. State of Punjab, CRM-M 50243 of 2021, this court observed,

While considering each bail petition of the accused with a criminal history, it throws an onerous responsibility upon the Courts to act judiciously with reasonableness because arbitrariness is the antithesis of law. The criminal history must be of cases where the accused was convicted, including the suspended sentences and all pending First Information Reports, wherein the bail petitioner stands arraigned as an accused. In reckoning the number of cases as criminal history, the prosecutions resulting in acquittal or discharge, or when Courts quashed the FIR; the prosecution stands withdrawn, or prosecution filed a closure report; cannot be included. Although crime is to be despised and not the criminal, yet for a recidivist, the contours of a playing field are marshy, and graver the criminal history, slushier the puddles.

5. Since the previous cases pertain to the same time span, as the present case, and after that there is no allegation of repeating any offence, the previous criminal history of the petitioner is not being considered strictly at this stage as a factor for denying bail.

6. The Directorate of Enforcement's case, in nutshell is that the accused Vikram Seth operated a few bogus entities in his name and also in the name of the family members, as mentioned in the complaint, which reads as follows: -

“(2). Brief summary of cause of action under Prevention of Money Laundering Act, 2002 (PMLA).

The complainant submits that the condition precedent to investigate the offence of Money Laundering by the Complainant/ Directorate of Enforcement is either an FIR or a Police Report u/s 173 of Cr.P.C. or a complaint, in respect of scheduled offences under the PMLA, 2002. The PMLA, 2002, is an act to prevent Money Laundering and to provide for confiscation of any property derived or obtained directly or indirectly from, or involved in any process or activity connected to proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming it as untainted property. Since Sections 120-B, 420, 467 and 471 of IPC, 1860, and Section 13 of the Prevention of Corruption Act, 1988, invoked in the above mentioned FIRS are scheduled offences under the Prevention of Money Laundering Act (PMLA), 2002 (hereinafter referred to as PMLA), and whereas section 2 (1)(y) of PMLA provides "Schedule offence" means (1) the offences specified under Part A of the Schedule or (ii) the offences specified under Part B of the Schedule if the total value involved in such offences is thirty lakh rupees or more; or (iii) the offences specified under Part C of the Schedule, enquiries were initiated under

PMLA against the accused persons after recording brief facts of scheduled offences in ECIR po. ECIR/03/JLZO/2017 dated 07.11.2017. A brief summary of the investigation culminating in the filing of this Prosecution Complaint is as follows:

- (2.1). Sh.Vikram Seth had operated bogus entities viz. M/s B.L. Seth Steels Ltd., M/s B.L. Seth Coal Sales Pvt. Ltd., M/s V. S. Traders, M/s V. S. Enterprises, M/s P. K. Enterprises, M/s Goel Sales Corporation, M/s Subhash Singh & Co., M/s Unique Traders, M/s Quality Lime Product, M/s R. Sales Pvt. Ltd., M/s U.R. Enterprises and M/s M. K. Traders in the name of himself and his family members viz. Suresh Seth (his brother), 129 Sunita Seth (his wife), Anita Seth (his sister-in-law), Shivam Seth (his son), Veena Handa (his sister), Anand Prakash Handa (his brother-in law), Meenakshi Handa (his niece).
- (2.2). Sh. Vikram Seth had availed 19 loans from Bank of Baroda, G.T. Road, Phagwara, fraudulently through criminal conspiracy, cheating, forgery and using forged documents as genuine in the names of business entities opened in his name and in the name of his family members including loans in individual capacity and defaulted on those loans resulting into wrongful loss of public money to the Bank of Baroda, Phagwara to the tune of Rs. 21.31 Crores. FIR No. RCCHG2015A0002 dated 15.01.2015 was registered by CBI, ACB, Chandigarh, under Sections 120-B, 420, 467, 468, 471 of IPC, 1860 and Sections 13(1)(d) r/w 13(2) of the Prevention of Corruption Act were invoked against Sh. Vikram Seth and others.
- (2.3). Sh. Vikram Seth and his family members/associates in connivance with the accused bank officials cheated the Bank of Baroda, Phagwara to the tune of Rs. 21.31 crore as those 19 loans were obtained through criminal conspiracy and obtained through forgery, submission of forged documents as genuine and thereby cheated the bank and induced delivery of property as explained in para 3 of the prosecution complaint.
- (2.4). The loan amounts availed fraudulently through criminal conspiracy, cheating, forgery and using forged documents as genuine were not utilized for the intended purpose and were layered by routing through accounts of various associated firms/companies and other fraudulent firms by the accused persons through a web of transactions as explained in para 7.3 of this complaint and ultimately the funds were diverted and siphoned off. Sh. Vikram Seth entered into sham business transaction with those entities which were controlled by his acquaintances and friends. In addition to the above, Sh. Vikram Seth used to canvass that he was influential enough to obtain loans for those acquaintances through his connections with Bank of Baroda and used to engage himself in manipulating records showing inflated revenues and profits and thereby entitle those entities for loans beyond their genuine entitlements. It has also been found out during investigation, that upon disbursal of loans to those entities, he would demand and obtain commission ranging from 12% to 14%. The amounts thus obtained were thereafter diverted to be credited to any of the entities controlled by him or his close relatives in the guise of a commercial transaction.
- (2.5). Out of the proceeds of crime, as defined in the Prevention of Money Laundering Act, 2002, so generated, some funds are directly or indirectly parked in immovable and movable assets as elaborated in Para 7.6 of this complaint.

- (2.6). A large amount of funds have been siphoned off by Sh. Vikram Seth and others in the form of cash withdrawals as explained in para 7.4 of this complaint. As elaborated in the money trail, some cash withdrawals were found to be utilized for purchasing immovable properties.
- (2.7). Further, a large amount of loan funds/ cash withdrawn from fraudulent loan accounts of Bank of Baroda were diverted by Sh. Vikram Seth for making repayment of those old loans which were earlier availed by the BL Seth group from other banks/financial institutions as elaborated in detail in para 7.7 of this complaint.
- (2.8). Apart from the above mentioned 19 loans, in separate cases bearing F.I.R. No. 61/2013 dated 13.05.2013 and F.I.R. No. 86/2013 dated 30.07.2013, Sh. Vikram Seth along with others opened accounts of fake firms, created forged and fabricated mortgage through criminal conspiracy, cheating, forgery of valuable security for the purpose of cheating and by using forged documents as genuine thereby causing a wrongful loss of Rs.89.5 Lacs and Rs. 2.7 Crores respectively to the Bank of Baroda, Phagwara and wrongful gain to the accused persons.
- (2.9). In para 7.6, 7.7 and 8 of this complaint, it is clearly established that Sh. Vikram Seth who has acquired, is in possession and project/claim title of aforesaid proceeds of crime, as untainted property, is actually involved in one or more of processes or activities related to the proceeds of crime, had committed the offence of money laundering within the meaning of section 3 of Prevention of Money Laundering Act, 2002, which is punishable under section 4 of the Act *ibid*.
- (2.10). Thus, Sh. Vikram Seth by having involved himself in the generation of the PoC to the extent of Rs. 21.26 Cr. (as explained in Paras 3.7, 3.8.4 and 3.9.3 of this prosecution complaint) and after acquiring the said PoC, by getting the PoC placed in the various accounts of entities related/controlled by him or his relatives; and by him having deployed the PoC thus layered to discharge existing loans or purchasing/acquiring property, has projected the amounts used for retiring such existing loans as untainted property has fulfilled all the ingredients of the offence of money laundering as defined in section 3 of the PMLA, 2002. Other accused persons have also fulfilled all the ingredients of the offence of money laundering as defined in section 3 of the PMLA, 2002 as elaborated against their names in para 13 of this complaint."

7. As per the complaint, the specific role attributed to the petitioner Anil Goel reads as under: -

I. Sh.Vikram Seth had operated various bogus entities in the name of himself and his family members and availed 19 loans from Bank of Baroda, G.T. Road, Phagwara, fraudulently through criminal conspiracy, cheating, forgery and using forged documents as genuine in the names of business entities opened in his name and in the name of his family members. The loan amounts availed fraudulently were layered by routing through accounts of various associated firms/companies and other fraudulent firms by the accused persons through a web of transactions as explained in para 7.3 of this complaint and ultimately the funds were diverted and siphoned off. Sh. Anil Goyal was a close associate and accountant of Vikram Seth who had knowingly assisted Sh. Vikram Seth in the generation, layering and diversion of proceeds of crime.

II. He himself lured and also assisted Sh. Vikram Seth in luring small scale traders/businessmen of Phagwara to avail loans from BoB, Phagwara, for which Vikram Seth charged commission at the rate of 12 to 14 %. Further, he also obtained blank signed Cheques from them on the basis of which Sh. Vikram Seth effected circular transactions/accommodation entries with the firms of B L Seth Group.

III. During his statement recorded during the ED remand on 05.08.2021, Sh. Vikram Seth stated that Sh. Anil Goyal started working as his part time accountant in the year 1990. In 1993, he joined the B. L. Seth Group as a full time accountant. After, that he undertook the entire financial, accounting and liasoning work of the group and was working as the de-facto Manager of the B. L. Seth Group till the year 2012. During that period all the dealings of B. L. Seth Group with the Phagwara Primary Co-operative Agricultural Development Bank, Bank of Baroda, Phagwara, Punjab and Sind Bank and other banks were being done by Sh. Anil Goyal on behalf of the group on the directions of Sh. Vikram Seth. The books of accounts of the group entities were all prepared and fully managed by Sh. Anil Goyal on the directions of Sh. Vikram Seth. All the inflated balance sheets, net worth statements, forged income tax returns and VAT returns which were submitted in the Bank of Baroda in the loan accounts of B. L. Seth Group and others were actually prepared by Sh. Anil Goyal on the directions of Sh. Vikram Seth. All the bogus transactions and the circular trading of various firms like G. C. Enterprises, RKV Enterprises, Hari Krishan Industries, GS Enterprises, Supra Enterprises, Gurbinder Enterprises, Sahib Engineering Works, Manjit Trading Co., Sridhar Traders, Dev Raj & Sons, Swarn Foundry, Bains Traders, Ess Vee Couriers etc. were actually carried out by Sh. Anil Goyal as he was managing the accounts of B. L. Seth Group. Apart from the work of B. L. Seth Group, he was also doing the accounting, liasoning and finance work of other persons and used to get them loans sanctioned from different banks in lieu of heavy commission. He used to charge commission at the rate of 5-10% from those persons to whom he was helping to avail the loans. In this way he has collected approximately Rs. 2 crores as commission/bribe in the names of bank officials during the year 2005-2012 from the proprietors of above mentioned and other such firms for getting the loans sanctioned to them on the basis of inflated and forged documents.

IV. Thus, it is clear that Sh. Anil Goyal being accountant and close associate of Vikram Seth, had knowingly assisted Sh. Vikram Seth and was actually involved in one or more of processes or activities related to the proceeds of crime, had committed the offence of money laundering within the meaning of section 3 of Prevention of Money Laundering Act, 2002, which is punishable under section 4 of the Act *ibid.*"

8. Till the time of filing of the complaint, the Enforcement Directorate chose not to arrest the accused. Only when the concerned trial Court summoned the accused, as they failed to put in an appearance, the court issuedailable and non-bailable warrants, which led to the arrest of the accused Vikram Seth and in the interregnum also of Suresh Seth. Thus, it is clear that ED filed the complaint without arresting any of the accused.

9. The most important aspect is the decision of the Directorate of Enforcement not to arrest all the accused; coupled with the nature of allegations attributed to each

accused, the case of every accused in the FIR stood on a different footing and decided independently of the other.

10. Given the nature of allegations against the petitioner, there would be no justification to send the accused to pre-trial custody at the stage of framing of the charges.

11. In Gurbaksh Singh Sibbia v State of Punjab, 1980 (2) SCC 565, (Para 30), a Constitutional Bench of Supreme Court held that the bail decision must enter the cumulative effect of the variety of circumstances justifying the grant or refusal of bail. In Kalyan Chandra Sarkar v Rajesh Ranjan @ Pappu Yadav, 2005 (2) SCC 42, (Para 18) a three-member Bench of Supreme Court held that the persons accused of non-bailable offences are entitled to bail if the Court concerned concludes that the prosecution has failed to establish a prima facie case against him, or despite the existence of a prima facie case, the Court records reasons for its satisfaction for the need to release such person on bail, in the given fact situations. The rejection of bail does not preclude filing a subsequent application. The courts can release on bail, provided the circumstances then prevailing requires, and a change in the fact situation. In State of Rajasthan v Balchand, AIR 1977 SC 2447, (Para 2 & 3), Supreme Court noticeably illustrated that the basic rule might perhaps be tersely put as bail, not jail, except where there are circumstances suggestive of fleeing from justice or thwarting the course of justice or creating other troubles in the shape of repeating offences or intimidating witnesses and the like by the petitioner who seeks enlargement on bail from the Court. It is true that the gravity of the offence involved is likely to induce the petitioner to avoid the course of justice and must weigh when considering the question of jail. So also, the heinousness of the crime. In Gudikanti Narasimhulu v Public Prosecutor, (1978) 1 SCC 240, (Para 16), Supreme Court held that the delicate light of the law favors release unless countered by the negative criteria necessitating that course. In Prahlad Singh Bhati v NCT, Delhi, (2001) 4 SCC 280, Supreme Court highlighted one of the factors for bail to be the public or the State's immense interest and similar other considerations. In Dataram Singh v State of Uttar Pradesh, (2018) 3 SCC 22, (Para 6), Supreme Court held that the grant or refusal of bail is entirely within the discretion of the judge hearing the matter and though that discretion is unfettered, it must be exercised judiciously, compassionately, and in a humane manner. Also, conditions for the grant of bail ought not to be so strict as to be incapable of compliance, thereby making the grant of bail illusory.

12. Without commenting on the case's merits, in the facts and circumstances peculiar to this case, and for the reasons mentioned above, the petitioner makes a case for bail, subject to the following terms and conditions, which shall be over and above and

irrespective of the contents of the form of bail bonds in chapter XXXIII of CrPC, 1973.

13. In Mahidul Sheikh v. State of Haryana, CRM-33030-2021 in CRA-S-363-2020, decided on 14-01-2022, Para 53, [Law Finder Doc Id # 1933969], this Court observed,

[53]. The pragmatic approach is that while granting bail with sureties, the “Court” and the “Arresting Officer” should give a choice to the accused to either furnish surety bonds or to handover a fixed deposit, or direct electronic money transfer where such facility is available, or creating a lien over his bank account. The accused should also have a further option to switch between the modes. The option lies with the accused to choose between the sureties and deposits and not with the Court or the arresting officer.

14. Given above, in the event of arrest, the petitioner shall be released on bail in the case mentioned above, subject to furnishing a personal bond of Rs. One lac only (INR 1,00,000/-), and furnishing one surety for Rs. Five lacs (INR 5,00,000/-), to the satisfaction of the Trial Court. Before accepting the sureties, the concerned officer must satisfy that if the accused fails to appear in Court, then such surety is capable of producing the petitioner before the Court.

15. In the alternative, the petitioner may furnish a personal bond of Rs. One lac only (INR 1,00,000/-), and hand over to the the attesting officer, a fixed deposit(s) for Rs. One lac only (INR 1,00,000/-), made in favour of the Trial Court. Such Fixed deposits may be made from any of the banks where the stake of the State is more than 50%, or any of the well-established and stable private banks, with the clause of automatic renewal of principal, and the interest reverting to the linked account. Such a fixed deposit need not necessarily be made from the applicant's account. If such a fixed deposit is made in physical form, i.e., on paper, then the original receipt shall be handed over to the concerned court. If made online, its printout, countersigned by the accused, shall be given; and the depositor shall get the online liquidation disabled. The applicant shall inform the concerned branch of the bank at the earliest that it has been tendered as surety. Such information be sent either by e-mail or by post/courier about the fixed deposit, whether made on paper or in any other mode, along with its number and FIR number. After that, the applicant shall hand over such proof and endorsement to the concerned court. The trial court shall have a lien over the deposit until discharged by substitution, and in case any court takes cognizance, then such court, upon which the investigator shall hand over the deposit to such court, which shall have a lien over it up to the expiry of the period mentioned under S. 437-A CrPC, 1973, or until discharged by substitution as the case may be. If any, subject to the proceedings under S. 446 CrPC, the entire amount of fixed deposit, less taxes if any, shall be endorsed/returned to the depositor.

16. It shall be the total discretion of the applicant to choose between surety bonds and fixed deposits. It shall also be open for the applicant to apply for substitution of fixed deposit with surety bonds and vice-versa.
17. On the reverse page of personal bonds, the attesting officer shall mention the permanent address of the petitioner along with the phone number linked with the AADHAR card, the other phone numbers (if any), and e-mail (if any). In case of any change in the above particulars, the petitioner shall immediately and not later than 30 days from such modification, intimate about the change to the concerned Police Station and the concerned Court.
18. The petitioner to also execute a bond for attendance in the concerned Court(s), as and when asked to do so. The presentation of the personal bond shall be deemed acceptance of the following and all other stipulations, terms, and conditions of this bail order.
19. The petitioner shall not influence, browbeat, pressurize, make any inducement, threat, or promise, directly or indirectly, to the witnesses, the Police officials, or any other person acquainted with the facts and the circumstances of the case, to dissuade them from disclosing such facts to the Police, or the Court, or to tamper with the evidence.
20. Any observation made hereinabove is neither an expression of opinion on the merits of the case nor shall the trial Court advert to these comments.
21. *There would be no need for a certified copy of this order for furnishing bonds, and any Advocate for the Petitioner can download this order along with case status from the official web page of this Court and attest it to be a true copy. In case the attesting officer wants to verify the authenticity, such an officer can also verify its authenticity and may download and use the downloaded copy for attesting bonds.*

Petition allowed in aforesaid terms. All pending applications, if any, stand disposed.

(ANOOP CHITKARA)
JUDGE

Sep 19, 2022
anju rani

Whether speaking/reasoned: Yes
Whether reportable: No.