IN THE HIGH COURT AT CALCUTTA
CONSTITUTIONAL WRIT JURISDICTION
APELLATE SIDE

The Hon'ble **JUSTICE SUVRA GHOSH**

CRM (R) 84 of 2025

Sanjay Surekha @ Sanjay Kumar Surekha
v/s.
The Directorate of Enforcement

For the Petitioner:	Mr. Vikram Choudhary, Sr. Adv. Mr. Sabyasachi Banerjee, Sr. Adv. Mr. Ayan Bhattacharjee, Sr. Adv. Mr. Sajal Yadav Mr. Sanjay Banerjee Ms. Noelle Banerjee Mr. Arpit Choudhury Ms. B. Ghosal Mr. Ishan Sahai Mr. Dipanjan Dey
For the E.D. :	Mr. Dhiraj Trivedi, Sr. Adv. Mr. Arijit Chakraborty Mr. Debsoumya Basak Ms. S.K. Singh
Hearing concluded on:	24.09.2025
Judgment delivered on:	14.11.2025

SUVRA GHOSH, J. :-

1. The present proceeding being ECIR/KLZO-I/10/2023 was registered on March 24, 2023. Search and seizure were conducted at the residence of the petitioner on December 17, 2024 and the petitioner was arrested at about 1:40 A.M. on December 18, 2024.

2. Learned counsel for the petitioner has commenced his argument with an observation of the Hon'ble Supreme Court in Kalvakuntla Kavitha v/s. Directorate of Enforcement reported in 2024 Supreme Court Cases OnLine SC 2269 that the Court should avoid elaborate discussion on merits of the case at the stage of considering an application for bail in as much as the same may prejudice the rights of either of the parties at the trial. Learned counsel has submitted as follows: - The predicate offence being FIR No. RCBSK 2022 E 0001 dated December 6, 2022 was registered under Section 120B/420/477A of the Indian Penal Code read with Section 13(1)(d)/13(2) of the Prevention of Corruption Act by the Central Bureau of Investigation (hereinafter referred to as the CBI) wherein the crux of the accusation revolves around non-payment of credit facilities, defrauding of funds, manipulating books of accounts, etc. The present ECIR followed the predicate offence. The FIR stemmed from the forensic audit report of M.C. Bhandari and company and in the proceedings before the NCLT, Kolkata Bench, it was held that the allegations that the transactions were entered into with the intention to defraud creditors were unreasonable. The ECIR is premised on the FIR registered by the CBI which was in turn registered on the basis of the report of M.C. Bhandari and company. The ECIR refers to the NCLT proceedings but does not taken into consideration the order passed on October 8, 2021 holding the allegation to be unreasonable. Classification of the petitioner and his account as "fraud" was set aside by a co-ordinate Bench of this Court on October 17, 2023 in WPA 21123 of 2023 and Look

Out Circular issued at the instance of the bank was also quashed by this Court in WPO 421/2024.

3. A search was carried out at the petitioner's premises on December 17, 2024 from about 6:40 A.M. and continued till 9:10 P.M. The petitioner was brought to the office of the E.D. in the midnight and arrested at 1:40 A.M. on December 18, 2024. He was produced before the Court at 3:30 P.M. i.e., beyond the statutory period of 24 hours. The E.D. recorded reasons for arrest based on vague and general allegations without any substance. The provisions laid down under Section 19 of the Prevention of Money Laundering Act, (for short the PMLA) have not been adhered to. The petitioner has been arrested solely on the basis of his statement recorded under Section 50 of the PMLA when he was in custody of the authority. No satisfaction as required under Section 19 of the Act was arrived at prior to his arrest. The grounds of arrest and reasons for arrest supplied to the petitioner do not satisfy the requirements of Section 19 of the PMLA.

4. Prosecution complaint was filed on February 15, 2025 citing 24 witnesses, containing 248 documents running into 9908 pages and reserving the right to file supplementary complaint. Cognizance was taken without affording an opportunity of hearing to the petitioner. In a petition filed by the co-accused, this Court directed stay of proceedings arising out of the predicate offence by an order passed on May 2, 2025 and order taking cognizance qua another co-accused was also stayed on June 13, 2025. This Court set aside the order of the Trial Court dated February 15, 2025 taking cognizance of the predicate offence and quashed subsequent

proceedings initiated in pursuance of the said order. In view of stay of the scheduled offence, there is remote possibility of the present case being proceeded with. Even if trial of the PMLA case proceeds, it cannot be decided finally unless trial of the scheduled offence concludes.

5. The petitioner is incarcerated for considerable period of time and there is no chance of immediate completion of trial. His further detention shall amount to punitive detention which is not enjoined in law. He has deep roots in society and is not at flight risk. The petitioner seeks bail.

6. Learned counsel for the petitioner has placed reliance on the following authorities in support of his contention.

    1. P. Chidambaram v. Directorate of Enforcement reported in (2020) 12 SCC 791,
    2. Ramkripal Meena v. Directorate of Enforcement reported in 2024 SCC OnLine SC 2276,
    3. Manish Sisodia v. Directorate of Enforcement reported in 2024 SCC OnLine 1920,
    4. Bhagwan Bhagat v. Directorate of Enforcement in Criminal Appeal No. 3392 of 2024,
    5. Kalvakuntla Kavitha v. Directorate of Enforcement reported in 2024 SCC OnLine SC 2269,
    6. Prem Prakash v. Union of India through the Directorate of Enforcement reported in (2024) 9 SCC 787,
    7. Vijay Nair v. Directorate of Enforcement reported in 2024 SCC OnLine SC 3597,

8. Peeyush Jain v. Enforcement Directorate in SLP (Crl.) No. 10961 of 2024,
9. Balwinder Singh v. State of Punjab and Anr, SLP (Crl.) No. 8523 of 2024,
10. Manik Bhattacharya v. Enforcement Directorate in CRM (SB) 72 of 2024,
11. Arvind Kejriwal v. Central Bureau of Investigation reported in 2024 SCC OnLine SC 2550,
12. V. Senthil Balaji v. Deputy Director, Directorate of Enforcement reported in 2024 SCC OnLine SC 2626,
13. Sunil Dammani v. Directorate of Enforcement in Criminal Appeal No. 4108 of 2024,
14. Laxmikant Tiwari v. Directorate of Enforcement in Criminal Appeal No. 4142 of 2024,
15. In Re. Kaustav Ray reported in 2024 SCC OnLine Cal 11841
16. Pankaj Kumar Tiwari v. Enforcement Directorate reported in 2024 SCC OnLine 7387,
17. Vaibhav Jain v. Directorate of Enforcement reported in 2024 SCC OnLine Del 7478,
18. Jaswant Singh v. Directorate of Enforcement in CRM-M 47578-2024,
19. Kuntal Ghosh v. Enforcement Directorate in CRM (SB) No. 145 of 2024,

20. Kunal Gupta v. Enforcement Directorate in CRM (SB) 84 of 2024,
21. Sujay Krishna Bhadra v. Enforcement Directorate in CRM (SB) 227 of 2023,
22. Sanjay Badaya v. Directorate of Enforcement reported in 2024 SCC OnLine SC 3819,
23. Rajesh Rai v. Directorate of Enforcement in SLP (Crl.) 17720/2024.
24. Padam Chand Jain v. Enforcement Directorate in SLP (Crl.) 17476 of 2024,
25. Sikander Singh v. Directorate of Enforcement in CRM-M 57948-2024 (O&M),
26. Udhaw Singh v. Enforcement Directorate reported in 2025 INSC 247,
27. Anwar Dhewar v. Directorate of Enforcement in Criminal Appeal No. 2669 of 2025,
28. Ram Kishore Arora v. Directorate of Enforcement in Criminal Appeal No. 3865 of 2023 (@ SLP (CRL.) No. 12863 OF 2023),
29. Dilbag Singh @ Dilbag Sandhu v/s. Union of India in (CRM-M 2191 of 2024 dated February 8, 2024),
30. Amarendra Kumar Pandey v. Union of India and Others in [Civil Appeal Nos. 11473–11474 of 2018 (Arising out of SLP (C) Nos. 3384– 3386 of 2017],

31. Directorate of Enforcement v. Subash Sharma in SLP (Crl) No. 1136 of 2023.
32. Vijay Madanlal Choudhary & Ors. vs. Union of India & Ors. reported in 2002 SCC OnLine SC 929,
33. M/s. Bharti Cement Corporation Private Limited vs. Directorate of Enforcement in Criminal Revision Case No. 87 of 2021,
34. The Directorate of Enforcement M/s. Bharati Cement Corporation Private Limited v. M/s. Bharati Cement Corporation Private Limited in SLP CRL. No. 12175/2024,
35. Mantri Developers Pvt. Ltd. vs. Directorate of Enforcement and Ors. in WP No. 20713 of 2022,
36. Anil Kumar Aggarwal v/s Enforcement Directorate Th. Its Assistant Director in Jammu W.P. (CRL.) 9 of 2024, & Directorate of Enforcement v Anil Kumar Aggarwal in SLP CRL. No. 12175/2024,
37. S. Martin vs. Directorate of Enforcement in Special Leave to Appeal (CRL.) No. 4768/2024; &
38. Narendar Kumar Gupta vs. The Assistant Director Directorate of Enforcement in SLP (CRL) 53973/2024.

7. Speaking for the E.D., learned counsel has submitted as hereunder: - The petitioner being the Chairman and Managing Director of M/s. Concast Steel and Power Limited was the mastermind behind the financial fraud and money laundering activities conducted through the company and its network of associate companies. After acquiring entire shares of the

company, the petitioner orchestrated a complex web of financial transactions to inflate the company's turnover fraudulently, secure extensive credit facilities from a consortium of banks and systematically divert those funds for his personal enrichment and to support shell companies under his control. Total proceeds of crime generated from the predicate offence amounts to Rs. 6210.72 crores. During investigation it transpired that 62 shell companies were created by the petitioner wherein 34 persons were made dummy directors who were his relatives/employees. 20 other companies manned by his relatives/employees contributed to the offence of money laundering, these facts being admitted by the petitioner in his statement under Section 50 of the PMLA. The transactions between the company and the associate companies where the petitioner was the beneficiary were fake and even the transportation challans were generated by creating fictitious entities at the instance of the petitioner. Substantial part of the proceeds of crime was utilized by the petitioner for his personal expenditure and luxury acquisition. Crores of rupees were found to have been siphoned by the petitioner.

8. After the charges which are identical to the charges raised by the resolution professional were dropped, a fresh show cause notice was issued by the State Bank of India to the company on June 6, 2024. After considering the same, the company's account has been identified as "fraud" under the guidelines of the Reserve Bank of India and duly communicated to the company and others concerned. Such fact has been suppressed by the petitioner. The petitioner has failed to discharge his

obligation under Section 24 of the PMLA and the present case being an independent one cannot have any relevance to the outcome of any complaint against a corporate debtor.

9. In terms of the definition of the expression "material" under Rule 2 (g) of the Prevention of Money Laundering (The forms and The Manner of Forwarding a copy of Order of Arrest of a Person alongwith the Material to the Adjudicating Authority and its Period of Retention) Rules, 2005 even "information" alone can be "material" under Section 19(1) of the PMLA in a given case. The accused/petitioner cannot determine the relevance of any particular document as "material" and compel consideration of the same by the arresting officer while forming his "reasons to believe". In the present case, material available on record substantiates the "reasons to believe" of the arresting officer. The case diary demonstrates that Section 19(2) of the PMLA has already been complied with. In the appeal preferred by the bank against the order of the Hon'ble Single Bench the Hon'ble Division Bench has directed stay of all further proceedings before the Single Bench till disposal of the appeal. In view thereof, there is no stay on further proceedings pertaining to the predicate offence till disposal of the appeal.

10. Though the order of cognizance in the scheduled offence was set aside by this Court, the learned Special Court has granted an opportunity of hearing to the petitioner at the pre cognizance stage.

11. The case involves an economic offence of more than Rs. 6200 crores. The petitioner is constantly in touch with his employees and relatives from jail custody, is funding the co-accused and his companies are committing the

offence of money laundering. The E.D. has contemplated appropriate steps in accordance with law in this regard. Benami properties of the petitioner/his accomplices have been identified during investigation. Investigation will be seriously prejudiced if the petitioner is released on bail at this stage. The bail petition is pre-mature since the petitioner is at best entitled to be released on bail in terms of Section 479(1) of the BNSS. About 444 cases are pending against him as on date. Learned counsel vehemently opposes the prayer for bail. Learned counsel has placed reliance on the following authorities in support of his contention.

1. Kaushal Singh vs. The State of Rajasthan reported in 2025 SCC OnLine SC 1473,
2. The Union of India through the Assistant Director vs. Kanhaiya Prasad reported 2025 SCC OnLine SC 306,
3. Gautam Kundu vs. Directorate of Enforcement reported in (2015) 16 SCC 1,
4. Sri Shailesh Kumar Pandey vs. The Union of India in CRM (SB) 206 of 2023,
5. Vijay Madanlal Choudhary & Ors. vs. Union of India & Ors. reported in 2002 SCC OnLine SC 929,
6. Radhika Agarwarl vs. Union of India & Ors. reported in 2025 SCC OnLine SC 449,
7. Sikander Singh vs. Directorate of Enforcement & Anr in 2024:PHHC: 025740-DB,
8. Dr. Manik Bhattacharya vs. Ramesh Malik & Ors. reported in 2022 SCC OnLine SC 1465,

9. Vijayraj Surana vs. Assistant Director, Enforcement Directorate in SLP (Crl.) No. 13403 of 2024,
10. The Assistant Director (PMLA), ED, Chennai vs. Ashok Anand in Crl. RC. No. 1262 of 2024 and Crl. M.P. 11046 of 2024,
11. Enforcement Directorate vs. State of T.N. reported in 2024 SCC OnLine Mad 5973,
12. CBI vs. Vikas Mishra reported in (2023) 6 SCC 49,
13. Pijush Kanti Chowdhury vs. State of West Bengal & Ors. reported in 2007 SCC OnLine Cal 267 &
14. Biswajit Das vs. State of West Bengal & Ors. in WPA 693 of 2025.

12. I have considered the rival contention of the parties and material on record.
13. It is trite law that Court should avoid elaborate discussion on merits of a case in considering an application for bail so as to avoid prejudice to the rights of either of the parties during trial. However, it is necessary to deal with the factual aspects and the merits to the extent necessary for dealing with the bail application.
14. It is a fact that FIR in the predicate offence stems from the forensic audit report prepared by M.C. Bhandari and Company and in the proceeding before the National Company Law Tribunal, Kolkata Bench, the allegation against the petitioner was that of preferential, undervalued and avoidable transactions with the sole intention to defraud creditors. By a judgment delivered on October 8, 2021 the Tribunal held that the allegations were

unreasonable and dismissed the application. By an order passed on October 17, 2023 in WPA No. 21123 of 2023, a Coordinate Bench of this Court set aside the classification of the petitioner and his account as "fraud" under the RBI Circular dated July 1, 2016 (updated as on July 3, 2017) and set aside all consequential actions on the basis of such classification primarily on the ground that the petitioner was not given prior notice of hearing before the classification. The respondent authorities were directed to re-visit the exercise of such classification upon giving prior notice of hearing to the petitioner and to proceed with the same in accordance with law. In compliance thereof, a show cause notice was issued upon the petitioner and his company on June 6, 2024 and upon consideration of the response given by the latter to the said notice on July 18, 2024 the bank classified the loan account of the petitioner's company as "fraud" by a reasoned order and contemplated further course of action to report the account and the petitioner's name to the Reserve Bank of India in terms of the directions contained in the RBI Master Direction/Circulars issued from time to time in this regard. The same was communicated to the petitioner by a letter issued on December 20, 2024. This fact has been suppressed by the petitioner before this Court in seeking bail.

15. Much has been spoken about the order of a Coordinate Bench of this Court dated May 2nd, 2025 wherein the Coordinate Bench directed stay of further proceedings in the scheduled offence. Learned counsel for the petitioner has placed reliance on the authority in M/s. Bharati Cement Corporation Private Limited (supra) which enumerates that existence of

scheduled offence and proceeds of crime being the property derived or obtained as a result of criminal activities relating to the scheduled offence are sine qua non for not only initiating prosecution under PMLA, but also for continuation thereof. The authority refers to the observation of the Hon'ble Supreme Court in Vijay Madanlal Choudhary and Others (supra) wherein the Hon'ble Supreme Court has observed that it may lead to a paradoxical result if the concerned person is later on acquitted of the scheduled offence while convicted of the offence of money laundering under PMLA at an earlier point of time. Learned counsel has submitted that in the event proceeding under the IPC is stayed, the proceeding under the PMLA is eclipsed.

16. On the contrary, learned counsel for the E.D. has referred to various judgments of different High Courts which envisage that the PMLA is a stand-alone proceeding and the predicate offence is only the triggering point of the same. Though the ECIR is born from the FIR, they become two different documents and both tend to take shape on their own, independent of each other. However, in the present case, the order of stay granted by the Coordinate Bench was stayed by an Hon'ble Division Bench of this Court by an order passed on September 17, 2025, meaning thereby, that the proceedings under the IPC is free to continue. This fact has also been deliberately suppressed by the petitioner before this Court. The petitioner has tried to impress upon the Court that once further proceeding of the predicate offence is stayed, further proceeding under the PMLA is eclipsed and is stalled indefinitely for which the accused/petitioner cannot remain incarcerated any further. Herein, the

learned Single Bench's order having been stayed, proceeding of the predicate offence is continuing and the petitioner is not entitled to seek bail on the ground of stay of such proceedings.

17. It has transpired during investigation that the petitioner is in constant touch with his accountants, employees and relatives from custody and is also funding the other co-accused in the ongoing cases. His companies are continuing to collect funds from financial institutions and are thereby indulging in the offence of money laundering. The E.D. by a letter dated September 4, 2025 has requested the Additional Director General and Inspector General, Correctional Services to look into the matter and take appropriate action.

18. The petitioner has alleged violation of Section 19 of the PMLA. It shall be useful to reproduce Section 19 of the Act.

"19. Power of arrest - (1) If the Director, Deputy Director, Assistant Director, or any other officer authorised in this behalf by the Central Government by general or special order, has on the basis of material in his possession reason to believe (the reason for such belief to be recorded in writing) that any person has been guilty of an offence punishable under this Act, he may arrest such person and shall, as soon as may be, inform him of the grounds for such arrest.

(2) The Director, Deputy Director, Assistant Director or any other officer shall, immediately after arrest of such person under sub-section (1), forward a copy of the order, along with the material in his possession, referred to in that sub-section, to the Adjudicating Authority, in a sealed envelope, in the manner, as may be prescribed and such Adjudicating

Authority shall keep such order and material for such period, as may be prescribed."

19. Law enjoins that the "reasons to believe" that the person is guilty of an offence under the PMLA should be founded on the material in the form of documents and oral statements. The authority in Amarendra Kumar Pandey v/s. Union of India and Others (supra) says that arrest under Section 19(1) of the PMLA requires careful scrutiny and consideration. Yet, at the same time, the Courts should not go into the correctness of the opinion formed or sufficiency of the material on which it is based, albeit if a vital ground or fact is not considered or the ground or reason is found to be non-existent, the order of detention may fail. The Courts have held that when arrest is illegal or is vitiated or fundamental rights of the accused under Article 21 and 22 of the Constitution of India have been violated, bail cannot be denied on the grounds of non-fulfilment of the twin test under Section 45 of the PMLA. The law laid down by the Hon'ble Supreme Court in Arvind Kejriwal (supra) is as hereunder:-

"……. In the Court's view, Section 19 includes inbuilt checks that designated officers must adhere to. First, the "reasons to believe" of the alleged involvement of the arrestee have to be recorded in writing. Secondly, while effecting the arrest, the reasons shall be furnished to the arrestee. Lastly, a copy of the order of arrest along with the material in possession have to be forwarded to the safe custody of the adjudicating authority. This ensures fairness, objectivity and accountability of the designated officer while forming their opinion, regarding the involvement of the arrestee in the offence of money laundering." Also, this Court is tempted to rely on the authority in Radhika Agarwal (supra) wherein the Hon'ble Supreme Court has made the following observation:-

"86. So far as the arrest is made under the Prevention of Money Laundering Act, 2002 is concerned, in Vijay Madanlal Choudhary v Union of India, also the three-Judge Bench of this court has held, inter alia, that the safeguards provided in the PMLA and the pre conditions to be fulfilled by the authorized officer before effecting arrest as contained in section 19 of the said Act are stringent and of higher standard. Those safeguards ensure that the authorized officers do not act arbitrary, but make them accountable for their judgment about the necessity to arrest any person as being involved in the commission of offence of money laundering even before filing of the complaint before the Special Court under the Act.

87. However, when the legality of such an arrest made under Special Acts like PMLA, UAPA, Foreign Exchange, Customs Act, GST Acts, etc., is challenged, the court should be extremely loath in exercising its power of judicial review. In such cases, the exercise of the power should be confined only to see whether the statutory and constitutional safeguards are properly complied with or not, namely, to ascertain whether the officer was an authorized officer under the Act, whether the reason to believe that the person was guilty of the offence under the Act, was based on the "material" in possession of the authorized officer or not, and whether the arrestee was informed about the grounds of arrest as soon as may be after the arrest was made. Sufficiency or *adequacy of material on the basis of which the belief is formed by the officer, or the correctness of the facts on the basis of which such belief is formed to arrest the person, could not be a matter of judicial review.*

88. It hardly needs to be reiterated that the power of judicial review over the subjective satisfaction or opinion of the statutory authority would have different facets depending on the facts and circumstances of each case. The criteria or parameters of judicial review over the subjective satisfaction applicable in service related cases, cannot be made applicable to the cases of arrest made under the Special Acts. The scrutiny on the subjective opinion or satisfaction of the authorized officer to arrest the person could not be a matter of judicial review, in as much as when the arrest is made by the authorized officer on he having been satisfied about the alleged commission of the offences under the Special Act, the matter would be at a very nascent stage of the investigation or inquiry. The very use of the phrase "reasons to believe" implies that the officer should have formed a prima facie opinion or belief on the basis of the material in his possession that the person is guilty or has committed the offence under the relevant Special Act. Sufficiency or adequacy of the material on the basis of which such belief is formed by the authorized officer, would not be a matter of scrutiny by the courts at such a nascent stage of inquiry or investigation.

91. Though, the power of judicial review keeps a check and balance on the functioning of the public authorities and is exercised for better and more efficient and informed exercise of their powers, such power has to be exercised very cautiously keeping in mind *that such exercise of power of judicial review may not lead to judicial overreach, undermining the powers of the statutory authorities. To sum up, the powers of judicial review may not be exercised unless there is manifest arbitrariness or gross violation or non-compliance of the statutory safeguards provided under the Special Acts, required to be followed by the authorized officers when an arrest is made of a person prima facie guilty of or having committed offence under the special Act."*

20. In the case in hand, the arresting officer has recorded the grounds of arrest as well as his reasons to believe that the petitioner is guilty of the offence upon consideration of the material collected by him in course of investigation. Though in conclusion, he has stated four reasons which have necessitated the arrest of the petitioner, the details of investigation and material collected in course thereof have found place in the "grounds of arrest" and "reasons to believe" recorded by the officer. As stated earlier, sufficiency or adequacy of material on the basis of which the belief is formed by the officer or the correctness of the facts cannot be subjected to judicial review. Subjective satisfaction of the arresting officer with regard to the material and necessity to arrest appears to be in accordance with law.

21. True, statement of the petitioner under Section 50 of the PMLA was recorded in the wee hours of the night. But besides such statement, several other material/documents have been collected by the E.D. and statements of other witnesses recorded which led to the necessity of the arrest of the petitioner. The mandate of Section 19(1) of the Act has been sufficiently and adequately complied with by the arresting officer and the

arrest cannot be said to be vitiated for non-compliance of the same. The petitioner was informed of the grounds of arrest immediately after his arrest.

22. The petitioner has alleged non-compliance of Section 19(2) of the PMLA. The provision requires forwarding of a copy of the order alongwith material in possession of the arresting officer to the adjudicating authority in a sealed envelope immediately after his arrest. The Hon'ble Supreme Court, in Ram Kishore Arora (supra) has observed that the material should be sent immediately and in any case within 24 hours. It has been held by the Punjab and Haryana High Court in Dilbag Singh @ Dilbag Sandhu v/s. Union of India (supra) that it is incumbent upon the Court concerned to satisfy itself of the compliance of the conditions contained in Section 19 which would also include compliance of Section 19(2), before passing the order of remand for the reason that otherwise the concerned Court cannot affirmatively come to the conclusion that the reasons to believe that the person is guilty before arresting were actually recorded in writing or not and were based upon the material already in possession of the competent officer prior to arresting the accused.

23. In the present case, the petitioner was arrested on December 18, 2024 and copy of the arrest order alongwith material in possession under Section 19(2) of the PMLA was sent to the adjudicating authority on December 23, 2024. However, since the "grounds of arrest" and "reasons to believe" were made over to the petitioner immediately after his arrest, the Court concerned was in a position to ascertain whether the material was already in possession of the arresting officer prior to arrest of the

petitioner. The fact situation in the authority in Dilbag Singh (supra) can be distinguished from that of the present case and the arrest herein cannot be said to be vitiated due to delayed compliance of Section 19(2) of the Act.

24. On merits, sufficient material has surfaced during investigation suggesting prima facie involvement of the petitioner in the alleged offence. Investigation has revealed that the company M/s. Concast Steel and Power Limited of which the petitioner was the Chairman and Managing Director fraudulently inflated the company's turn over, secured extensive credit facilities from banks, opened several shell companies under his control and generated huge proceeds of crime which were diverted for his personal benefits and to the shell companies. Further investigation has unravelled benami properties of the petitioner and his accomplices.

25. It is a fact that the petitioner is in custody since December 18, 2024. Constitutional Courts have frowned upon long detention of the accused in custody due to delay in investigation/trial. The accused has been favoured with the constitutional mandate of liberty in the event of unreasonable delay. However, investigation pertaining to economic offences involving deep rooted conspiracies and affecting economy of the country, as in the present case, has to be dealt with seriously and the burden of proof that the money involved is not tainted or is part of the proceeds of crime shifts on the accused under Section 24 of the PMLA. Though complaint and supplementary complaint has been submitted, further investigation of the case is in progress. There does not appear to be unreasonable delay in investigation, given the fact that investigation of

economic offences as the present one is time-consuming. As submitted by the E.D., as many as 444 cases are found to have been pending against the petitioner. In the event the petitioner is released on bail at this stage, chances of his tampering with evidence and influencing witnesses which may adversely impact the investigation cannot be ruled out.

26. The conduct of the petitioner is also not very trustworthy. There has been deliberate suppression of material facts by the petitioner as observed earlier. He is trying to influence the functioning of his companies and is indulging in uncalled for communications/activities even from judicial custody, as reported.

27. In the light of the discussion made hereinabove, the petitioner does not deserve to be released on bail at this stage having regard to the fact that he has not been able to overcome the twin conditions laid down under Section 45 of the PMLA.

28. Accordingly the prayer for bail is rejected at this stage.

29. CRM (R) 84 of 2025 is disposed of.

30. All parties shall act on the server copy of this judgment duly downloaded from the official website of this Court.

31. Urgent certified website copies of this judgment, if applied for, be supplied to the parties expeditiously on compliance with the usual formalities.

(Suvra Ghosh, J)