



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

CRM-M No.35197 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 528 of the
Bharatiya Nagarik Suraksha Sanhita, 2023 (*for short 'BNSS'*), *inter alia*, for
quashing of the impugned arrest order dated 15.01.2024 along with “grounds
of arrest” dated 15.01.2024 (P-9), passed by the Directorate of Enforcement,
Jalandhar Zonal Office, Jalandhar (*hereinafter referred as 'E.D.'*); remand
order dated 16.01.2024 (P-11), passed by learned Special Judge, S.A.S.



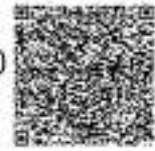
Nagar in ECIR/JLZO/11/2022 dated 15.07.2022 (P-2) (*for short* 'ECIR No.11'), registered under Section 3, punishable under Section 4 of the Prevention of Money Laundering Act, 2002 (*for short* 'PMLA'), as well as consequent proceedings arising therefrom being illegal and violative of Section 19 of the PMLA.

(2) BRIEF FACTS:-

(2.1) Initially, an **FIR No.6 dated 02.06.2022**, 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 @ Hummy 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 @ Hummy, coupled with the diary recovered from him, another **FIR No.7 dated 06.06.2022** (P-1), 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-3).

(2.4) The contents of both the above FIRs were examined by the 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 thus, covered under Part A of the Schedule attached therewith. Resultantly, ECIR No.11 was registered by the E.D. against the petitioner and other co-accused under the provisions of PMLA.

(2.5) Subsequently, another **FIR No.6 dated 06.02.2023**, 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), Police Station Vigilance Bureau, Flying Squad-I, Punjab at District SAS Nagar (Mohali) [*for short* 'FIR No.6 of 2023'] was registered against the petitioner and other unknown persons by Daljit Singh Rama, SSP, Vigilance Bureau, Rupnagar Range, S.A.S. Nagar. In this FIR, it is alleged on the basis of inquiry No.1 dated 05.08.2022, conducted by the Vigilance Bureau, that total income of the

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petitioner along with his family members from known sources for the check period from 01.03.2016 to 31.03.2022 was found to be ₹ 2,37,12,596.48/-; whereas their expenditure for the above period has been assessed @ ₹ 8,76,30,888.87/-.

(2.6) After registration of FIR No.6 of 2023, petitioner was arrested on 06.02.2023; but later on, he was released on bail by the then Coordinate Bench vide order dated 17.05.2023, passed in CRM-M-15025-2023.

(2.7) The contents of FIR No.6 of 2023 were also scrutinized by the E.D. and it was found that offences under Section 13 (1) (a) read with Section 13 (2) of the P.C. Act are falling within the definition of “*scheduled offence*” as envisaged under Section 2 (y) of the PMLA and covered under Part A of the Schedule thereof. As a result thereof, another ECIR/JLZO/12/2023 dated 29.03.2023 (*for short ‘ECIR No.12’*) was registered by the E.D. against petitioner and other unknown persons under the provisions of the PMLA.

(2.8) Petitioner was arrested in Zonal Office, Jalandhar on 15.01.2024 at 16:45 hours in ECIR No.11. Accordingly, arrest order as well as “grounds of arrest” dated 15.01.2024 were allegedly supplied to him and son of the petitioner, namely, Harpreet Singh was informed about his arrest. The entire material in possession of the E.D., “grounds of arrest” and “reasons to believe” were allegedly sent to Adjudicating Authority in terms of Section 19 (2) of the PMLA in a sealed envelope.



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-10), under Section 167 Cr.P.C. read with Section 65 of PMLA, which was allowed partly for 03 days vide order dated 16.01.2024 (P-11).

E.D. moved similar application on 19.01.2024, seeking 04 days' remand of petitioner, which was again partly allowed and three days' remand was granted.

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. Hence, the present petition.

(3) CONTENTIONS ON BEHALF OF PETITIONER:-

(3.1) Learned Senior Counsel contends that in an earlier FIR No.7 of 2022, petitioner was remanded to police custody from 07.06.2022 till 13.06.2022. During this remand of 07 days, no recovery in the form of cash or any incriminating material was effected by the Vigilance Bureau regarding receiving any bribe money from Harmohinder Singh or any other Contractor as well as no corroborating documents for receipt of any bribe were recovered.

(3.2) Further contends that considering the nature of allegations in the aforesaid FIR No.7 of 2022, petitioner was granted bail by the Coordinate Bench on 05.09.2022 (P-3) in CRM-M-34718-2022 after incarceration of about 90 days, whereby the Court observed that no recovery



could be effected from petitioner during the period of remand and there is no direct evidence of receiving any bribe money against him.

(3.3) Also contends that a new round of investigation has been initiated against the petitioner by registering FIR No.6 of 2023 and he was arrested by Vigilance Bureau on 06.02.2023. Petitioner again approached this Court and was granted bail pending trial vide order dated 17.05.2023 (P-4), passed by the Coordinate Bench in CRM-M-15025-2023, after undergoing custody of about three months.

(3.4) Again contends that E.D. in ECIR No.12, by way of Notice No.ECIR/JLZO-12/2023/Unit-3(1)/225/1551 dated 09.06.2023 (P-5), under Sub-Sections (2) & (3) of Section 50 of the PMLA, directed the petitioner to attend Jalandhar Zonal Office on 15.06.2023. In pursuance to this Notice, petitioner appeared and produced copies of all details/information related to movable & immovable properties, assets in and out of India, FDRs, mutual funds, shares, LIC policies etc. along with ITRs of himself as well as of family members from 2015-16 onwards. The details of all bank accounts maintained by petitioner and other sources of income earned by him and his family members were also produced before the E.D.

(3.5) Yet again contends that second Notice bearing No.ECIR/JLZO-12/2023/Unit-3(1)/335/2023 dated 17.08.2023 (P-7) was received by petitioner to appear before Jalandhar Zonal Office on 21.08.2023 along with details of his income as well as of family members; unsecured loans w.e.f.

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01.04.2015 and copy of Invoice/Funds arranged for purchasing Innova Car bearing registration No.CH-01-AK-4477.

(3.6) Still further contends that third Notice bearing letter No.ECIR/JLZO-11/2023/Unit-3(1)/39/80 dated 08.01.2024 (P-8) was sent by E.D. to the petitioner for attending Jalandhar Zonal Office on 15.01.2024, whereby no fresh document/information was called for.

In order to show his *bona fide*, petitioner appeared on each and every occasion along with relevant documents as mentioned in the aforesaid Notices. Despite that, E.D. failed to find out any new property in the name of petitioner that could be said as proceeds of crime relating to FIR No.6 of 2023, falling within the purview of Section 3 of the PMLA. The properties as well as money, identified by the Vigilance Bureau, have been duly explained by the petitioner before his arrest on 15.01.2024.

Thus, the arrest of petitioner on 15.01.2024 in ECIR No.11 is totally illegal and in violation of Section 19 of the PMLA.

(3.7) Also contends that impugned arrest order dated 15.01.2024 is only one page order disclosing that in exercise of powers conferred under Sub-Section (1) of Section 19 of the PMLA, petitioner was arrested at 16:45 hours, with an endorsement at the bottom of page “copy of grounds of arrest received”. However, there is nothing to infer that “grounds of arrest” from Page Nos.1 to 5 (now attached with the arrest order) were actually supplied to the petitioner.

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(3.8) Vehemently contends that “grounds of arrest”, as claimed to have been supplied to the petitioner on 15.01.2024, do not relate to FIR Nos.6 & 7 of 2022 in ECIR No.11; rather the same is relatable to the offence committed in ECIR No.12 (FIR No.6 of 2023), pertaining to disproportionate assets, wherein concededly, there is no order of arrest and/or grounds of arrest served upon the petitioner in terms of Section 19 of PMLA.

In para Nos.1 to 16 of “grounds of arrest”, no specific reason or need is reflected for arresting the petitioner in relation to investigation and/or to unearth the proceeds of crime relating to ECIR No.11. The more emphasis for arrest of petitioner relates to disproportionate assets (FIR No.6 of 2023); rather than emphasizing on the predicate offence in FIR Nos.6 & 7 of 2022. Petitioner was summoned for the first time in ECIR No.11 after one-and-a-half year i.e. on 08.01.2024 and he has never evaded the process of law; rather fully cooperated with the E.D.

(3.9) Also contends that application dated 16.01.2024 (P-10), moved by the E.D., seeking remand of petitioner, was based upon assessment made by Vigilance Bureau in FIR No.6 of 2023 relating to disproportionate assets. Learned Special Judge, without application of judicial mind, recorded the satisfaction in terms of Section 19 of the PMLA, thereby partly allowing the application and remanded the petitioner to E.D. custody for three days, which later on was extended till 21.02.2024. During this period, E.D. did not



recover even a single penny or any incriminating evidence in relation to the ECIR No.11.

(3.10) Further contends that petitioner approached learned Special Judge for grant of bail pending trial in ECIR Nos.11 &12, prior to filing of complaint by the E.D.; but learned Special Judge while declining the bail application, vide order dated 04.03.2024 (P-13), observed that petitioner is guilty of an offence under Section 3, punishable under Section 4 of the PMLA.

(3.11) Again contends that E.D. filed two separate complaints bearing COMA Nos.2 and 3 of 2024 in ECIR Nos.11 & 12 on 13.03.2024 & 14.03.2024, respectively, before learned Special Judge, who took the cognizance of both the complaints on 15.03.2024. Although, investigation is complete; complaints have been filed and cognizance has already been taken by learned Special Judge, but this would not be a bar to challenge the arrest for non-compliance of Section 19 of the PMLA.

(3.12) Lastly contends that E.D. had given only one reason for effecting arrest of petitioner on the premise that he has not cooperated with the investigation by withholding relevant information and not forthcoming to cooperate despite being provided ample opportunities in the present case. As a matter of fact, since registration of ECIR No.11, till the arrest of petitioner on 15.01.2024 i.e. for a period of one-and-a-half year, no Notice under Section 50 of the PMLA was issued by the E.D.; except Notice dated



08.01.2024, for his appearance on 15.01.2024. It is evident that on each & every occasion, petitioner appeared and cooperated with the E.D.

(3.13) In support of the above contentions, learned Senior Counsel has placed reliance upon the following judicial pronouncements:-

- (i) *M/s Bharathi Cement Corporation Private Limited Versus The Directorate of Enforcement and others, arising out of Criminal Revision Case No.87 of 2021, passed by the High Court for the State of Telangana at Hyderabad;*
- (ii) *V. Senthil Balaji Versus State Represented by Deputy Director and others, 2023 SCC Online SC 934;*
- (iii) *Pankaj Bansal Versus Union of India and others, 2023 SCC Online SC 1244;*
- (iv) *Pavana Dibbur Versus The Directorate of Enforcement and others, 2023 SCC OnLine SC 1586 and*
- (v) *Prabir Purkayastha Versus State (NCT of Delhi), 2024 SCC Online SC 934.*

(4) **CONTENTIONS ON BEHALF OF THE RESPONDENT:-**

(4.1) Learned Deputy Solicitor General of India submits that various credits were received by the petitioner and his family members from several persons/entities and the purpose of such transactions is best known to them. As the family members of petitioner do not have any genuine source of income; thus, there are high chances that these transactions were sham and have been created with an intent to launder the proceeds of crime, acquired by the petitioner.



(4.2) Further submits that after recording various statements during investigation by the E.D. along with Diary already recovered from Harmohinder Singh by the Vigilance Bureau, it is clear that there were sufficient material in possession of E.D. to the effect that petitioner is guilty of an offence punishable under PMLA.

During investigation, statements of Harmohinder Singh were recorded in ECIR No.11 under Section 50 (3) of PMLA, in which he acknowledged about bribe money paid to the petitioner on several occasions. He also stated that during his tenure as Contractor with Forest Department, bribe of ₹ 1,02,90,000/- (approx.) was given to the petitioner.

(4.3) Still further submits that from the aforesaid statements of Harmohinder Singh, proceeds of crime acquired by the petitioner leading to laundering of money is well established. Apart that, statements of other witnesses are also on record and as such, it is amply clear that petitioner, during his tenure as Forest Minister, received bribes from various persons.

(4.4) Again submits that from the Challans, filed by predicate Agency (Vigilance Bureau), it is evident that petitioner had accumulated the proceeds of crime while committing scheduled offence. 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.

(4.5) Yet again submits that petitioner has been provided reasonable opportunities and time to reveal the true facts; however, he willfully did not disclose the relevant information; nor produced the desired documents. A search under Section 17 of the PMLA was also conducted at residence of petitioner on 30.11.2023 and during search operation, his family members informed that he left the premises at around 6:45 AM and would not come back; thus, he intentionally evaded the process of law.

(4.6) Further submits that petitioner used to take ₹ 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 as a bribe. The said amount of bribe was collected by Chamkaur Singh, OSD & Kamaljit Singh @ Kamal, Journalist from Officers with consent and on behalf of the petitioner.

(4.7) Still further submits that petitioner has been arrested, not only on the ground of wilful non-cooperation and evasive replies; rather his arrest was made after recording “reasons to believe” that *prima facie* case for offence of money laundering is made out against him.



(4.8) Vehemently submits that after following due process and on the basis of material in possession as well as recording “reasons to believe”, the petitioner is found involved in an offence of money laundering and as such, he was rightly arrested on 15.01.2024 at 16:45 hours in Zonal Office, Jalandhar, by the E.D. The information regarding his arrest was duly communicated to his son (Gurpreet Singh) over his mobile number and “grounds of arrest” were read out to him in Hindi & Punjabi languages and were also handed over to the petitioner in terms of Section 19 of the PMLA.

(4.9) Again submits that in compliance of Section 19 (2) of the PMLA, material in possession, “reasons to believe” along with other relevant documents, were duly forwarded to Adjudicating Authority in a sealed envelope.

(4.10) Yet again submits that contention of petitioner that only one summons was issued under Section 50 of the PMLA in ECIR No.11 resulting into his illegal arrest is not helpful for the reason that even without issuance of any summons, a person can be arrested as soon as Investigating Officer records “reasons to believe” on the basis of material in possession that he is guilty of an offence of money laundering. So, the arrest in the present case has been made after due compliance of all the legal formalities in letter and spirit.

(4.11) Further 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.

(4.12) Lastly submits that information gathered from FIR No.6 of 2023, the Vigilance Bureau has calculated income of petitioner along with his family members @ ₹ 2,37,12,596.48/-; whereas their expenditure comes out to be ₹ 8,76,30,888.87/-; thus, disproportionate assets to the tune of ₹ 6,39,18,292.39/- were rightly calculated during the check period from 01.03.2016 to 31.03.2022.

(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's case (supra);***



- (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 and***
- (xv) *Pawan Insaa 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) Records reveal that during the course of investigation, E.D. recorded the statements of various persons under Section 50 of PMLA and all of them deposed about the bribe paid to petitioner in lieu of cutting Khair trees; Issuance of NOCs for new projects; transfer(s)/posting(s) of forest

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officials. They have also deposed about *modus operandi* in respect of various 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.

(6.1) For reference, statements of three persons recorded under Section 50 of PMLA, who are 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

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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.

(6.2) Thus, it is evident, *prima facie*, that petitioner (while holding the Office of Forest Minister) as well as his family members accumulated disproportionate assets to the tune of ₹ 6,39,18,292.39/- as proceeds of crime and have utilized the same, projecting as untainted money through various modes. 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. Even the wife of petitioner, namely, Sheela Devi as well as both his sons, namely, Gurpreet Singh & Harpreet Singh, were

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having no independent source of income, but purchased various moveable and immovable properties and details of which 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.

(6.3) 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 the various properties in conspiracy with petitioner.

(6.4) 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 Investigating Officer.

(6.5) The competent authority, while furnishing the “grounds of arrest”, has assigned sufficient reasons on the basis of material available with E.D. and as such, the same are fully in consonance with the mandate of Section 19(1) of the PMLA.

(6.6) Even the “reasons to believe” have also been recorded after collecting sufficient material; but the minute details of the same are not being discussed here, so that it may not prejudice the case of parties “at this stage”.

(6.7) During the course of hearing, learned Counsel for the E.D. apprised the Court that statements of about 40 witnesses have already been recorded, who are fully supporting the allegations against petitioner. He has also apprised that after furnishing “grounds of arrest”, E.D. has collected various details from the Banks, information about the mutual funds and other records regarding immovable properties, relatable to the petitioner as well as his family members and which are being analyzed by the E.D. in consultation with other Agencies.

(6.8) Since petitioner was not cooperating in the matter; therefore, learned Special Judge, vide order dated 16.01.2024 (P-11), rightly allowed the application of E.D. and granted remand in order to facilitate the



investigation as well as to ascertain the role of other persons in the present case.

(6.9) Although, learned Senior Counsel for the petitioner, during the course of hearing, contended that Vigilance Bureau has concluded that some of the properties were purchased by him prior to 01.03.2016; but at best, this may be a plea of defence, which could be raised during trial; but cannot be the basis for quashing “grounds of arrest” at this stage.

(7) **DISCUSSION ON JUDICIAL PRONOUNCEMENTS
CITED ON BEHALF OF THE PETITIONER:-**

(7.1) Although, learned Senior Counsel for the petitioner, while citing various judicial pronouncements, tried to convince that his arrest order along with “grounds of arrest” dated 15.01.2024 (P-9) and subsequent proceedings arising therefrom are illegal; but the same are not helpful for the following reasons:-

(i) In *M/s Bharathi Cement's case* (*supra*), the prayer was made seeking a correction in the appropriate procedure to be followed while conducting inquiry and trial of offences classified as “scheduled offences” and the “consequential offences” under PMLA. It was brought to the notice of Special Court that the offence of money laundering being predicate offence is heard earlier or simultaneously with the offence of money laundering. However, the said controversy is not similar to the present case.

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(ii) In *V. Senthil Balaji's case* (*supra*), it was again reiterated that “grounds of arrest” have to be supplied to the accused; (ii) The Authorised officer shall immediately send a sealed envelope, containing material in possession to adjudicating authority. In the case in hand, the “grounds of arrest” were duly supplied to petitioner and the relevant material along with “reasons to believe” as well as “grounds of arrest” were also sent to the Adjudicating Authority.

(iii) *Pankaj Bansal's case* (*ibid*) is a reiteration of the proposition that “grounds of arrest” have been supplied to the arrestee. Thus, the same was duly complied with in the present case.

(iv) In *Pavana Dibbur's case* (*supra*), it was observed that except for Section 120-B of IPC, no other offence in the Schedule was applied; therefore, even if an accused shown in the complaint under the PMLA is not an accused in the scheduled offence, he will benefit from the acquittal or discharge of all the accused in the scheduled offence. However, their challenge was only in regard to complaint filed by the E.D.; whereas the prayer in the present case is totally different.

(v) In *Prabir's case* (*supra*), the “grounds of arrest” and the reasons of arrest are two different phrases having different effect on the arrest. The reasons of arrest are general in nature; whereas “grounds of arrest” are personal to the accused and should be conveyed in writing so that he may have an opportunity of defending himself against custodial remand and to seek bail. On the other hand, in the present case, the “grounds of arrest” were read out in Hindi & Punjabi languages as well as handed over to the petitioner in terms of Section 19 of the PMLA.



(8) **CONCLUSION**

In view of the facts and circumstances, discussed hereinabove, *prima facie*, the conclusion would be as under:-

(8.1) Petitioner remained as Member of Legislative Assembly (M.L.A.) for five consecutive terms since 1992 and as a Cabinet Minister from 2017 to 2021.

(8.2) Petitioner is main kingpin of the criminal conspiracy, hatched in relation to illegalities committed in Forest Department; being a public servant, he had misused his official position and used to get hefty amount as well as undue benefits in the form of bribe from officials of Forest Department/Contractors for cutting of Khair Trees; transfer of Officers; issuance of No Objection Certificates (NOCs); purchase of Tree Guards; embezzlement in plantation drive; forgery in bogus expenses of fencing and levelling of hill area in District Mohali. Apart that, petitioner purchased various immovable properties in his name as well as family members from proceeds of crime while projecting them as untainted.

(8.3) Petitioner as well as his family members have accumulated disproportionate assets to the tune of ₹ 6,39,18,292.39/- as proceeds of crime and utilized the same while projecting as untainted through various modes.

(8.4) In view of the above, this Court is of the considered opinion that petitioner has acquired huge proceeds of crime and projected the same as untainted, which are being used by himself and/or his family members. Thus, no interference is warranted while exercising power under Section 528

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of the BNSS for quashing of the impugned arrest order dated 15.01.2024 along with “grounds of arrest” dated 15.01.2024 (P-9), passed by the E.D.; remand order dated 16.01.2024 (P-11), passed by learned Special Judge in ECIR No.11, registered under Section 3, punishable under Section 4 of the PMLA, as well as consequent proceedings arising therefrom qua the petitioner.

- (9)Consequently, there is no option except to dismiss the petition.
- (10)Ordered accordingly.
- (11)As the complaint bearing COMA-2-2024 has already been filed by the E.D. on 13.03.2024 and cognizance in the matter was taken on 15.03.2024; therefore, learned Special Judge is requested to proceed in the matter, expeditiously, if there is no legal impediment.
- (12)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