



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

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Reserved on: 18th December, 2025
Pronounced on: 24th December, 2025

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BAIL APPLN. 3054/2025 & CRL.M.A. 23642/2025

HARSATINDER PAL SINGH HAYER

.....Petitioner

Through: Mr. Dayan Krishnan, Sr. Advocate
 with Mr. Arshdeep Singh Khurana,
 Mr. Sulakshan VS, Mr. Sreedhar
 Kale, Ms. Simran Khurana, Ms. Ridhi
 Kapoor, Mr. Abhishek Budhiraja,
 Mr. Ayush Gaur and Mr. Varun
 Parashar, Advocates.

versus

DIRECTORATE OF ENFORCEMENT

.....Respondent

Through: Mr. Zoheb Hossain, Spl Counsel with
 Mr. Vivek Gurnani, Panel Counsel,
 Mr. Kartik Sabharwal, Mr. Pranjal
 Tripathi and Mr. Kanishk Maurya,
 Advocates.

CORAM:

HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

J U D G M E N T

NEENA BANSAL KRISHNA, J.

1. A Bail Application under Section 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023 read with Section 45 of the Prevention of Money Laundering Act, 2002 (*hereinafter referred to as "PMLA"*) has been filed on behalf of the **Applicant, Harsatinder Pal Singh Hayer**, seeking **Regular Bail** in ECIR/03/DLZO/2016 dated 26.07.2016.



2. The Applicant claims that he is a law abiding citizen who has been unlawfully arrested in this case on 21.03.2025 in the aforesaid ECIR and has been incarcerated in jail since then.

3. The **brief facts of the case** as narrated in the Application, are that pursuant to the order of the Apex Court in *Civil Appeal No.6572/2004* in the matter of *M/s PGF Limited vs. Union of India & Others*, CBI, BSFC registered an *FIR bearing No. RCBIDI/2014/E/0004 dated 19.02.2014* under Section 120B read with 420 of the Indian Penal Code, 1860 (*hereinafter referred to as "IPC"*) against *M/s PGF Limited, Shri Nirmal Singh Bhangoo, Shri Harchand Singh, Shri Chandar Bhushan Dhillon, Shri Prem Seth*, all Directors of M/s PGF Limited; M/s PACL India Limited, Shri Sukhev Singh, Shri Gurmeet Singh, Shri Subrata Bhatthacharya, Shri Gurjant Singh Gill, all Directors of M/s PACL and unknown others, on the allegation that the promoters/Directors of M/s PGF Limited and M/s PACL Limited in pursuance of the criminal conspiracy among themselves, operated various investment schemes to induce the investors to part with their funds with an intention to cheat them.

4. *It is the case of the CBI* that M/s Pearls Golden Forest Limited and M/s PACL Limited through its illegal and fraudulent activities has collected thousands of crores of rupees through collective investment schemes in the grab of sale and development of agriculture land from investors all over India. It was further alleged that M/s PACL Limited has acquired huge tracts of land from the money collected from the public and started allotting the plots situated in other States, far off the place of residence of the customers, so that they would be constraints not to take the possession of the allotment and thereby forced to take back the money with interest (nominal



rate) and also, by such activities, M/s Pearls Golden Forest Limited, M/s PACL, through its Directors in collusion with others, cheated the gullible investors for more than INR 48,000 crores.

5. On 07.04.2016 the *CBI had filed a Chargesheet* in respect of the scheduled FIR, *wherein the Applicant was not arrayed as an Accused*. The *Supplementary Chargesheet was filed by the CBI on 31.12.2021 in the scheduled offence, wherein the Applicant was arrayed as Accused No.17*.

6. The Applicant was granted Bail on 27.05.2023 by the learned Special Judge in the predicate FIR subject to certain conditions which had been diligently obeyed by the Applicant.

7. Pursuant to the scheduled FIR and PMLA case, ECIR/03/DLZO/2016 dated 26.07.2016 under Section 120B read with 420 IPC, was registered. The Respondent filed the *Complaint under Section 44 read with 45 PMLA in this ECIR in the Court*. The Applicant was not arrayed as an Accused in the ECIR or in the Complaint. In the year 2018, the Applicant travelled to Australia from 28.11.2018 to 17.12.2018 with the prior permission of the learned Special Judge. He returned to India in time and did not violate any conditions imposed by the learned Special Judge.

8. On 20.08.2022, *First Supplementary Complaint was filed in ECIR. Herein again, the Applicant was not arrayed as an Accused*.

9. On 16.07.2020, *FIR No.79/2020 under Section 406, 420, 467, 468, 471, 384, 419 and 120B IPC was registered at P.S. Zira Punjab*, wherein it was alleged that the Applicant had used self attested copies of the Aadhar Card and other signed documents of his employees and others, for disposing of the properties of M/s PACL and its associates. *In this FIR, Applicant was arrested on 28.05.2021, but was granted Bail by High Court of Punjab and*



Haryana on 19.10.2023. The learned Special Judge, CBI had granted him permission to travel abroad in 2024, once his wife would come back from travelling abroad, vide Order dated 15.07.2024.

10. The Applicant states that he has been implicated in the ECIR case, on the basis of familial association with Late Nirmal Singh Bhangoo, being his son-in-law. It was alleged that the Applicant was a Director in two Australian Companies, namely, *M/s Pearls Australasia Pty Ltd.* and *M/s Pearls Australasia Mirage 1 Pty Ltd.*, to which an amount of approx. AUD 132.99 Mn. belonging to the Pearls Group, was purportedly diverted. It was further alleged that the Applicant along with other family members of Late Nirmal Singh Bhangoo including his daughters, other son-in-law and son Late Shri Harvinder Singh Bhangoo, held Directorship positions in the said Australian Companies. It was further alleged that the Applicant was also a Director of *M/s Maurya Healthcare Pvt. Ltd.* an associate concern of the Pearls Group, through which funds to the tune of Rs.7.74 crores were allegedly transferred to *M/s Pearls Infrastructure Projects Ltd* and subsequently diverted to the aforementioned Australian Companies. Based on these allegations, the Applicant was purportedly named as a conspirator and as the alleged beneficiary of the proceeds of crime.

11. On *04.10.2024*, the Respondent conducted a search at the residential premises of the Applicant at *House No.2073, Phase-10, Mohali, Punjab* under Section 17 PMLA. An Order thereafter, was passed by the Adjudicating Authority, New Delhi under Section 17(2) PMLA which was duly served upon the Applicant at the aforesaid residential address. It unequivocally establishes that the Respondent was aware of the residential address of the Applicant.



12. The Applicant regularly appeared before the learned Special Judge, since December, 2024 in both the matters which were being listed on the same date. Thereafter, the Respondent issued a summon dated 30.12.2024 under Section 50 PMLA to the Petitioner's email which had been inactive for several years. Despite knowing the address of the Applicant and serving prior communications at the same address, the Respondent failed to serve the summons dated 30.12.2024 at the Applicant's residential address, but sent it through email only. The Respondent constitutes a deliberate omission and misconduct thereby, causing prejudice to the Applicant.

13. The Applicant filed an Application in the CBI case before the learned Special Judge, seeking permission to travel abroad for the period from 21.03.2025 to 05.04.2025. The permission was granted to the Applicant to travel abroad from 21.03.2025 to 29.03.2025 by the learned Special Judge vide Order dated 12.03.2025. It was expressly noted in the Order that the Applicant had never attempted to abscond or evade his appearance and that he had never violated any of the conditions imposed upon him.

14. The Applicant also obtained prior permission to travel abroad from learned Sub-Divisional Judicial Magistrate, Zera, Punjab in CRM No.106/2025 which was allowed *vide* Order dated 19.03.2025 subject to certain conditions.

15. On 21.03.2025 at approx. 07:30 AM, the Applicant was stopped at IGI Airport, Delhi by the Bureau of Immigration where he was informed that a Look Out Circular (LOC) dated 07.01.2025 has been issued against him by the Respondent. He was detained at the Airport till 04:00 PM and thereafter, he was arrested. It had not even been considered that the Applicant was travelling with his minor children and without due regard to



his circumstances, the arrest was effectuated. Later, Arrest Memo dated 21.03.2025 was issued at 10:30 PM along with grounds of arrest and reason to believe wherein the same contentions had been taken by the Respondent as were mentioned in 2017 and no new document was found by the Respondent even after 9 years. The grounds of arrest and the Arrest Memo were handed over to the Applicant. Later at about 12:15 AM on 22.03.2025 the Applicant was presented at the residence of learned Special Judge, wherein he was remanded to Judicial Custody.

16. On 24.03.2025, the Applicant filed a W.P (C) No.952/2025 titled "*Harsatinder Pal Singh Hayer vs. ED*" assailing his arrest dated 21.03.2025 under PMLA.

17. The Applicant has been in Judicial Custody since 30.03.2025. The Respondent/Directorate of Enforcement (ED) has concluded its investigations and the Second Supplementary Complaint has already been filed against the Applicant on 19.05.2025, wherein the Applicant has been arrayed as Accused No.22.

18. The Applicant filed a *Bail Application on 03.06.2025 for Regular Bail*, which was dismissed on 25.07.2025.

19. **The Applicant has sought his Bail in the ECIR on the grounds** that the contentions raised by the Applicant, have not been considered by the learned Special Judge. It is trite law that allegations are of grave economic offence, *rule is bail and not jail*. Ultimately, the consideration has to be made on a case to case basis on facts. The primary purpose of the bail is the secure the presence of the Accused during the trial as has been held in the case of *P. Chidambaram vs. Directorate of Enforcement*, (2020) 13 SCC



791 and Sanjay Chandra vs. CBI, (2012) 1 SCC 40. Reliance is also placed on Dataram Singh vs. State of Uttar Pradesh & Anr., (2018) 3 SCC 22.

20. In the case of Manish Sisodia vs. Enforcement Directorate, 2024 SCC OnLine SC 1920; Prem Prakash vs. Union of India, 2024 SCC OnLine SC 2270; V. Senthil Balaji vs. Enforcement Directorate, 2024 SCC OnLine SC 2626 the Supreme Court reaffirmed the aforesaid principles. It is now well settled that Section 45 PMLA by imposing “twin conditions”, does not rewrite the aforesaid principles.

21. Once the investigations qua the Applicant is complete, there is no apprehension of violation of “triple test” and the Applicant is entitled to be released on bail. If the Bail is denied, he would remain in custody for an indefinite period.

22. Reliance is placed on Satendra Kmar Antil vs. CBI, (2022) 10 SCC 51 and Krishnan Subramaniam vs. State of NCT of Delhi, 2022 SCC OnLine Del 1384.

23. No purpose would be served in extending the pre-trial incarceration of Applicant by continuing his detention in judicial custody. Such detention would be violative of his fundamental right to liberty as enshrined under Article 21 Constitution of India.

24. The trial is not likely to be concluded in reasonable time. The Respondent is apparently still investigating the case after more than 9 years of registration of ECIR dated 21.07.2016 and has recently filed the second Supplementary Complaint on 19.05.2025. The PMLA case already has three Complaints arraying 23 accused, 54 witnesses and the documents which run to nearly 13000 pages. Further, the trial of the scheduled FIR is currently at the stage of arguments on Charge having 39 accused, 453 witnesses and 754



documents running into more than 20000 pages. Reliance is placed on V. Senthil Balaji, (supra).

25. It is further asserted that while in custody, the Applicant would not be able to effectively instruct his counsel in the peculiar facts and circumstances of this case including complex and technical matters and financial transactions; therefore, Bail must not be denied. Reference is made to Gurbaksh Singh Sibbia vs. State of Punjab, (1980) 2 SCC 565.

26. The Applicant has asserted that though the ECIR was registered on 26.07.2016, the Complaint got to be filed only on 10.09.2018. The First Supplementary Prosecution Complaint was filed later on 20.08.2022. The Second Supplementary Complaint has been filed only on 19.05.2025 in which the Applicant has been named and arrested. It was nearly 9 years after the registration of ECIR and filing of Prosecution Complaint that the present Supplementary Complaint has been filed against the Applicant without any need, reason or necessity on the basis of same facts and allegations which form part of the first Prosecution Complaint.

27. The Applicant has asserted that his arrest was wholly unwarranted and fails to satisfy the well established parameters of “*necessity of arrest*” as laid down by the Apex Court in the case of Arvind Kejriwal vs. Directorate of Enforcement, (2025) 2 SCC 248 and Radhika Aggarwal vs. Directorate of Enforcement, 2025 SCC OnLine SC 449. The Respondent has not demonstrated the existence of any fresh material or changed circumstances justifying the sudden arrest of the Applicant at this stage.

28. Furthermore, registration of FIR No.79/2020 at P.S. Zira Punjab is not a recent development and was well within the knowledge of the Respondent. The Applicant has already been granted Bail in the Zira FIR, on 19.10.2023.



Even otherwise, it is a settled position of law that proceedings or allegations arising out of a separate and unconnected case, cannot form the basis for arrest in an entirely different matter.

29. It is contended by the Applicant that the allegations against him are that he transferred funds to M/s MDB House Complex Private Limited for the purchase of Golden Public Senior Secondary School, which was derived from the proceeds of crime. 80% of the said transaction took place prior to the Applicant's appointment as Director of M/s MDB Housing Complex Pvt. Ltd. The funds in question were transferred by one Dinesh Singla to M/s MDB Housing Complex Pvt. Ltd., about which the Applicant had no knowledge, information or reason to believe that such funds were tainted or constituted proceeds of crime. He had no role in the receipt or application of the said funds nor was he a party to the decision making process related to the purchase of aforesaid school.

30. The alleged proceeds of crime were transferred to M/s MDB Housing Complex Pvt. Ltd. in the year 2011-12 while the Applicant became the Director of that Company on 11.06.2012. The infusion of the alleged proceeds of crime was prior to the Applicant's becoming a Director in the said Company.

31. As per the allegations of the Respondent subsequently the school was sold by M/s MDB Housing Complex Pvt. Ltd. and 15 crores of the sale proceeds were deposited in the account of the Company. It reflects that there was no concealment of funds by the Applicant.

32. The Applicant was not directly involved in the receipt, handling or utilization of the proceeds of crime arising of the alleged fraudulent investment scheme operated by M/s PACL Ltd. There is no material to



suggest that he had any role in the collection of funds from the investors of in the management of the funds. He neither conceived nor executed the scheme in question and had no knowledge of the alleged illegality at the relevant time. Attributing criminal liability to him is legally untenable and unsupported by evidence.

33. Though it is alleged that Applicant was one of the Directors of M/s Pearls Australasia Pty Ltd. and M/s Australasia Mirage 1-Pty. Ltd., the funds in question originating from M/s PACL Ltd. were transferred much prior to the Applicant's appointment as Director in the said Companies.

34. The Provisional Attachment Order being PAO No.02/2018 dated 05.01.2018 was passed by the Respondent for attachment of sale proceeds of alleged PACL property in Australia. The Respondent was thus, aware of these transactions and the individuals involved since at least January, 2018 thereby implying that there was no need or necessity to arrest the Applicant on the same allegations nearly 7 years thereafter.

35. The Prosecution Complaint dated 10.09.2018 specifically described the transactions pertaining to the aforesaid two Australian Companies and also noted that the Applicant was a Director in these Companies implying thereby, that the Respondent was all throughout aware of the transactions and the alleged role of the Applicant since 2018. No occasion to arrest the Applicant on the same set of facts arose in 2025.

36. The Applicant was never arrayed as an accused in these proceedings at any juncture nor was he arrested, although he participated in the investigations conducted by the Respondent way back in 2018. It clearly indicates that the Investigating Agency itself did not have sufficient material to implicate the Applicant in connection with the alleged offence. However,



for reasons best known to it, the Respondent arrested the Applicant after 7 years in 2025, in a completely highhanded manner before arraying him as an accused in the second Supplementary Complaint, in a mala fide manner and kept him in custody to defeat the rights of the Applicant and the circumvent the judgment of the Supreme Court in Tarsem Lal vs. Enforcement Directorate, (2024) 7 SCC 61.

37. The purported diversion of funds to *Pearls Australasia Mirage-I Pty Ltd.* allegedly occurred between 12.03.2010 and 22.03.2010. The Applicant held the position of Director of this Company only from 13.02.2012 to 14.01.2016 which is subsequent to the period during which the alleged diversion took place. The Applicant could not have been involved in the alleged transactions during the period prior to his Directorship.

38. The alleged diversion of funds to *M/s Pearls Australasia Pty Ltd.* is stated to have occurred between 16.11.2009 and 21.01.2014. The Applicant served as a Director of this Company from 13.02.2012 to 14.01.2016. Approximately 75% of the fund infusion into this Company occurred before the Applicant assumed the Directorship. The investments were in the form of equity purchases which had commenced well before the appointment of the Applicant. It cannot be contended in these circumstances that the Applicant had any role or involvement in the alleged diversion of funds or related transactions prior to his tenure as Director.

39. The Applicant claimed that he cannot be held liable for the non-cooperation or failure of any other individual, including his wife to join the investigations. He is presently in judicial custody and not in a position to influence, communicate or compel the attendance of third party. The Applicant was called for the first time in 2017-18 by the Respondent and he



fully participated in the investigations. The search of his residential premises located in Mohali and Gurgaon was conducted on 04.10.2024, though no incriminating material was recovered. The Respondent had issued the summons *vide* inactive email of the Applicant on 30.12.2024, but thereafter, it had never been served again asking the Applicant to join the investigations.

40. The allegations against the Applicant that he had destroyed evidence by deleting WhatsApp Business Application from his mobile phone after being intercepted by the Bureau of Immigration at Delhi Airport, is baseless and without any supporting material. At the time when the Applicant was intercepted, his mobile phone was immediately taken away by the Immigration Authorities and was directly handed over to the officials of Respondent No.2. At no point did the Applicant had the access to his device that would have enabled him to delete or tamper with the data. Furthermore, no Forensic Report has been placed on record to substantiate the allegations that the Applicant attempted to destroy or tampered with the evidence.

41. The Applicant is neither in possession of nor has made any use of the alleged proceeds of crime. Furthermore, the nature of the allegations is entirely documentary and there is no allegation or evidence to suggest that the Applicant had derived any personal benefit or monetary gain from the same. He is not active participant in the alleged offence and has not played any direct or indirect role in the commission of the purported criminal activity. The Applicant's involvement, if any, is merely incidental and lacks requisite *mens rea* and intents to establish the criminal liability under the law.



42. Furthermore, after he was granted Bail in the CBI case on 27.05.2023, he has been regularly appearing before the I.O as well as the concerned Court in connection with the proceedings arising out of both, the CBI and the ED case. Mere allegation of non-cooperation or evasion, cannot form the basis for arrest, as has been held by the Apex Court in the case of Pankaj Bansal vs. Union of India, 2024 (7) SCC 576.

43. It is submitted that the ED is following a *pick and choose policy* where most other co-accused have not been arrested. Reliance is placed on Himansh vs. ED, 2024 SCC OnLine SC 4697; Vipin Yadav vs. ED, 2025 DHC 8693; Sanjay Jain vs. ED, 2024 SCC OnLine Del 1656.

44. There exists no material to suggest that he is a flight risk or has ever attempted to abscond or evade the process of law. He has always cooperated with the Investigating Agency. He has been granted permission to travel to Australia and New York from November, 2018 till 02.08.2020, but he has voluntarily returned back to India. There is no possibility of tampering of evidence as investigation is primarily documentary in nature which have been already seized and are in custody of the Respondent. There has never been any attempt on his part to either evade the process of law, tampered with evidence or influence any witnesses.

45. It is submitted that the Applicant fulfils the “*Triple Test*” criteria for grant of Bail. Reliance is placed on P. Chidambaram vs. CBI, (2020) 13 SCC 337.

46. Furthermore, he is a father of two minor children who are solely dependent upon him for their upbringing and welfare. The prolonged incarceration of the Applicant would cause irreparable harm and hardship to the minors, in view of the fact that the wife of the Applicant has also been



implicated in the present case. Detention of both the parents would not only be unjust, but also violative of Article 21 Constitution of India. *Hence, a prayer is made that he be granted Bail.*

47. A compilation of Judgments has been filed on behalf of the Applicant.

48. It is submitted that Section 45 PMLA cannot be used as a tool to keep the Accused person in custody. In this regard, reliance is placed on V. Sentil Balaji vs. ED, 2024 SCC OnLine SC 2626; Manish Sisodia vs. ED, 2024 SCC OnLine SC 1920; Vijay Nair vs. ED, SLP (Crl.) D. No. 22137/2024; Mahesh Joshi vs. ED, 2025 INSC 1377; Padam Chand Jain vs. ED, SLP (Crl.) 17426/2024; Vaibhav Jain vs. ED, 2024 SCC OnLine SC 7478; Amandeep Singh Dhall vs. ED, 2024 SCC OnLine Del 649; Chanpreet Singh rayat vs. ED, 2024 SCC OnLine Del 6264.

49. The **Respondents in their detailed Reply which is supported by written submissions**, has stated that M/s Pearls Golden Forest Limited and M/s PACL through its illegal and fraudulent activities, had collected thousands of crores of rupees through collective investment Schemes in the garb for sale and development of agricultural land, from investors all over India. It was further alleged that M/s PACL had acquired vast tracts of land from the money collected from the public and started allotting plots which was far from the place of residence of the customers because of which they were unable to take the possession and were forced to take back the money with nominal interest. Also, by such activity M/s Pearls Golden Forest and M/s PACL through their Directors in collusion with others, cheated gullible investors of more than INR 48,000 crores. It is submitted that the role of the Applicant who was the son-in-law of Nirmal Singh Bhangoo is that he was



one of the Directors of two Australian Companies namely M/s Pearls Australasia Pty Ltd. from 13.02.2012 to 14.08.2014 and again from 14.08.2014 to 14.01.2016 and in M/s Australasia Mirage 1-Pty. Ltd. from 13.02.2012 to 14.08.2014. These two Companies were allegedly laundering the proceeds of crime generated by duping gullible investors was diverted *via* M/s PIPL Associate Company of PACL to the two Australian Companies and the POC of Rs.48 crores was subsequently used to purchase various immovable properties in Australia through the aforesaid two Australian Companies.

50. During the investigations under PMLA, it has been ascertained that from the account of M/s PACL Rs.657.18 crores of proceeds of crime were transferred to the account of M/s PIPL directly and also through various associate Companies of M/s PACL. It is claimed that the properties situated in Australia have been purchased from proceeds of crime which were provisionally attached *vide* Provisional Attachment Order No.2/2018 dated 05.01.2018 and the same has been confirmed by the Adjudicating Authority.

51. The Applicant in his statement recorded under Section 50 PMLA, admitted that he along with his wife, was a Director in the two aforesaid Companies. He also admitted that M/s PIPL had transferred approx. 63 million AUD to the said entities. The funds so transferred were utilized for the purchase of Sheraton Mirage Hotel in gold Coast, Australia as well as for investment in five-six residential projects including high rise developments and residential building situated at *1019, Hope Island, Gold Coast*.

52. It was further ascertained that M/s PACL diverted funds to MDB Housing Complex Private Limited and associate concern of M/s PACL



which were utilized for the purchase of Golden Public Senior Secondary School located on Chandigarh-Ambala Highway. The Applicant was both a member of the governing body of the School as well as Director of M/s MDB Housing Complex Pvt. Ltd.

53. In its statements recorded under Section 50 PMLA on 21.03.2025, the Applicant admitted that the funds used for purchase of school in auction, were received in the account of M/s MDB Housing Complex Pvt. Ltd. from M/s PACL and its associate concerns. He further admitted that pursuant to Agreement to Sell a partial payment of Rs.15 crores was received in the account of M/s MDB Housing Complex Pvt. Ltd during the period 14.11.2014 to 05.07.2011. During this period, the Applicant was the Director of M/s MDB Housing Complex Pvt. Ltd. and he was actively and knowingly involved in layering, siphoning and dissipating the proceeds of crime.

54. Another FIR No.79/2016 dated 16.07.2020 was registered by Punjab Police in regard to disposal of properties of M/s PACL and its subsidiaries in an illegal and fraudulent manner. In the Chargesheet, the Applicant had been arrayed as an Accused.

55. The conduct of the Applicant during the investigations has been explained wherein it is asserted that he had failed to furnish complete information and documents, as sought in the search conducted on 04.10.2024 in his two premises at Mohali, Punjab and Gurgaon. He was not found present and he failed to join the search proceedings conducted under Section 17 PMLA. *Vide* summon dated 30.12.2024 duly served upon him via email as disclosed by him as his personal ID in his statement under Section 50 PMLA recorded on 16.12.2018, he was asked to submit oral and



documentary evidence. Despite the service of the summons, he failed to appear or tender the documents and thereby evaded the investigations.

56. Subsequently, LOC was issued against him on 07.01.2025 by ED. He was apprehended at IGI Airport on 21.03.2025 at 07:30 AM by Bureau of Investigation as he was trying to flee to London. After due compliance of Section 19 PMLA, he was arrested.

57. The Respondent has claimed that Applicant *did not co-operate during the entire course of investigations*. He deleted his WhatsApp Business Application immediately after his interception at the IGI Airport, which stands established through Forensic Analysis Report dated 24.03.2025. In his statement under Section 50 PMLA recorded on 27.03.2025, he has admitted this fact.

58. The Applicant was not found available at his two place of residence at the time of search. His absence from his premises coupled with the failure to join the search, cannot be a co-incidence. It has thus, established that he had committed the offence of money laundering as defined under Section 3 PMLA and had knowingly and actively participated in the process and activities connected with the proceeds of crime to the tune of appx. INR 48,000 crores generated by M/s PACL, its Directors and associated entities by fraudulently duping gullible and innocent investors.

59. It is further contended that the “*twin conditions*” under Section 45 PMLA and the gravity of economic offence, disentitle the Applicant from grant of Bail. The Supreme Court has affirmed the necessity of satisfying the stringent conditions engrafted in Section 45 PMLA holding it to be a reasonable and rational mechanism to deal with the complexities and perils of money laundering. The rigours of Section 45 PMLA are not only



constitutionally sustainable but are also essential for deterring money laundering, preserving the integrity of financial system and ensuring that the concession of Bail is granted only to those who are able to convincingly establish their innocence. Considering the gravity of the allegations, the grant of Bail to the Applicant is entirely unwarranted as he has not been able to discharge the statutory burden.

60. It has been held in the case of Vijay Madanlal Choudhary & Ors. vs. Union of India, (2022) SCC OnLine SC 929 that the conditions laid down in Section 45 are constitutionally valid. In addition, general principles of Bail must be satisfied in order to entitle a person to grant the Bail. Reliance is also placed on Tarun Kumar vs. Enforcement Directorate, 2023 SCC OnLine SC 1486 and Gautam Kundu vs. Directorate of Enforcement, (2015) 16 SCC 1.

61. It is further asserted that this Court is not required to render a finding on the guilt of the Applicant nor is it required to conduct a mini-trial or meticulously examine the evidence, rather examine whether the Petitioner has made out a reasonable ground for believing that he is not guilty. Reliance is placed on Union of India vs. Rattan Malik, (2009) 2 SCC 624. In the case of Bail in economic offences the Supreme Court in Y.S. Jaganmohan Reddy vs. CBI, Criminal Appeal No.730/2013 arising out of SLP (CrI.) No.3404/2013 had observed that the economic offences constitute a class apart and need to be visited with a different approach in the matter of Bail.

62. In respect of *necessity of arrest*, it is contended that the ground raised by the Applicant is not tenable. Certain conditions have been indicated by the Apex Court to be relevant for the purpose of examining the satisfaction



of necessity and need to arrest in the case of Arvind Kejriwal, (supra). The necessity of arrest is fulfilled in the present case, as the arrest was needed to prevent the Petitioner from further committing the offence; proper investigation of the case and preventing the Petitioner from tampering with the evidence.

63. Reliance is placed on the judgment of the Coordinate Bench of this Court in Arvind Dham, (supra), wherein it was observed that Section 41 Cr.P.C lays down conditions for the Police to arrest without warrant. The parameters provided therein include preventing a person from committing further offence, proper investigation of the offence, preventing a person from disappearing or tampering with the evidence, preventing a person making an inducement or threat of promise to dissuade from disclosing facts, to ensure presence of the person in the Court whenever required. It was observed by the Supreme Court that an arrest under Section 19(1) PMLA is not only to conduct the investigations, but other parameters as stated in Section 41 Cr.P.C are also relevant to assess whether there was a need and necessity to arrest. It is further submitted that the grounds of arrest are clearly spelled out the necessity to arrest the Petitioner.

64. On merits, all the assertions made on the merits of the case have been denied by the Respondent. *It is, therefore, submitted that no case is made out for grant of Bail.*

65. The written submissions have been filed on behalf of the Respondent, on similar lines.

Submissions heard and record perused.

66. The FIR No. RCBIDI/2014/E/0004 dated 19.02.2014 under Section 120B read with 420 IPC was registered on the allegation that the



Promoter/Directors of M/s PGF Limited and M/s PACL Limited had entered into a criminal conspiracy to operate Investment Schemes to induce the investors to part with their funds with a view to cheat them. The funds were collected fraudulently against the false promise of giving them plots of land which were never owned by the aforesaid companies or the named Directors. The investment schemes were operated in the name of Cash Down Payment Plan (CDPP) and Installment Payment Plan (IPP).

67. It was further alleged that the *modus operandi* adopted by the Directors of the Companies was to create a will of sale of produce, in order to avoid scrutiny by Government regulators. The Chargesheet in this ***FIR/predicate offence*** was filed by the CBI on 07.04.2016 against the two Companies and the named Directors. However, the Applicant herein was not named in the FIR. The Applicant was arrayed as an Accused No. 17 only subsequently, by way of a Supplementary Chargesheet filed on 31.12.2021 i.e. after almost five years.

68. Pertinently, on the basis of the scheduled FIR, the ***ECIR No. 03/DLZO/2016*** was registered under the PMLA in 2016. The Complaint dated 10.09.2018 under Section 44 read with 45 PMLA was filed in this ECIR in the Court. Pertinently, the Applicant herein was neither named in the ECIR nor in the Complaint. The first Supplementary Complaint in the ECIR was filed on 20.08.2022, but the Applicant was again not named as an Accused.

69. It is the consistent submissions made on behalf of the Applicant that all throughout he had been joining the investigation. On 04.10.2024, a raid was conducted at the premises of the Applicant and eventually on 21.03.2025, he was apprehended at the IGI Airport while he was traveling



abroad with prior permission of the Court in the CBI case as well as in the FIR registered at Zira, Punjab. The Applicant was then arrested on the same date. Subsequently, the **Second Supplementary Complaint dated 19.05.2025, was filed, wherein the Applicant was for the first time arrayed as an Accused (No.22) in the ECIR.**

70. From the aforesaid factual matrix, it emerges that the FIR No. RCBD1/2014/E/0004 registered on 19.02.2014 under the predicate offence got registered on 19.02.2014, in which CBI filed the Chargesheet on 07.04.2016, but the Applicant was arrayed as an Accused No.17 for the first time on 06.01.2022 in the Supplementary Chargesheet. Notably, the Applicant was granted Bail in the predicate offence on 27.05.2023 and has remained on Bail without any allegation of misuse of liberty.

71. The next significant aspect which has emerged is that the Complaint in the ECIR was filed on 26.07.2016, wherein again he was not named as an Accused, and for the first time he got named in the Second Supplementary Complaint filed on 19.05.2025.

72. What has emerged from the aforesaid factual matrix is that the Applicant had been throughout joining the investigation and had never evaded the process of trial, so much so that he had traveled abroad many a times with the permission of the Court and had never flouted the terms of permission for travel.

73. The gravamen of the allegations against the Applicant is not that he conceived, controlled, or executed the fraudulent investment schemes forming the predicate offence, but that he allegedly occupied Directorial positions in two Australian Companies, namely *M/s Pearls Australasia Pty Ltd.* and *M/s Pearls Australasia Mirage 1 Pty Ltd.*, through which the



proceeds of crime were purportedly laundered which were allegedly generated by collection of funds from investors or in the formulation or operation of the investment schemes. There is no allegation that the Applicant was involved in these Schemes.

74. It is not in dispute that approximately 75% of the fund infusion into M/s Pearls Australasia Pty Ltd. had occurred before the Applicant even assumed the Directorship. Likewise, in the M/s Pearls Australasia Mirage 1 PTY Limited, purported diversion of funds had occurred between 12.03.2010 to 22.03.2010, while the Applicant was a Director only from 13.02.2012 to 14.01.2016, which was subsequent to this alleged period of diversion.

75. These facts assume importance in the light of the fact that though FIR in predicate offence got registered in 2014, the Applicant had been arrayed as an Accused only in 2022 (Accused No.17) by way of Supplementary Chargesheet and in the ECIR by way of Second Supplementary Complaint only in 2025 (Accused No.22).

76. The allegation of active and knowing participation of the Applicant in the laundering of proceeds of crime are by virtue of his position as a Director. *In the light of the above said observations, it is difficult to conclude at this stage that he is likely to commit the alleged offence of money laundering in the future.*

77. The Applicant had sought Bail on the ground that the arrest was illegal as there was no *necessity of arrest*. The very fact that the investigation in the predicate offence had commenced in 2014 and in the ECIR in 2016/2017 and that Applicant had throughout joined investigation, there was no necessity of arrest of the Applicant. This contention raised on



behalf of the Applicant has some substance since the record shows that he had all throughout cooperated and never made an endeavor either to evade investigation or to withhold the relevant information. Essentially, the entire evidence was documentary in nature.

78. It was contended on behalf of the ED that the *issue of necessity of arrest* cannot be examined in the present proceedings as the Applicant had earlier filed and withdrawn a writ petition challenging the arrest. However, it has been clarified that liberty was expressly granted to the Applicant to agitate this issue in the bail proceedings. Accordingly, this objection is untenable.

79. It is further argued on behalf of ED that this aspect of *necessity of arrest*, cannot be now questioned by the Applicant as this aspect should have been validly raised at the time of remand. Significantly, the remand of the Applicant to judicial custody was never questioned. The procedure of arrest was also never challenged, but the only limited ground of challenge is the necessity which cannot be raised at this stage of Bail and also the investigations were required to be carried out from the Applicant which justified the necessity and this cannot be a ground for grant of Bail.

80. In this context, it was claimed by the ED that the Applicant had not been cooperating and that his wife had not been joining the investigations. It was claimed that she had been influencing the witnesses, more specifically the servant of the house to not disclose complete facts to the investigating agency.

81. However, it has been rightly contended on behalf of the Applicant that the conduct of the wife or other suspects cannot be in any way attributed to the Applicant to deny in the right of Bail. In this regard, reference is made



to Sebil Elanjimpally vs. State of Orissa, 2023 SCC Online SC 677, wherein it was observed that the conduct of the co-accused (who had not surrendered after grant of Bail), cannot be germane to decline the bail to the Applicant. Likewise, in the case of Rohit P. Koli vs. State of Maharashtra, SLP (Crl.) No. 4935/2025, the Apex Court observed that the conduct of the co-accused cannot be a ground to deny the benefit of Regular Bail to the Applicant.

82. It was also contended on behalf of ED that *he was not cooperative* as he himself had tried to erase the evidence as soon as he was arrested at the Airport on 21.03.2025, he deleted the WhatsApp Business Application and erased the relevant data.

83. It has been again rightly pointed out on behalf of the Applicant that immediately on his apprehension, his mobile was taken away by the investigating agency and there was no time wherein he could have deleted the data as claimed by the investigating agency. While it is a moot point, but this aspect is a matter of trial.

84. It cannot be overlooked that the investigation now stands completed and the Supplementary Complaint has already been filed in May 2025. There is little likelihood of him either influencing or obstructing the investigation or preventing the collection of relevant data.

85. As has been rightly argued by behalf of the Applicant, he is not a flight risk as he never attended to abscond or evade the process of law. He, with the permission of the Court, had traveled abroad and had returned on time. The Applicant has deep roots in the society. There are no circumstances brought on record to show that he is likely to flee from the country or that he would not face the trial. Regardless, conditions can always be imposed to ensure the presence of the Applicant during the trial.



86. As has been noticed in the case of Manish Sisodia, (supra) that where the case primarily depends on documentary evidence which is already seized by the Prosecution, there is no possibility of tampering of evidence by the Applicant in case he is granted Bail.

87. The Applicant herein not only has satisfied the *twin conditions* as envisaged under Section 45 PMLA, but also the *triple test* i.e. there is no credible apprehension of him being a flight risk, influencing of witnesses, or tampering with evidence.

88. Consequently, the Applicant is admitted to Bail, on the following terms and conditions:

I. The Applicant is directed to be released forthwith on Bail in connection with the ECIR/03/DLZ0/2016 dated 26.07.2016, registered by the Directorate of Enforcement subject to furnishing a bail bond in the sum of Rs.5,00,000/- with one surety of the like amount; to the satisfaction of the learned Special Judge/Trial Court.

II. The Applicant shall appear before the Court as and when the matter is taken up for hearing.

III. The Applicant shall provide mobile number to the I.O. concerned which shall be kept in working condition at all times and he shall not change the mobile number, without prior intimate to the Investigating Officer concerned.

IV. The Applicant shall not change his residential address and in case of change of the residential address, the same shall be intimated to this Court, by way of affidavit.



V. The Applicant shall not indulge in any criminal activity and shall not communicate with or come in contact with the witnesses.

VI. The Applicant shall not leave the country, without submitting the intimation along with a detailed itinerary at least 07 days prior, to the trial Court.

VII. The Applicant shall not make any attempt to tamper with the evidence or influence the witnesses;

89. Needless to say, the observations made herein are not an expression on the merits of the case.

90. The copy of this Order be communicated to the concerned Jail Superintendent as well as to the learned Trial Court.

91. The above Bail Application is accordingly disposed of along with the pending Application(s), if any.

(NEENA BANSAL KRISHNA)
JUDGE

DECEMBER 24, 2025

va/N