



**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CRM-M No.15854 of 2024 (O&M)

Date of Decision: 20.09.2024

Sadhu Singh Dharamsot

... Petitioner

Versus

Directorate of Enforcement, Govt. of India
through Assistant Director, Jalandhar

...Respondent

CORAM: HON'BLE MR. JUSTICE MAHABIR SINGH SINDHU

Present: Mr. A.P.S. Deol, Senior Advocate assisted by
Mr. Vishal R. Lamba, Mr. Himmat Singh Deol,
Mr. Dharam Pal, Mr. Arun Kaundal, Mr. Randeep S. Bains,
Mr. Sumer Singh Boperai, Mr. Arun Goyat & Mr. Karan Kalia,
Advocates for the petitioner.

Mr. Jagjot Singh Lalli, Dy. Solicitor General of India with
Mr. Lokesh Narang, Senior Panel Counsel &
Mr. Manish Verma, Advocate for the respondent.

MAHABIR SINGH SINDHU, J.

Present petition has been filed under Section 439 of the Code of
Criminal Procedure, 1973 (*for short 'Cr.P.C.*) for grant of bail pending trial to
the petitioner in ECIR/JLZO/11/2022 dated 15.07.2022 (P-1/A) (COMA-



02/2024 dated 13.03.2024) (P-1) [*for short* 'ECIR No.11'], under Section 3, punishable under Section 4 of the Prevention of Money Laundering Act, 2002 (*for short* 'PMLA'), registered by Directorate of Enforcement, Jalandhar Zonal Office, Jalandhar (*hereinafter referred as* 'E.D.').

(2) **BRIEF FACTS**

(2.1) Initially, an **FIR No.6 dated 02.06.2022** (P-16), under Sections 7, 7A of the Prevention of Corruption Act 1988, as amended vide Amendment Act, 2018 (*for short* 'P.C. Act') and Section 120-B of the Indian Penal Code, 1860 (*for short* 'IPC'), Police Station Vigilance Bureau, Flying Squad-1, Punjab, District S.A.S. Nagar at Mohali [*for short* 'FIR No.6 of 2022'] was registered at the instance of *de facto* complainant-Davinder Singh Sandhu against Gurmanpreet Singh-District Forest Officer and Harmohinder Singh @ Hummy, Contractor of the Forest Department.

(2.2) During investigation, the statement of aforesaid Harmohinder Singh was recorded by the police and a Diary was also recovered from him in terms of Section 27 of the Indian Evidence Act, 1872. There were various details given in the aforesaid Diary about payment of bribery to forest department officials/political persons, including the present petitioner as well as their aides.

On the basis of above statement of Harmohinder Singh, coupled with the Diary recovered from him, another **FIR No.7 dated 06.06.2022** (P-6), under Sections 7, 7-A, 13 (1) (a) read with Section 13 (2) of the P.C. Act & Section 120-B of IPC, Police Station Vigilance Bureau, Flying



Squad-1, Punjab, District S.A.S. Nagar at Mohali [for short 'FIR No.7 of 2022'] was registered against total 09 accused, including present petitioner, who happens to be the former Forest Minister, Punjab.

(2.3) In FIR No.7 of 2022, petitioner was arrested in the intervening night of 06/07.06.2022 by the Vigilance Bureau and thereafter, he was granted bail pending trial by the then Coordinate Bench vide order dated 05.09.2022, passed in CRM-M-34718-2022 (P-5).

(2.4) In FIR No.6 of 2022, petitioner was not named as an accused; whereas in FIR No.7 of 2022, his name is specifically mentioned and contents of the latter FIR read as under:-

"F.I.R. No.07 dated 06.06.2022

To The Station House Officer, Police Station Vigilance Bureau PH.1, Punjab At Mohali, During the investigation of F.I.R. No.06 dated 02.06.2022 registered U/s 7, 7A, P.C. Act, 1988 as amended by P.C. (Amendment) Act, 2018 and U/s I.P.C. 120-B Vigilance Bureau at Police Station: Ph.1, Punjab At Mohali, accused Harmohinder Singh, Contractor, Forests Department has got recorded his statement U/s 27 of Evidence Act that "Since 2017 to till date whatever bribe from time to time was being paid to the senior officers of Forest Department and political persons and their Aide, in this regard I have maintained a diary, which has been concealed by me in the basement of my residential house, only I know about it. I can get this diary recovered by identifying the place." On the basis of above mentioned statement of accused, one diary was recovered in which following facts in details were revealed regarding



the bribery paid to senior officers of Forest Department and political persons and their Aides :-

Felling of Khair Trees: During the investigation it was revealed that Harmohinder Singh, since about 10 years was involved in contractor-ship for felling of Khair trees. Earlier he has worked with different contractors on commission basis and since about 5 years he was working as contractor through his firm Guru Har Associates. They have, every year carried out the work of felling of Khair trees from the month of October to month of March. Regarding this felling of trees, they have to obtain permits from Forest Department. In lieu of this work, bribery is received by Forest Department from them. During the investigation it was revealed that for one season accused used to get the permits of felling of about 7,000 trees, for this purpose at the rate of each tree Rs.500/- per tree is being paid to Shri Sadhu Singh Dharamsot, Former Minister of Forest Department Punjab, Rs.200/- to the Division Forest Officer, Rs.100/- to Range Officer, Rs, 100/- Block Officer and Rs.100/- Forest Guard are paid. This amount of bribe for each tree is calculated to rupees one thousand, for 7,000 trees bribe of rupees 70 Lakh has to be paid every year of season. Beside of him, at Mohali, for felling of Khair trees there are other about 15 contractors and they also have to pay such amount of bribe for each felling of tree. If any person does not pay the bribe, either he has not been issued the permit by the Forest Department, or he is being harassed after being issued the permit, or he was being scared for imposition of heavy amount of penalty. During the investigation it was revealed that Shri Sadhu Singh Dharamsot, Minister of Forest Department, Punjab was being paid the amount of



bribe by accused at the rate of Rs.500/- for each tree. This amount of bribe was being collected from him by a person named Kamaljit Singh, and paid further. Kamaljit Singh is resident of Khanna and is journalist of newspaper Jagbani. He has got the security of Punjab Police. During the investigation it was revealed that Shri Amit Chauhan, Division Forest Officer was posted at Rupnagar. During that period he has got issued permit of felling of 1160 trees at Badiali Kalan Sub Division Anandpur Sahib from Amit Chauhan. For this purpose he was given bribe of Rs.5,80,000/- at the rate of rupees 500/- per tree.

Regarding Transfer of Officers: During the investigation it was revealed that Shri Sadhu Singh Dharamsot, Minister of Forest Department, Punjab used to take 10 to 20 Lakh rupees for transfer of D.F.O. level as per Division, for Ranger 5 to 8 Lakh of rupees, for Block Officer about rupees 5 Lakh and from Guard 2 to 3 Lakh of rupees were being taken as bribe. This amount of bribe were being collected by O.S.D. of Minister Chamkaur Singh and Kamaljit Singh, from officers with the consent of Ministers. The Amount of Bribe Paid to Shri Sadhu Singh Dharamsot, Former Minister: During the investigation it was revealed that Shri Sadhu Singh Dharamsot, Former Minister has remained as Forest Minister for about 3 years. He has received about 1 Crore of rupees from accused for issuance of permit of felling of Khair trees through Kamaljit Singh.

Regarding Amit Chauhan: During investigation it was revealed that Amit Chauhan Division Forest Officer was posted at Rupnagar. He in connivance with the contractor of felling of Khair trees, has committed a lot of bungling, such as showing the less number of tree standing on the



Panchayat land and the less counting was being done in connivance with contractors, and in the meantime if the felling of trees were excess of number, then that amount of income was being divided among contractor and D.F.O. and because of this the loss was directly caused to the Panchayat. Beside of this, Amit Chauhan used to ask some of his known contractor that you should get the contract by giving higher bid and later on he was allowed to fell extra trees from adjoining government forest area and the amount of bribe was being divided amongst them. Besides of these Amit Chauhan has also allowed illegal mining to Aide, Kamaljit Singh of Sadhu Singh Dharamsot.

Regarding Issuance of N.O.C.: *During the investigation it was also revealed that amount of bribe at large scale was being taken by Shri Sadhu Singh Dharamsot, Former Minister through Chamkaur Singh S.D.O. and Kamaljit Singh for issuance of N.O.C., from the owners of colonies, new petrol pumps to be established, for passage of big new private projects to be established, hotels and restaurants, for providing the passage to approach road through areas of Forest Department. During the investigation it was also revealed that during the period of Shri Sangat Singh Gilzian, Former Minister, Forests, Har Mohinder Singh contractor was issued a permit for felling of Khair trees at village Nada, District Mohali and in consideration of that, Shri Sangat Singh Gilzian has demanded the bribe from accused. The demand was made through Amit Chauhan, I.F.S. In this regard Harmohinder Singh has paid rupees 5 Lakh as bribe to Aide of Minister, Kulwinder Singh, and after a lot of request the amount which was to be paid to Amit Chauhan was kept as credit of rupees 5 Lakh at the rate of rupees 500 each tree. Beside of this it was also*



revealed that he has paid the amount of bribe at the rate of rupees 100 of each, fixed for Range Officer, Block Officer and Guard.

Regarding Purchase of Tree Guards: During investigation it transpired that Harmohinder Singh during the tenure of Sh. Sangat Singh Giljani Ex-Forest Minister, the department of Forest had purchased Tree Guards for the maintenance of plants, whereby Sangat Singh Giljani had called all the D.F.Os of Punjab a meeting was held with him and was said that whatever tree guards have to be purchased, these tree guards shall be supplied by his known Sh. Sachin Kumar. Cost of one tree guard was affixed as Rs. 2800/-. Out of which Rs. 800/- per Tree Guard was obtained by Minister as Commission. At that time about 80,000/- Tree Guards were purchased in entire Punjab. Out of this Rs. 6,40,00,000/- of amount as Commission/bribe were received by Sangat Singh Giljani.

Embezzlement in Plantation Drive: During the investigation it was revealed that generally the amount is spent by the Forest Department for drive of new Plantations and in this a large scale embezzlement is committed. In this regard generally the contract of plantation is being allotted to a known contractor. That contractor used to deposit the amount for price of plants in the account of Nursery from which the plants are to be purchased. Later on that contractor used to leave 20% of amount as commission in the account of Nursery and obtains 80% of deposited amount as cash without making any purchase of plants, and that amount is being shared among Officer/Officials of Forest Department and above mentioned Contractor.



Forgery in fake Expenses of Fencing: During the investigation it was revealed that barbed wire is being installed by officers in forest area as fencing by Forest Guard, Block Officer and Range Officer. That old barbed wire is intentionally declared as condemn and expenses are made for purchase of new barbed wire at higher price. In reality no new wire are being installed. If the new wire is being purchased then old barbed wire is to be deposited in the store.

Levelling of Hill Area in Mohali District: During the investigation it was revealed that in the Forest Department at Mohali, in connivance with officers, after getting the bribe of crores of rupees from private persons the natural type of hills were converted, it means it is levelled. Last days one Dilpreet Singh, Forest Guard, at village Nadda District Mohali in connivance with private persons have changed the natural passage of hill and by levelling the same have got constructed metaled road and in this regard a hefty amount of bribe was obtained by Forest Department.

Regarding Mining: During the investigation it was revealed that during the period of Shri Sangat Singh Gilzian Former Forest Minister, Shri Amit Chauhan I.F.S. was transferred as Division Forest Officer Rupnagar. There in the forest area of village Jindapur near Bela Rupnagar under Forest Department Rupnagar, high level illegal mining was carried out over the forest land of about 486 Acre only in one month in connivance with above mentioned minister, there digging of 50/50 ft. deep pits were created. In this regard illegal mining of about 40/50 crores of rupees was carried out. This mining was being



carried out by them through present Sarpanch. A case was also registered against present Sarpanch but later on it was cancelled. During the investigation of case as per statement of accused Harmohinder Singh Hummy, U/s 27 of Evidence Act one hand written Diary was recovered. In this Diary he has mentioned the details of amount of bribe which was being paid by him to Officers of Forest Department comprising of Range Officer, Block Officer and Division Forest Officer and Forest Guards for obtaining the permit of felling of Khair trees. Besides of these for felling of Khair trees he has paid bribe at the rate of rupees 500 per tree to Sadhu Singh Dharamsot, Forest Minister through his Aide, kamaljit Singh, Press Reporter Khanna, details have been mentioned. Beside of these it was also revealed that there is a factory named D.K. Industries at village Chanalo, Kurali, which purchases Khair trees. This company does not have any license. Its owner is a person named Bidhi Chand, who purchases stolen and without permit fallen trees. This factory has big blessings of Amit Chauhan, I.F.S. The amount of bribe was being paid by Harmohinder Singh to Officers/ Officials and Ministers and their O.S.D./ P.A. of Forest Department. In this regard he used to talk through his WhatsApp and other private Apps and sometimes direct calls were also made over phones. That from the above mentioned facts it is found that the Officers/ Officials of Forest Department and Former Ministers in connivance with each other by committing all above mentioned acts of bad intentions the natural forests are being destroyed and this one is the large scale scam in Forest Department of Punjab. Therefore, Shri Amit Chauhan, I.F.S., Shri Guramanpreet Singh Division Forest Officer Mohali, Dilpreet Singh Forest Guard, Shri Sadhu Singh Dharamsot Former Minister of Forest Department,



Shri Sangat Singh Gilzian Former Minister of Forest Department, Chamkaur Singh O.S.D. to Shri Sadhu Singh Dharamsot, Kamaljit Singh resident of Khanna, Kulwinder Singh Shergill P.A. to Shri Sangat Singh Gilzian and Sachin Kumar have committed offence U/s 7, 7A, 13(1) (A) (2) P.C. Act, 1988 as amended by P.C. (Amended) Act, 2018 and U/s 120-B I.P.C.”

(2.5) The contents of above FIRs were examined by E.D. and it came to the conclusion that offences under Sections 7, 7-A, 13 (1) (a) read with Section 13 (2) of the P.C. Act & Section 120-B of IPC are falling within the definition of “*scheduled offence*” as defined under Section 2 (y) of the PMLA and as such, covered under Part A of the Schedule attached therewith. Resultantly, ECIR No.11 was registered by the E.D. against present petitioner and other co-accused under the provisions of PMLA.

(2.6) Petitioner was arrested by the E.D. on 15.01.2024 at 16:45 hours in ECIR No.11. Arrest order as well as “grounds of arrest” dated 15.01.2024 were allegedly supplied to him and at the same time, Harpreet Singh (petitioner’s son) was also informed about the arrest. Apart that, entire material in possession of the E.D., “grounds of arrest” along with “reasons to believe” were allegedly sent to Adjudicating Authority in terms of Section 19 (2) of the PMLA under sealed cover.

(2.7) On the very next day, petitioner was produced before learned Special Judge seeking his remand for a period of 14 days by way of an application dated 16.01.2024 (P-13), under Section 167 Cr.P.C. read with



Section 65 of PMLA, which was allowed for 03 days vide order dated 16.01.2024 (P-14).

E.D. moved similar application on 19.01.2024, seeking 04 days' remand of petitioner, which was again granted for 03 days.

Again, third application dated 21.01.2024 was moved by the E.D.; however, the same was declined and petitioner was sent to judicial custody.

(2.8) Thereafter, petitioner approached learned Special Judge for grant of bail pending trial; but remained unsuccessful vide order dated 04.03.2024 (P-15). Hence, present petition.

(3) **CONTENTIONS ON BEHALF OF PETITIONER:-**

(3.1) Learned Senior Counsel contends that petitioner was arrested by the Vigilance Bureau in FIR No.7 of 2022 in the intervening night of 06/07.06.2022 at 01:30 AM from his residence; produced before learned *Illaqa* Magistrate on 07.06.2022 and he was remanded to police custody from 07.06.2022 to 13.06.2022. During the period of remand, no incriminating materials in the form of cash and/or any other documents were recovered from him.

(3.2) Further contends that petitioner applied for bail before learned Additional Sessions Judge, SAS Nagar (Mohali); but the same was declined on 01.08.2022 and ultimately, he was allowed bail by the then Coordinate Bench vide order dated 05.09.2022, passed in CRM-M-34718-2022.



(3.3) Also contends that as per statement made by Harmohinder Singh, allegations against the petitioner are for the period when he was Forest Minister, Government of Punjab since 2017 to 2021; whereas for the first time, he has disclosed the same on 04.06.2022 during investigation in FIR No.6 of 2022.

(3.4) Again contends that Harmohinder Singh (accused in FIR No.6 of 2022) was not arrayed as an accused in FIR No.7 of 2022; rather he has been given the status of an approver.

(3.5) Yet again contends that Harmohinder Singh was produced before learned Special Judge for grant of pardon under Section 306 (4) Cr.P.C. on 30.09.2022 (P-2) in FIR No.6 of 2022, in which the alleged Diary was produced being incriminating piece of evidence. While making statement as an approver before learned Special Judge under the P.C. Act, he did not level any allegation of bribe against the petitioner for obtaining license(s)/permit(s) for cutting Khair trees; rather he stated that “my personal diary having the details regarding the expenses relating to permits of cutting of Khair Trees and other household expenses”. Thus, the Vigilance Bureau failed to extract any incriminating material against the petitioner from the statement of Harmohinder Singh while making him as an approver and also excluding him as an accused in FIR No.7 of 2022.

(3.6) Further contends that now Vigilance Bureau has made Chamkaur Singh, the then Forest Range Officer, as an “approver” after about one year of registration of FIR No.7 of 2022 with a promise to get him out of jail on



default bail under Section 167(2) Cr.P.C. Resultantly, he has now been granted pardon under Section 306(4) Cr.P.C. by learned Special Judge under the P.C. Act on 30.05.2023 (P-3) in the aforesaid FIR for collecting fresh evidence and to connect the petitioner with alleged proceeds of crime.

(3.7) Vehemently contends that Vigilance Bureau failed to establish the role of petitioner in allocation of permits in lieu of cutting Khair trees. Instead, Vigilance Bureau has reached to a cumulative figure of ₹ 1,02,90,000/- for grant of permits by way of receiving bribe money by the petitioner during check period i.e. 2017 to 2021 merely on assumptions.

As a matter of fact, the permits were issued on the basis of policy and management plan for private forest owners under Sections 4 & 5 of the Punjab Land Preservation Act, 1900. Petitioner being the Forest Minister at that time had no role whatsoever in allocation of permits, rather it was entirely done by the Forest Department in a prescribed manner and the programme is based on five-year circle, which is termed as 'Main Felling Programme'. There is no single complaint filed by any permit holder during the tenure of petitioner as Forest Minister for giving any undue favour to a particular contractor and/or for grant of permit(s) for cutting of Khair trees as well as other forest produce.

(3.8) Further contends that timings of above-mentioned FIRs clearly depict that present case is only the outcome of political vendetta by the opposite Party, who have initiated vigilance inquiries against many former Ministers of other Party. Even the intention of E.D. is also proved from the



fact that ECIR No.11 was recorded on 15.07.2022; whereas petitioner was arrested after almost one-and-a-half year on 15.01.2024.

(3.9) Also contends that in order to establish the allegations of bribe pertaining to permits through Harmohinder Singh, neither the permit holders have been cited as witnesses by the E.D. in ECIR No.11; nor there is any proof attached with the complaint (COMA-2-2024 dated 13.03.2024) in the form of Agreements between permit holders and/or contractors for selling their produce at the time of submitting the application forms or even thereafter.

(3.10) Again contends that ECIR No.11 is completely silent about the alleged criminal conspiracy hatched by the petitioner with his family members for acquiring the assets from alleged bribe money, collected through Harmohinder Singh, Chamkaur Singh & Kamaljit Singh @ Kamal, which can be considered to be proceeds of crime.

Instead, E.D. with *mala fide* intention has got registered another ECIR/JLZO/12/2023 dated 29.03.2023 (*for short 'ECIR No.12'*) just on the basis of alleged disproportionate assets acquired from proceeds of crime in ECIR No.11, which was of no consequence. Furthermore, even after running parallel investigation in both ECIRs, the E.D. has failed to arrest petitioner in ECIR No.12, despite instituting separate complaint (COMA-03-2024) on 14.03.2024 for which the cognizance has already been taken by learned Special Judge on 15.03.2024.



(3.11) Further contends that in ECIR No.11, the E.D. has instituted complaint bearing COMA No.2 of 2024 dated 13.03.2024 and learned Special Judge has taken cognizance on 15.03.2024.

(3.12) Forcefully contends that petitioner is not a previous convict; rather having clean antecedents; not a threat to the society and in case petitioner is granted bail pending trial, no prejudice would be caused to the respondent; nor there is any chance of fleeing from justice.

(3.13) Also contends that once cognizance is taken by learned Special Judge, then power of arrest cannot be invoked by the E.D. in terms of Section 19 of the PMLA; nor the rigor of twin-test satisfaction shall be attracted as per Section 45 thereof.

(3.14) Lastly contends that in pursuance to the ECIR No.11, petitioner was arrested on 15.01.2024 and after about four-and-half months, he was granted interim bail vide order dated 14.05.2024 up till 05.06.2024 by the Coordinate Bench and petitioner never misused the concession in any manner; rather he duly surrendered on 06.06.2024.

(3.15) In support of the above contentions, learned Senior Counsel has also relied upon the following judicial pronouncements:-

- (i) ***Mitthulal and another Versus The State of Madhya Pradesh, (1975) 3 SCC 529;***
- (ii) ***Shadab Siddique @ Aman Versus State of West Bengal and another, 2017 (171) AIC 433;***
- (iii) ***Tarsem Lal Versus Directorate of Enforcement, Jalandhar Zonal Office, (2024) 7 SCC 61;***



- (iv) *Ramkripal Meena Versus Directorate of Enforcement, 2024 SCC OnLine SC 2276;*
- (v) *Arvind Kejriwal Versus Directorate of Enforcement 2024 SCC OnLine SC 1703;*
- (vi) *Manish Sisodia Versus Directorate of Enforcement, SLP (Criminal) No.8781 of 2024;*
- (vii) *Kalvakuntla Kavitha Versus Directorate of Enforcement, 2024 SCC Online SC 2269 &*
- (viii) *Prem Parkash Versus Union of India through Directorate of Enforcement 2024 SCC Online SC 2270.*

(4) CONTENTIONS ON BEHALF OF THE RESPONDENT:-

(4.1) Learned Deputy Solicitor General of India submits that petitioner is the main kingpin of 'Forest Scam' in ECIR No.11, arising out of FIR Nos.6 & 7 of 2022 and *prima facie*, the offence of money laundering is duly established against him.

(4.2) Further submits that entire materials, indicating the role of petitioner for commission of an offence under PMLA, have duly been reflected in complaint (COMA-2-2024) filed by the E.D. before learned Special Judge. In the present case, Chamkaur Singh (co-accused), who had remained as OSD to the petitioner, duly supported the case of E.D. as to how and in what manner, the petitioner as a Forest Minister received bribes on the pretext of cutting Khair trees, transfer of Officers, issuance of NOCs;



purchase of Tree Guards; embezzlement in plantation drive; forgery in bogus expenses of fencing; levelling of hill area in District Mohali.

(4.3) Still further submits that Chamkaur Singh duly acknowledged the factum of accepting illegal gratification on behalf of the petitioner; thus, it is duly established that petitioner was actively involved in receiving bribe as proceeds of time and hence, committed the offence of money laundering.

(4.4) Also submits that for every season, starting from October-March, the Contractors involved in conspiracy with petitioner used to get Permits for cutting of about 7000 Khair trees and in lieu thereof, petitioner was getting bribe of ₹ 500/- for each tree. Thus, every year, the petitioner was getting ₹ 35 Lakh as bribe from one Contractor Harmohinder Singh and similarly from other 15 contractors also, he used to get the similar amount for cutting of Khair trees.

(4.5) Further submits that petitioner also used to collect bribe from one Kamaljit Singh, who was working as a Journalist with Newspaper 'Jagbani'. During the same very period, Amit Chauhan, IFS, who was posted as Divisional Forest Officer at Rupnagar, also got issued permit(s) for cutting of 1160 Khair trees at Badiali Kalan, thereby getting bribe of ₹ 5.8 Lakh @ ₹ 500/- per tree and the amount was being paid to the present petitioner.

(4.6) Yet again submits that petitioner used to get bribe of ₹ 10-20 Lakh for transfer of every DFO of the Forest Department; Ranger ₹ 5-8 Lakh; Block Officer about ₹ 5 Lakh and for Forest Guard ₹ 2-3 Lakh. The above amount was being collected by Chamkaur Singh (OSD) & Kamaljit Singh



(Journalist) from the concerned Officers on behalf and with the consent of petitioner.

(4.7) Also submits that from the statements of Harmohinder Singh and Satvir Singh (both Contractors of Forest Department), it is clearly revealed that petitioner was actively involved in receiving bribe along with other co-accused. Apart that, one Harbhajan Singh, who remained as PSO with petitioner since 2013 to 2022, stated that he used to keep bundles of cash wrapped in polythene in the bags on asking of petitioner.

Another Contractor, namely, Ashok Kumar, also made a statement that he paid bribe of ₹ 20 Lakh (approx.) to the petitioner in relation to issuance of NOC(s) from Forest Department.

Thus, an amount of ₹ 1,67,90,000/- (approx.), collected as bribe by the petitioner on account of cutting of Khair trees, issuance of NOCs and transfer(s)/posting(s) of forest officials, is found to be the proceeds of crime and which has been laundered by him through various modes, duly explained in the “grounds of arrest”.

(4.8) Vehemently submits that both sons of petitioner i.e. Harpreet Singh & Gurpreet Singh have been cited as accused in another complaint (bearing No.COMA-3-2024 dated 14.03.2024), filed by the E.D., relating to disproportionate assets case to the tune of ₹ 6,39,18,292.39/- in ECIR No.12 before learned Special Judge and the same is still pending for consideration.

(4.9) Again submits that there is sufficient material to indicate that petitioner being a public servant (Forest Minister) had accumulated the



proceeds of crime while committing scheduled offence(s). The following process & activities clearly show that offence of money laundering has been committed by the petitioner, as defined under Section 3 of the PMLA and specific instances given are as under:-

- (a). granting license for cutting of Khair trees;
- (b). transfer/posting of officers/officials of Forest Department;
- (c). issuance of No Objection Certificates (NOCs);
- (d). buying of Tree Guards;
- (e). installation of New Tree Plantation;
- (f). false expenditure made on purchase of wiring for fencing “*Taarbandi*”;
- (g). cutting/modifying Hilly Terrain in Mohali and
- (h). illegally allowing Mining on the Forest Land.

(4.10) Forcefully submits that in the present ECIR No.11, statements of various persons were recorded under Section 50 of PMLA and sufficient material have been collected during the investigation prior to recording “reasons to believe” that petitioner is guilty of an offence of money laundering under the PMLA.

(4.11) Also submits that period of commission of scheduled offences in both the FIRs by predicate Agency are almost overlapping. On the basis of FIR Nos.6 & 7 of 2022, a subsequent FIR No.6 of 2023, under Section 13(1)(b) read with Section 13 (2) of the P.C. Act (Sections 420, 465, 467, 468, 471 & 120-B of IPC added later on) was registered at Police Station Vigilance Bureau, Flying Squad-I, Punjab at District SAS Nagar (Mohali). Accordingly, two separate ECIRs i.e. ECIR Nos.11 & 12; one relating to ‘Forest Scam’ and



another relating to 'Disproportionate Assets' case were recorded separately by the E.D.

In ECIR No.11, the petitioner was found to have received bribe from various sources; whereas in ECIR No.12, he was found to have accumulated assets disproportionate to his known sources of income. Thus, there would be no embargo to conduct parallel investigations in both the ECIRs by the E.D.

(4.12) Lastly submits that for issuance of NOCs regarding opening of Petrol Pumps, Hotels, Restaurants and Private Projects adjoining the Forest land, petitioner used to get bribe through his associates i.e. Kamaljit Singh & Chamkaur Singh and that is quite evident from the material available with the E.D.

(4.13) In support of his contentions, learned Counsel for the respondent has relied upon various judicial pronouncements and which are as under:-

- (i) *Pankaj Jain Versus Union of India and another, (2018) 5 SCC 743;***
- (ii) *Madhu Limaye and another Versus Ved Murti and others, (1970) 3 SCC 739;***
- (iii) *V. Senthil Balaji Versus State Represented by Deputy Director and others, 2023 SCC Online SC 934;***
- (iv) *Jaswant Singh Versus Union of India and another, passed in CWP-26089-2023, decided on 24.05.2024 by P&HHC;***
- (v) *Tarun Kumar Versus Assistant Director, Directorate of Enforcement, arising out of SLP (Criminal) No.9431 of 2023;***



- (vi) *Pankaj Bansal Versus Union of India and others, 2023 SCC Online SC 1244;*
- (vii) *Ram Kishore Arora Versus Directorate of Enforcement, Criminal Appeal No.3865 of 2023;*
- (viii) *Union Territory of Ladakh and others Versus Jammu and Kashmir National Conference and another [SLP(Civil) No.18727 of 2023];*
- (ix) *Y. Balaji Versus Karthik Desari and another, arising out of SLP (Crl.) Nos.12779-12781 of 2022;*
- (x) *Gautam Kundu Versus Directorate of Enforcement, (2015) 16 SCC 1;*
- (xi) *Rohit Tandon Versus Directorate of Enforcement, (2018) 11 SCC 46;*
- (xii) *Kalyan Chandra Sarkar Versus Rajesh Ranjan @ Pappu Yadav & Anr., (2004) 7 SCC 528;*
- (xiii) *Y.S.Jaghan Mohan Reddy Versus CBI, (2013) 7 SCC 439;*
- (xiv) *Vijay Madanlal Choudhary and others Versus Union of India and others, 2022 SCC Online SC 929;*
- (xv) *Pawan Insaar Versus Directorate of Enforcement, passed in CRM-M-6378-2023, decided on 10.04.2024 by P&HHC.*

(5) Heard learned Counsel for the parties and perused the paper-book.

(6) There is no quarrel that petitioner was not named in FIR No.6 of 2022; however, during investigation, statement of one Harmohinder Singh was recorded and that led to the recovery of his personal Diary in terms of



Section 27 of the Indian Evidence Act, 1872. On the basis of aforesaid statement, coupled with the writings in Diary, FIR No.7 of 2022 was registered against the petitioner and other co-accused. Thereafter, the matter was examined by the E.D. and on the basis of which, ECIR No.11 was registered.

(6.1) During the course of hearing, photocopy of aforesaid Diary was produced before this Court and a bare perusal of the same indicates that petitioner allegedly received bribe in lieu of cutting Khair trees, Issuance of NOCs for new projects; transfer(s)/posting(s) of forest officials etc.

(6.2) Records further reveal that during the course of investigation, E.D. recorded the statements of various persons under Section 50 of PMLA and they stated specifically as to how bribe was paid to the petitioner in lieu of cutting the Khair trees; Issuance of NOCs for new projects; transfer(s)/posting(s) of forest officials. Even the *modus operandi* in respect of various illegal activities, which were allowed to be done after paying bribe to the petitioner to the tune of ₹ 1,65,00,000/- (approx.) during his tenure as Forest Minister, are also apparently visible.

(6.3) For reference, statements of three persons recorded under Section 50 of PMLA, who are duly supporting the allegations against the petitioner, would be as under:-

1. Statement made by one Harbhajan Singh, who was posted as P.S.O. with petitioner during the period from 2013 to 2022. Stated that he used to keep packets, containing



cash, given by petitioner under his command; thus, clearly implying that petitioner was in receipt of bribe money as otherwise, petitioner being a public servant was receiving salary in his bank account and as such, he was not having any other business; nor he was having any other source of income to justify the cash.

2. During the course of investigation, statement was tendered under Section 306 of Cr.P.C. by Chamkaur Singh stating that he was made OSD to petitioner vide Order No.20724-28 dated 29.03.2017. As per the said order, he was made the Liasoning Officer of petitioner for the matters pertaining to Forest Department. However, he cited that permits of cutting of Khair Trees were given to Contractors in various Divisions and concerned DFOs used to collect ₹ 100/- to ₹ 500/- per tree from the Contractor and used to give said amount to the Minister. He also stated that he had received bribe on behalf of petitioner from the DFOs to the tune of ₹ 1.3 Crore and the same was handed over to the petitioner.
3. A private Contractor, namely, Satvir Singh submitted in his statement that he gave bribe to the tune of ₹ 17-18 Lakh to petitioner during the year 2018 against the



Permits for cutting of Khair Trees at Village Rampur
Bildow, Garhshankar, District Hoshiarpur.

(6.4) This Court has also gone through the materials collected by the E.D. up till now and perusal of the same reveal that bribe of ₹ 500/- per tree for about 7000 Khair Trees [₹ 35 Lakh (approx.)] was being paid to the petitioner by one Contractor Harmohinder Singh every year and there were 15 other contractors, who also used to pay almost the similar amount for cutting the Khair trees.

(6.5) That apart, petitioner used to get bribe of ₹ 10-20 Lakh for transfer(s)/posting(s) of every DFO of the Forest Department; Ranger ₹ 5-8 Lakh; Block Officer about ₹ 5 Lakh and for Forest Guard ₹ 2-3 Lakh. The aforesaid alleged amount had been collected by Chamkaur Singh (OSD) & Kamaljit Singh (Journalist) from the concerned Officers with the consent and on behalf of petitioner.

(6.6) Thus, *prima facie*, it is evident that petitioner (while holding the Office of Forest Minister) collected huge proceeds of crime and laundered the same while projecting as untainted money through various modes. Apart that, petitioner accumulated disproportionate assets to the tune of ₹ 6,39,18,292.39/- as proceeds of crime and has utilized the same, projecting as untainted money. Even there is sufficient material available with the E.D. to the effect that petitioner and his family members are having deposits in their respective bank accounts, which is totally unaccounted and would be



examined during further investigation. The wife of petitioner, namely, Sheela Devi as well as both his sons, who were having no independent income, purchased properties. The details of properties, which were purchased by petitioner as well as his family members, are as under:-

- (i) One Flat, G.H.-4, Sector 8, Eco City, Mullanpur (Legislature Cooperative House Building Society), purchased in the name of petitioner in 2018;
- (ii) Plot No.3026, Sector 88, Mohali (500 Sq. Yds.), purchased in the name of his son-Gurpreet Singh;
- (iii) Plot No.27, Sector 80, Mohali (500 Sq. Yds.), purchased in the name of his wife-Sheela Devi;
- (iv) Plot No.2023, Sector 88, Mohali (500 Sq. Yds.), purchased in the name of his son-Harpreet Singh;
- (v) One Cattle Shed, measuring 5 Marlas (1350 Sq. Ft. along with plot measuring 2970 Sq. Ft. (total 4320 Sq. Ft.), situated in Village Beer Amloh, District Fatehgarh Sahib [the expenditure of ₹ 1,68,67,728/- on the construction of said house];
- (vi) Toyota Innova Car bearing registration No.CH-01-AK-4477 for ₹ 7,50,000/- in the name of petitioner;
- (vii) Agricultural land, measuring 2 Bigha in Village Rohta, Nabha and
- (viii) Agricultural land, measuring 2 Kanal 10 Marla in Village Beer Amloh as per *jamabandi* for the year 2016-2017.

(6.7) Also revealed that ITRs, filed by the wife of petitioner as well as his both sons, are camouflaged with an intention to place, integrate and



project the proceeds of crime as untainted just to create a Corpus for purchasing various immovable properties in conspiracy with the petitioner.

(6.8) Further revealed that petitioner is the main accused, who hatched a criminal conspiracy in connivance with other co-accused; collected proceeds of crime and has projected the same as genuine. The petitioner was asked to disclose about certain vital information, which were exclusively within his knowledge; but he did not cooperate with the Investigating Officer.

(6.9) Although learned Senior Counsel for the petitioner vehemently contended that petitioner was granted interim bail by the Coordinate Bench from 14.05.2024 to 05.06.2024; but that would not be the sole basis to grant him regular bail for the reason that interim arrangement was made for a specified purpose i.e. on account of campaigning for the Lok Sabha Elections.

Needless to say that consideration(s) for granting interim bail is/are entirely different from regular bail and the same cannot be equated with each other. Invariably, interim bail is granted for a specific purpose and that too, for a limited period; whereas for granting regular bail, there are certain well settled pre-conditions, which ought to be satisfied in a given case.

(6.10) As on today, there is sufficient material collected against the petitioner and investigation in the matter is still going on. He is the kingpin of 'Forest Scam' and as such, there is nothing wrong on the part of E.D. while arresting him prior to other co-accused.



(6.11) Also noteworthy that challenge to warrant of impugned “arrest order” along with “grounds of arrest” dated 15.01.2024, passed by the E.D.; the remand order dated 16.01.2024, passed by learned Special Judge in ECIR No.11, under Section 3, punishable under Section 4 of the PMLA, registered by the E.D. as well as proceedings/orders pursuant thereto have also been dismissed by this Court vide order of even date in CRM-M-35197-2024. Thus, apparently the allegations against the petitioner are well founded.

(6.12) In view of the above, this Court is not inclined to record its “twin-test” satisfaction in favour of the petitioner as per Section 45 of PMLA i.e. (i) that petitioner is not guilty of an offence of money laundering and/or (ii) that he would not commit any offence while on bail.

On the contrary, *prima facie*, there are reasonable grounds for believing that petitioner is guilty of an offence for money laundering and in case released on bail, he may pressurize the witnesses, which shall result into interference with the ongoing investigation.

(7) **DISCUSSIONS ON JUDICIAL PRONOUNCEMENTS CITED BY THE PETITIONER:-**

(7.1) Although, learned Senior Counsel for the petitioner, while citing various judicial pronouncements, tried to convince that he should be granted bail pending trial; but the same are not helpful for the following reasons:-

(i) In *Mitthulal's case* (*supra*), it was held that evidence recorded in one case cannot be taken into account in arriving at the decision of another case. In the present case, it is only a bail



matter and main complaint is still pending before learned Special Judge.

(ii) In *Shadab's case* (*supra*), the accused was facing a trial under Section 364-A IPC and the matter was fixed for arguments on conclusion of defence evidence before trial Court. Accused took out two applications seeking production of certain documents, which according to him, were relevant for just decision of the trial Court. Such applications were turned down by learned trial Court, which was upheld by the Calcutta High Court. Thus, the same is not related to the controversy in hand.

(iii) In *Tarsem Lal's case* (*supra*), it was held that once cognizance is taken of the offence punishable under Section 4 PMLA, learned Special Court is seized of the matter. After the cognizance is taken, E.D. and other authorities named in Section 19 cannot exercise the power of arrest of the accused shown in the complaint. The reason is that the accused shown in the complaint are under the jurisdiction of learned Special Court dealing with the complaint. Therefore, after cognizance of the complaint under Section 44(1)(b) PMLA is taken by the Court, E.D. and other authorities named in Section 19 are powerless to arrest an accused named in the complaint. Whereas in the present case, the arrest of petitioner was prior to the filing of complaint by E.D. and cognizance has also been taken by learned Special Judge.

(iv) In *Ramkripal Meena's case* (*supra*), Hon'ble the Supreme Court held that accused was already in custody for more than one year and taking into consideration the period spent in custody, there being no likelihood of conclusion of trial within the short span. On the other hand, in the present case, neither the petitioner



is in custody for more than one year; nor there is apprehension that the trial will take long time for its conclusion.

(v) In **Arvind Kejriwal's case** (*supra*), Hon'ble the Supreme Court while making a reference to the larger Bench opined that (i) "reasons to believe" that person to be arrested is guilty of an offence are to be recorded; (ii) The arrestee, as soon as may be, must be informed of "grounds of arrest"; "reasons to believe" should be furnished to the arrestee. However, at the same time, Hon'ble the Supreme Court issued a *caveat* that "where the non-disclosure of the "reasons to believe" with redaction is justified and claimed, the Court must be informed. The file, including the documents, must be produced before the Court. In the present case, "grounds of arrest" were duly supplied to petitioner at the time of his arrest and there was due compliance of provisions of Section 19 of PMLA.

(vi) In **Manish Sisodia's case** (*supra*), Hon'ble the Supreme Court held that it was a third round of litigation, where the accused was seeking bail. On account of a long period of incarceration running for around 17 months, it was noted that 493 witnesses were named; the matter involved thousands of pages of documents and over a lakh pages of digitized documents. But the present case is on entirely different footings.

(vii) In **Kalvakuntla Kavitha's case** (*ibid*), Hon'ble the Supreme Court mainly dealt with the language of Section 45(1) of PMLA, where the words "vulnerable woman" are mentioned. The Court also held that Section 45(1) of PMLA permits certain category of accused including women to be released on bail without the twin requirements under the same Section is to be satisfied; whereas in the case in hand, neither petitioner is falling



under the aforesaid category; nor this Court is satisfied by the twin conditions of Section 45(1) of PMLA.

(viii) In **Prem Parkash’s case** (*supra*), challenge was made to the dismissal of bail order by High Court of Jharkhand in connection with ECIR. It was observed that deprivation can only be by the procedure established by the law which has to be a valid and reasonable procedure. In the present case, after following the reasonable procedure; having valid & sufficient material against the petitioner and duly taking care of provisions of Section 19 of PMLA, he was lawfully arrested.

(8) As a result of the above, there is no option except to dismiss the petition at this stage.

(9) Ordered accordingly.

(10) Needless to say that the observations, made hereinabove, be not construed as an expression of opinion on merits of the complaint already pending before learned Special Judge in any manner.

Pending application(s), if any, shall also stand disposed off.

20th September, 2024
Gagan

(MAHABIR SINGH SINDHU)
JUDGE

Whether speaking/reasoned	Yes
Whether Reportable	Yes