



2024:DHC:8909



* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of Decision: November 19, 2024

+ BAIL APPLN. 1839/2023, CRL.M.A. 29686/2023

SIDDHARTH KUMAR

.....Petitioner

Through: Mr.Tanveer Ahmed Mir, Mr.Yash
Datt and Mr.Deepak Tuteja,
Advocates.

versus

ENFORCEMENT DIRECTORATE

.....Respondent

Through: Mr.Zoheb Hossain, Special Counsel
with Mr.Vivek Gurnani, Mr.Kartik
Sabharwal and Mr.Kunal Kochar,
Advocates.

CORAM:

HON'BLE MR. JUSTICE ANOOP KUMAR MENDIRATTA

J U D G M E N T

ANOOP KUMAR MENDIRATTA, J.

1. An application for bail under Section 439 of Code of Criminal Procedure, 1973 ('Cr.P.C.') has been preferred on behalf of petitioner Siddharth Kumar seeking regular bail in ECIR/ 12/DLZO-I/2021 dated 31.01.2021 registered under Section 3/4 of Prevention of Money Laundering Act, 2002 ('PMLA').

2. Brief facts for the purpose of disposal of present application are culled out from para '3' of order dated 29.01.2023 passed by the Hon'ble Apex Court on an application for bail preferred on behalf of co-accused Tarun Kumar which has been reported as *Tarun Kumar v. Assistant Director Directorate of Enforcement*, 2023 SCC OnLine SC 1486. The application



preferred on behalf of co-accused Tarun Kumar was thereby dismissed:

“3. The broad facts and events as discernible from the record may be stated as under:

(i) M/s. Shakti Bhog Foods Ltd. (SBFL) was engaged in manufacturing and selling food items under the brand name of “Shakti Bhog”. The company was managed through its Directors/Guarantors - Sh. Kewal Krishan Kumar, Sh. Siddharth Kumar and Smt. Sunanda Kumar. The appellant is the nephew of Sh. Kewal Krishan Kumar, and was shown as one of the employees in SBFL.

(ii) The consortium of banks led by the State Bank of India vide the Letter of Engagement dated 18.05.2018 engaged the services of a Forensic Auditor - BDO India LLP for conducting the Forensic Audit of SBFL.

(iii) The Forensic Auditor conducted audit review for the period 01.04.2013 to 31.03.2017 and submitted the report on 25.06.2019, disclosing several financial irregularities and discrepancies in the functioning of SBFL, and alleged that SBFL had failed to discharge its loan liability and caused loss to the consortium member banks to the tune of Rs. 3269.42 crores.

(iv) An FIR being NO. RC0742020E0014 came to be registered on 31.12.2020 by the CBI, Bank Securities and Fraud Cell, New Delhi for the offences under Section 13(2) read with 13(1)(d) of the Prevention of Corruption Act, 1988 and under Section 120B read with Sections 420, 465, 467, 468 and 471 of IPC, on the basis of a written complaint given by the Bank Officials against the Directors/Guarantors of SBFL and against the Employees/servants and other unknown persons.

(v) Since the offences under Section 120B read with Sections 420, 467 and 471 of IPC and Section 13(2) read with Section 13(1)(d) of the Prevention of Corruption Act were specified as the scheduled offences under the Schedule to the PML Act, an ECIR bearing No. ECIR/DLZO-1/12/2021 came to be recorded on 31st January, 2021 against SBFL and others with regard to the said FIR registered by the CBI against the accused for investigation of the commission of offence under Section 3 punishable under Section 4 of the PML Act.”

3. It is further the case of Enforcement Directorate that the consortium of banks led by State Bank of India engaged the services of BDO India LLP for



conducting forensic audit of SBFL and the Forensic Auditor submitted the Audit Review for the period of 01.04.2013 to 31.03.2017 vide report dated 25.06.2019. The Forensic Auditor reported many discrepancies and investigation revealed that accused including **Siddharth Kumar (petitioner)** and Tarun Kumar were actively involved in the illegal transactions mentioned in the Forensic Report. SBFL was further found to have resorted to diversion of loan funds, round tripping and money laundering.

It was also revealed that SBFL was a family managed business mainly for the profit of Kewal Krishan Kumar and other family members and the key decision making was kept in the hands of Kewal Krishan Kumar, **Siddharth Kumar (petitioner)**, Tarun Kumar, Divyarth Kumar and Sunanda Kumar by virtue of Directorship, Shareholding or being Authorized Signatories. The inflated inventory/stocks in the Books of Accounts was accompanied with increased borrowings and the loans were taken keeping stocks as a base of borrowings. Subsequently, in the Board of Directors' Meeting dated 10.02.2016, Directors of SBFL in league with **Siddharth Kumar (petitioner)**, Tarun Kumar, Raman Bhuraria fraudulently declared the stock **worth Rs.3035.52 crores as obsolete/damaged by pest.**

4. Investigation also revealed that Shri Kewal Krishan Kumar, Tarun Kumar, **Siddharth Kumar (petitioner)**, Raman Bhuraria (CA) and others were involved in paper sale transaction without conducting any actual business transactions which resulted in false inflation of financials. The complex web of transactions is stated to have been created and borrowed funds were channelized through bank accounts of several Shakti Bhog entities and shell entities operated *inter alia* by Devki Nandan Garg and



Ashok Kumar Goel.

5. As per Enforcement Directorate, 20 accused have been arrayed in proceedings including SBFL and the evidence against the petitioner has been highlighted in paragraphs 15 to 20 of reply dated 12.07.2023 as under:

“15. Siddharth Kumar was not only Director/Promotor in Shakti Bhog Foods Limited (SBFL) but also an active Director in SBFL's group companies- Bhawana Portfolio Pvt. Ltd., Elanza Investment Pvt. Ltd., Sumesh Financers Pvt. Ltd., Goel Securities & Credits Limited, Divyarth Healthcare Pvt. Ltd. etc. That Siddharth Kumar was actively assisted in the day to day functioning of SBFL. Shareholding pattern and details of directorship of Siddharth Kumar in SBFL and its group companies are given below:-

Sr. No.	Name of Companies where Siddharth Kumar was Director	Shareholding details of Siddharth Kumar's directed companies	(Individual) Shareholding of Siddharth Kumar in Shakti Bhog Group Companies
1.	Shakti Bhog Foods Limited	1. Shakti Bhog Snacks Ltd. (99.99%) 2. Bhawana Portfolio Pvt. Ltd. (0.06%) 3. Kumar Foods Industries Ltd. (4.83%) 4. Divyarth Leasing & Finance Pvt. Ltd. (0.05%) 5. Sumesh Financers Pvt. Ltd. (0.88%) 6. Goal Securities & Credits Limited. (9.01%) 7. Pancy Holdings Pvt. Ltd. (3.10%) 8. Divyarth Healthcare Pvt. Ltd. (37.69%) 9. Crest Agro Foods Ltd. (2.47%) 10. Dash Exports Private Limited (11.63%)	Shakti Bhog Snacks Limited



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		11. Prince Foods Tech Private Limited. (41.61%)	
2.	Bhawna Portfolio Pvt. Ltd.	1. Kumar Foods Industries Ltd. (8.54%) 2. Goal Securities & Credits Limited. (0.70%) 3. Crest Agro Foods Ltd. (0.01%) 4. Vizzy Finvest Pvt. Ltd. (0.58%) 5. Dash Exports Private Limited. (14.14%) 6. Prince Food Tech Private Limited. (5.06%)	Bhawana Portfolio Pvt. Ltd.
3.	Divyarth Leasing & Finance Pvt. Ltd.	1. Bhawna Portfolio Pvt. Ltd. (46.93%) 2. Kumar Food Industries Ltd. (5.0%) 3. Sumesh Financers Pvt. Ltd. (37.39%) 4. Goal Securities & Credits Limited (36.21%) 5. Vital Holdings Pvt. Ltd. (0.30%) 6. Crest Agro Foods Ltd. (2.48%) 7. Shubhangi Finvest Pvt. Ltd. (15.11%) 8. Dash Exports Private Limited. (29%) 9. Prince Foods Tech Private Limited. (6.28%)	
4.	Elanza Investment Pvt. Ltd.	1. Kumar Food Industries Ltd.(3.33%) 2. Goal Securities & Credits Limited. (9.36%)	Elanza Investment Pvt. Ltd.
5.	Goal Securities & Credits Limited	1. Bhawna Portfolio Pvt. Ltd. (3.79%) 2. Kumar Food Industries Ltd. (4.97%) 3. Divyarth Leasing & Finance Pvt. Ltd. (4.65%) 4. Elanza Investment Pvt. Ltd. (0.69%)	Goal Securities & Credits Limited



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		5. Kalyani Finvest Private Limited (1.54%) 6. Pancy Holdings Pvt. Ltd. (11.62%) 7. Divyarth Healthcare Pvt. Ltd. (13.69%) 8. Vital Holdings Pvt. Ltd. (7.02%) 9. VizzyFinvest Pvt. Ltd. (1.78%) 10. Phlox Investment Pvt. Ltd. (94.97%) 11. Dash Exports Private Limited (6.5%)	
6.	Divyarth Healthcare Pvt. Ltd.	1. Kumar Food Industries Ltd. (4.41%)	
7.	Vital Holdings Pvt. Ltd	1. Bhawna Portfolio Pvt. Ltd. (9.67%) 2. Kumar Food Industries Ltd. (4.80%) 3. Divyarth Leasing & Finance Pvt. Ltd. (3.28%) 4. Kalyani Finvest Private Limited.(0.36%) 5. Pancy Holdings Pvt. Ltd. (0.25%) 6. Dinkar Holding Pvt. Ltd. (19.60%)	Vital Holdings Pvt. Ltd.
8.	Dinkar Holding Pvt. Ltd.	1. Bhawna Portfolio Pvt. Ltd. (0.62%) 2. K.D.M. Media Pvt. Ltd. (8.52%) 3. Divyarth Leasing & Finance Pvt. Ltd. (0.23%) 4. Sumesh Financers Pvt. Ltd. (7.55%) 5. Pancy Holdings Pvt. Ltd. (42.28%) 6. Crest Agro Foods Ltd. (30.84%) 7. Shubhangi Finvest Pvt. Ltd. (53.02%)	Dinkar Holding Pvt. Ltd.



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9.	Fruto Freesh Pvt. Ltd.	1. Kumar Food Industries Ltd. (4.22%)	Fruto Freesh Pvt. Ltd.
10.	Crest Agro Foods Ltd.	1. Bhawna Portfolio Pvt. Ltd. (0.40%) 2. Divyarth Leasing & Finance Pvt. Ltd. (0.10%) 3. Elanza Investment Pvt. Ltd. (0.65%) 4. Kalyani Finvest Private Limited.(0.05%) 5. Phlox Investment Pvt. Ltd. (3.15%)	-
11	Shubhangi Finvest Pvt. Ltd.	1. Bhawna Portfolio Pvt. Ltd. (0.61%) 2. KD.M. Media Pvt. Ltd. (9.20%) 3. Divyarth Leasing & Finance Pvt. Ltd. (7.80%) 4. Sumesh Financers Pvt. Ltd. (7.55%) 5. Dinkar Holding Pvt. Ltd. (11.10%) 6. Crest Agro Foods Ltd. (30.84%) 7. Dash Exports Private Limited. (29%)	-
12.	VizzyFinvest Pvt. Ltd.	1. Bhawna Portfolio Pvt. Ltd. (0.48%) 2. Kumar Food Industries Ltd. (4.96%) 3. Divyarth Leasing & Finance Pvt. Ltd. (3.56%) 4. Pancy Holdings Pvt. Ltd. (5.82%) 5. Divyarth Healthcare Pvt. Ltd. (8.67%)	VizzyFinvest Pvt. Ltd.
13	Sumesh Financers Pvt. Ltd.	-	-
14.	Divyashakti Hospitality Pvt. Ltd.	-	-



16. That the above companies not only received PoC directly from SBFL but also through other group companies and then, changing its colour, lent to SBFL itself in the form of loan/ Compulsory Convertible Debentures (CODs) and charged interest on the same from SBFL itself. That Siddharth Kumar was either director or shareholder in the above companies which provided platform to launder funds of SBFL.

17. SBFL had also active role and involvement in the offence of committed while using LC facility from lending banks. Siddharth Kumar was authorised signatory in Standard Chartered Bank and various other banks for Shakti Bhog Foods Limited, Crest Agro Foods Ltd and other companies. During the period 2013-2017, LCs valuing Rs. 111.26 crores were crystallised by SBFL on the strength of fake bills without any genuine business transactions with shell companies-M/s Lachhu Ram Aggarwal & Co., M/s Annpurna Trading Company, M/s Ganesha Overseas, M/s Sarthak Trading Company and M/s Mayank Enterprises. Apart from procurement of fake invoices from these shell entities, fake transport invoices for these LCs were arranged under the aegis of Tarun Kumar and Siddharth Kumar on some of which fake PANs were found mentioned.

18. That Shakti Bhog Foods Limited, under directorship of Siddharth Kumar, claimed damage to stock worth Rs.3035.52 crore due to false inflation in the stock inventory. Despite opportunity being given, Siddharth Kumar failed to reveal information about the parties to whom the so called damaged stock was sold and the location of the sale proceeds. During the course of investigation, statement of employees of SBFL was recorded u/s 50 of PMLA, 2002. Abdul Hasan Ansari, GM (Accounts), SBFL in his statement given u/s 50 of PMLA, 2002 stated that "I want to state that SBFL was involved in bogus purchases from shell entities and payments were made to these shell entities from credit facilities availed from lender banks. On being asked I want to state that funds transferred into shell entities on basis of fake bills were either round tripped into bank accounts of SBFL to inflate turnover or further transferred into bank accounts of other dummy entities for layering of funds or transferred into sister concern of SBFL without any actual business. On being asked I want to state that these paper transactions were done on instructions of KK Kumar & Siddharth Kumar. Raman Bhuraria used to aid and advise in these transactions. I want to state that these paper transactions were done in assistance of Tarun Kumar, Sandeep Mishra, Vijay Malhotra, Anshu Gautam & myself." These statements found reverberations in the statements of Sandeep Mishra, Manager Accountant (SBFL), Avik Das, Vijay Malhotra, CFO and Ashok Kr. Goel, Entry Operator recorded u/s 50 of PMLA, 2002.



19. That Siddharth Kumar managed and controlled export business of SBFL with its Dubai Based overseas subsidiary - M/s Shakti Bhog, FZE but out of the goods exported to this company, export proceeds worth Rs.150 Crore were not reported in the books of accounts of SBFL, nor were the same repatriated back to India. It is further submitted that statement of Jagdeep Vashist, Employee of SBFL was recorded u/s 50 of PMLA, 2002 on 02.07.2021, wherein he inter alia stated that export turnover of SBFL is Rs. 400 Cr annually, however foreign inward remittance of approx. Rs. 100-120 Cr only has been received in bank accounts of SBFL. From the foregoing, it is found that significant amount of funds towards proceeds of exports have not been repatriated. Despite frequent opportunities, Siddharth Kumar failed to produce details of the said funds and its location.

20. That Siddharth Kumar is the beneficiary of the proceeds of crime. From FY 2008-09 to FY 2016-17, he acquired proceeds of crime totalling to Rs.50,34,58,099/- from Shakti Bhog Foods Limited and various other group companies out of which Rs.11.32 Crore was transferred in the form Remuneration, Rs. 44.35 lacs as Rent and Rs.85.71 Lacs as Reimbursement of Expenses. The above accounting data has been calculated on the basis of Tally data recovered from the premises of one of the employees namely Abdul Hasan Ansari, General Manager (Accounts) in SBFL.

21. That Siddharth Kumar had drarn significant remunerations. Investigations revealed that from F,Y, 2008-09 to F.Y. 2015-16, he received remuneration of Rs.11.32 Crore which was not commensurate with work undertook by him for the compoany or education qualifications. Siddharth Kumar is educated the 12th standard only. From FY2009-10 to FY2013-14 his annual remuneration was Rs.1.80 Crore per annum which was more than the remuneration received by the highly qualified professionals of SBFL (Rs.1.5 lacs per month)."

6. It is further the case of Enforcement Directorate that during investigation, it was revealed that the Letter of Credit ('LC') was opened against dummy entities and fake bills were countersigned by the petitioner for the purpose of reflecting inflated turnover and siphoning of the loan funds. Reference in this regard is further made to Bills of Exchange ('BOE') of Lachhu Ram Aggarwal & Co. and M/s. Annpurna Trading Company for the year 2015. In support of the same, statements of officials of concerned



Company are stated to have been recorded under Section 50 PMLA including Abdul Hasan Ansari, General Manager (Accounts). It is pointed out that from SBFL, funds for sum of Rs.1 crore and Rs.1.5 crores were transferred to the sister concerns under authorisation of the petitioner and further petitioner was also an authorised signatory for purpose of receiving refunds in the aforesaid sister concerns. Petitioner is also stated to be a beneficiary of about Rs.11.32 crores of the proceeds of crime. The amounts were transferred from M/s Shakti Bhog Foods Ltd. ('SBFL') to Vizzy Finvest Pvt. Ltd and Elanza Investments Pvt. Ltd. unauthorisedly, wherein the petitioner is an Authorised Signatory. The amounts are further stated to have been transferred from Vizzy Finvest Pvt. Ltd and Elanza Investments Pvt. Ltd. to M/S S.R. Foils and Tissue Ltd.

7. It may also be noticed that the prosecution complaint was initially filed by Enforcement Directorate on 01.09.2021, and the third supplementary prosecution complaint was filed on 18.08.2022 *inter alia* arraying the petitioner as an accused.

Contentions on behalf of the petitioner

8. Learned counsel for the petitioner submits that the petitioner was involved with domestic marketing and in the Export Division of M/s Shakti Bhog Foods Ltd., through a company named Shakti Bhog FZE operating out of Dubai. Further, various documents were signed by the petitioner at the behest of his father Kewal Krishan Kumar. The allegations regarding alleged fraud and money laundering are vehemently denied and it is urged that they can be ascertained only during trial. The role of the applicant/petitioner is further stated to be much less than of co-accused Tarun Kumar whose bail was declined by the Hon'ble Apex Court.



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9. Learned counsel for the petitioner further emphasizes that petitioner has spent over 26 months in custody, which is about little less than 1/3rd of the maximum punishment for offence under Section 4 of PMLA. It is contended that seriousness of offence cannot be used as a basis to deny bail, since the trial is protracted. He further urges that veracity of statements of witnesses recorded under Section 50 of PMLA is a matter of trial and cannot be accepted as gospel truth. In support of the contentions, reliance is placed upon *Mehboob Dawood Shaikh v. State of Maharashtra*, 2004 2 SCC 362; *Rajendra Shah v. State of Maharashtra*, 2019 SCC OnLine Bob. 13099; *Re-Inhuman Conditions In 1382 Prisons v. Director General of Prisons and Correctional Services and Ors.*, W.P.(Civil) No. 406/2013, order dated 23.08.2024; *TZ Barai v. Henry Ah Hoe and Another*, (1983) 1 SCC 177; *Shyam Lal v. State*, 1968 SCC OnLine All 34; *Javed Gulam Nabi Shaik v. State of Maharashtra and Another*, Criminal Appeal No 2787 of 2024; *Sanjay Raghunath Agarwal v. The Directorate of Enforcement*, SLP (Crl.) No.1655 of 2023 decided on 20.04.2023; *Ramkripal Meena v. Directorate of Enforcement*, SLP (Crl.) No. 3205/2024; *Prem Prakash v. Union of India through the Directorate of Enforcement*, 2024 INSC 637; *Manish Sisodia v. Directorate of Enforcement*, SLP (Crl.) No.8772 of 2024; *Rabi Prakash v. The State of Odisha*, SLP (Crl.) No.4169 of 2023; *Union of India v. K.A. Najeeb*, 2021 3 SCC 713; *Ram Kishan v. Harmeet Kaur & Anr.*, (1972) 3 SCC 280; *Bajinath Sah v. State of Bihar*, (2010) 6 SCC 736; *Raman Bhuraria v. Enforcement Directorate*, Bail Appln. 4330/2021 decided on 08.02.2023; *Parasmal Lodha v. Assistant Director, Directorate of Enforcement*, Bail Appln. 835/2017 decided on 29.05.2017; *Amarendra Dhari Singh v. Directorate of Enforcement*, Bail Appln. 2293/2017 decided



on 05.08.2021; *C.P. Khandelwal v. E.D.*, 2023 SCC OnLine Del 1094; *Neeraj Singal v. Directorate of Enforcement*, SLP (Crl.) No.8439-8440 of 2024 decided on 06.09.2024; *Sunil Dhammani v. Directorate of Enforcement*, Criminal Appeal 4108 of 2024 decided on 03.10.2024; *G. Udayan Dravid & Ors. v. State & Others*, 2006 SCC OnLine Del 1484 and *Sanjay Jain v. Enforcement Directorate*, Bail Appln. 3807/2022 decided on 07.03.2024. Written submissions were also filed on record.

Contentions on behalf of Enforcement Directorate

10. On the other hand, application is vehemently opposed by Shri Zoheb Hossain, Special Counsel for Enforcement Directorate. At the outset, he points out that role of the petitioner is graver than co-accused Tarun Kumar, whose bail application stands rejected by the Hon'ble Apex Court. Petitioner is stated to be son of Kewal Krishan Kumar, who was the main Promoter and Managing Director of SBFL, while Tarun Kumar was the Vice President of SBFL and nephew of Kewal Krishan Kumar. The averments raised by the petitioner with reference to the status of petitioner in predicate offence, parity with co-accused Raman Bhuraria (CA) who was granted bail by this Court and delay in completion of trial are stated to have also been raised by co-accused Tarun Kumar, whose bail application was rejected. It is pointed out that Hon'ble Apex Court upheld the admissibility of Section 50 PMLA and the statements of the witnesses recorded therein and points out that material evidence against the petitioner cannot be ignored. Co-accused Kewal Krishan Kumar and Devki Nandan Garg are stated to have been granted bail on medical grounds invoking *proviso* to section 45 PMLA. The role of Raman Bhuraria (CA) is further stated to be distinguishable since he was only an internal auditor of SBFL.



11. Learned Special Counsel for Enforcement Directorate further emphasizes that delay in conduct of trial cannot be sole ground to grant bail ignoring the twin conditions under Section 45 of PMLA. Reliance is further placed upon *Satyender Kumar Jain v. Directorate of Enforcement*, SLP (Crl) 6561/2023 decided on 18.03.2024; *Vijay Madanlal Choudhary & Ors. v. UOI*, (2022) SCC OnLine SC 929; *State of Bihar & Anr. v. Amit Kumar*, (2017) 13 SCC 751; *Rohit Tandon v. Directorate of Enforcement*, (2018) 11 SCC 46; *Amanatullah Khan v. Directorate of Enforcement*, Bail Appln.795 of 2024 decided on 11.03.2024 by Co-ordinate Bench of this Court; *Religare Finvest Ltd. v. State of NCT of Delhi & Anr.*, CRL.M.C.796 of 2021 decided on 14.06.2021 by Co-ordinate Bench of this Court.

He further submits that reliance placed by learned counsel for petitioner on *Manish Sisodia v. Central Bureau of Investigation*, 2023 INSC 956, to contend that petitioner is entitled to bail solely on the ground of long period of incarceration and delay in trial, is misplaced since the Court neither held that the mandatory twin conditions are not to be considered, nor laid down any thumb rule that bail has to be granted in PMLA cases, ignoring the mandatory twin conditions. Written submissions were also filed on record.

12. I have given considered thought to the contentions raised.

Apart from the statements of the witnesses recorded under Section 50 of PMLA, the data manifesting relationship of stock, turn over and borrowings by SBFL reflects that SBFL started taking loans from different banks with the help of inflated turn over and fictitious closing stocks.

The data reflected by Enforcement Directorate in para 12 of reply to



the bail application is pertinent to be noticed and may be reproduced for reference:

F.Y.	Bank Loan (Rs. in Crores)	Stock (Rs. in Crores)	Turnover (Rs. in Crores)	Stock/Turnover Ratio
2005-06	61.50	111.63	697.33	16.00%
2006-07	72.87	187.08	950.46	19.68%
2007-08	189.22	327.03	1,411.87	23.16%
2008-09	453.25	675.27	1,953.24	34.57%
2009-10	754.68	1030.88	2,673.47	38.56%
2010-11	1,175.08	1,536.46	3,271.99	46.96%
2011-12	1,544.41	2,171.28	4,068.30	53.37%
2012-13	2,280.07	3,002.02	5,256.51	57.11%
2013-14	2,517.78	3,877.93	5,922.15	65.48%
2014-15	2,811.46	3,921.26	5,881.66	66.67%
2015-16	3,166.95	3,380.28	3,951.66	85.54%
2015-16	3146.00	235.93	3,909.95	6.03%
2016-17	3,152.62	10.02	502.22	2.00%

The fact that the stock worth Rs.3035.52 crores was declared as obsolete/damaged by pest without suitably accounting for the same, *prima facie*, reflects *mala fide* intention. There appears to be sufficient material on record, which reflects that the petitioner was knowingly involved in the process and also appears to be the beneficiary of the proceeds of the crime.

13. In the facts and circumstances, there do not appear to be reasonable grounds for believing that petitioner is not guilty of offence as provided under Section 45 of PMLA. Considering the evidence on record, serious



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nature of economic offence whereby the public funds to the tune of Rs.3035.52 crores have been siphoned off, and the fact that application preferred on behalf of co-accused Tarun Kumar stands rejected by the Hon'ble Apex Court, this Court is of the considered opinion that the petitioner is not entitled to bail.

Application is accordingly dismissed. Pending applications, if any, also stand disposed of.

Nothing stated hereinabove shall tantamount to an expression of opinion on the merits of the case.

**ANOOP KUMAR MENDIRATTA
JUDGE**

NOVEMBER 19, 2024/sd