IN THE HIGH COURT OF JUDICATURE AT PATNA
CRIMINAL MISCELLANEOUS No.54140 of 2025

Arising Out of PS. Case No.-8 Year-2023 Thana- E.C.I.R (GOVERNMENT OFFICIAL) District- Patna

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Bidyanand Singh S/o Late Jagdeo Prasad Singh R/o Mohalla, House No.11, Adarsh Vihar Colony Road No.1, Ram Krishna Nagar, New Jaganpura, P.S.- Ram Krishna Nagar, Distt.- Patna

... ... Petitioner/s

Versus

The Union of India through The Assistant Director, Directorate of Enforcement, Patna Zonal Office, Bihar

... ... Opposite Party/s

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Appearance :

For the Petitioner/s	:	Mr. N.K. Agrawal, Sr. Advocate
		Mr. Kaushal Kishor, Advocate
		Ms. Jyoti Kumari, Advocate
		Mr. Kumar Rajdeep, Advocate
		Mr. Saroj Kumar Choudhary, Advocate
For the E.D.	:	Mr. Tuhin Shankar, Advocate

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CORAM: HONOURABLE MR. JUSTICE ASHOK KUMAR PANDEY

CAV ORDER

7 29-01-2026 Heard learned counsel for the petitioner and the learned counsel for the Directorate of Enforcement.

2. The petitioner has prayed for bail in connection with Special Trial (PMLA) Case No. 04 of 2025 arising out of ECIR No- PTZO/08/2023 registered for the offence punishable under Sections 3 and 4 of the Prevention of Money Laundering Act, 2002.

3. The prosecution case in brief is that E.D. Investigation under PMLA has been initiated by recording a ECIR/PTZO/08/2023 dated 23.01.2023. Two FIRs (RC0232020A0002 dated 30.01.2020 & RC0232020A0003

dated 30.01.2020) have been lodged by CBI, ACB, Patna regarding mass scale irregularity/criminality in the death claim cases filed, processed and decided at Railway Claims Tribunal, Patna (RCT) against unknown public servants of Railway, the petitioner and others under Section 120-B, 420 of the IPC and Section 7A of PC Act. As per the FIRs, during the period 2015 to 2017, unknown public servants of Railway conspired with claimant's advocates Kumari Rinki Sinha, the petitioner and their team. In pursuance of the said criminal conspiracy, in accidental death claim cases, only a part of the decreed amount, actually awarded to the claimants, was received by the claimants and major chunk was siphoned off by the conspiratos. Altogether 2436 decree cases out of 2636 cases, were disposed during the tenure of single member bench of Shri. R.K.Mittal, Hon'ble member judicial, RCT, Patna In 18 months with average of 135 decree approx per month, whereas prior to that this average was around 56 between April, 2014 to September 2015. In these orders issued by Shri R.K. Mittal it was directed that the applicant would sumbit details of bank account duly verified by the conducting lawyer. Accordingly, in pursuance of the said criminal conspiracy said advocates and their team advocates opened new bank accounts for payment of compensation. Bank accounts of these claimants were either opened in PNB, Hilsa Branch; PNB, Mali Branch; PNB, Phulwarisharif Branch; Allahabad Bank, Patrakar Nagar Branch and Madhya Bihar Gramin Bank, Lalganj Nalanda Branch where the branch Managers were known to the petitioner and their team advocates. The account opening forms withdrawal slips, KYC documents etc. were got signed by the applicants as per the instructions from conducting advocates. These documents were opened in absence of the account holders.

4. As per the mandate, the decretal amount was credited in respective bank accounts of the claimants. In most of the cases, the claimants were aware of the new bank accounts in which the decretal amount was credited. After credit of the decreed amount, a major part of the compensation was transferred to the bank account of advocates or their close relatives. On later date, a part of the compensation was given by the advocates to the claimants as per their sweet will and convenience.

5. During the course of investigation under PMLA, 2002, information regarding the decrees and execution orders issued by Shri R.K. Mittal, the then Member (Judicial), RCT, Patna was called from General Manager (Vigilance.), East

Central Railway. The information of total 2030 claims of decrees/execution orders were issued by Shri R.K. Mittal from 2015 to 2017, was received from General Manager (vig.) vide letter no. ECR/Vig./V-1/RCT/Claim/Misc/214 dated 18.09.2024. From the analysis of this information, it is revealed that out of these 2030 claims of decrees/execution orders were issued by Shri R.K. Mittal, approximately 960 claims have been dealt by the above mentioned advocates Bidyanand Singh, Kumari Rinki Sinha, Rajeev Kumar, Bharat Kumar Gupta, and Parmanand Sinha wherein approximately Rs. 50 crore compensation was awarded to the claimants and later substantial part of the same has been fraudulently siphoned off by above- mentioned advocates transferring the same to their family member's bank account or withdrawing in cash without the knowledge of the claimants.

6. Learned counsel for the petitioner has submitted that the petitioner is a bona fide lawyer and doing various types of cases at R.C.T. Patna and other Courts including the Patna High Court. The petitioner has committed no offence as alleged in the complaint and has been falsely implicated in this case without any basis. The petitioner never used to talk directly with the client rather it was petitioner's junior and clerk who used to

conduct client dealing in which petitioner has no role, despite that, the petitioner has been made accused in the case. Initially, the CBI conducted investigation from the angle of corruption and an inquiry was also held against Shri R.K. Mittal, Member (Judicial), RCT, Patna in which the petitioner was called as witness to depose in the said inquiry. The petitioner has only charged a fee to any claimant for handling his case. No other amount has been received by the petitioner from them. The bank account was opened as per the convenience and consent of the claimant. There was no response of any kind from the petitioner. No fake document of any kind was used by the petitioner in opening the bank account. All the documents were of the client and the client himself was present.

7. It has further been submitted that no written complaint or objection of any kind has been made anywhere against the petitioner. All the money that has been received by the petitioner is private money and part of the fee, as agreed by the claimants prior to filling of the claims. In fact, the petitioner has filed audited income tax returns and fully disclosed his income to the tax authorities. No illegal transaction has taken place at all and no case of cheating is made out against the petitioner. The CBI has itself admitted that the amounts received

by the petitioner is professional fee but they have on their own accord chosen to consider only a part of it as a genuine receipt and the remaining amount has been considered to be arising out of cheating. Thus, the money cannot be considered to be proceeds of crime. On these grounds, prays to grant bail.

8. As against this, the learned counsel for the Directorate of Enforcement, Mr. Tuhin Shankar has vehemently opposed the prayer for bail of the petitioner and submitted that based on the material and information available with Directorate searches were carried out under Section 17 of PMLA, 2002 on 22.01.2025 at the premises of Bidyanand Singh (the petitioner) at Patna, Bihar. During the course of search, blank signed pages, passport photographs, passbooks of various persons were recovered from his premises. This proves the *modus operandi* used by these advocates to siphon off the compensation amount by using signatures and banking documents/instruments of the claimants. During search, his statement was recorded under Section 17 of the PMLA wherein he could not explain the reason why the claimant bank account was opened and operated by him or his team members. He gave evasive answers to the questions asked regarding these claim cases.

9. During the course of investigation, out of these

approximately 960 claims, Bank account statements of 924 bank accounts of claimants were obtained from the concerned banks. From the analysis of these bank accounts, it is revealed that in most of the cases, the amount credited as a compensation from the Railway was transferred to Bank Accounts of the petitioner and Associates, Parmanand Sinha, Archana Sinha, Vijay Kumar and other related persons. In some other cases, the compensation amount has been withdrawn in cash. During the course of investigation, statement of 45 Claimants have been recorded under Section 50 of PMLA, 2002. Claimants have stated in their statement that after the death of their family members in railway accident, Bidyanand Singh, Vijay Kumar or Parmand Sinha approached them for filing their claim in the Railway Claims Tribunal. These advocates and their staffs asked them to visit the office, were made to put their signatures on the number of papers including banking instruments and blank papers. Claimants were never informed about the exact amount of claim that they would be getting. These advocates and their staff opened bank accounts in the name of these Claimants without their knowledge. Claimants were unaware of these Bank Accounts. Claimants stated that the documents on which Bidyanand Singh and his staff had initially taken their signature at his office must have been used to open these bank accounts without their knowledge. They also stated that they were unaware of the claim amount credited in their bank accounts. Some of them received meagre money from these advocates as compensation amount. Some of them received this meagre amount only after the initiation of investigation by CBI regarding this fraud.

10. Further, during the course of investigation, bank accounts of Bidyanad Singh (the petitioner) were analysed and the relevant transactions were confronted by him during his statement dated 03.02.2025 and 04.02.2025 recorded under Section 50 of the PMLA. He stated that the amount directly transferred to his account from claimant's account, is his fees. He also stated that the amount deposited in cash in his bank account is fees amount deposited in his account as fees from the claimants. During the course of investigation, bank accounts of Bidyanand Singh and Associates were analysed and the relevant transactions were confronted by Bidyanand Singh during his statement dated 04.02.2025 recorded under Section 50 of the PMLA. He stated that the amount directly transferred to his account from claimant's accounts, is his fees. From the analysis of these bank accounts, it is clear that huge amount of

compensation is transferred fraudulently in the bank accounts of advocates and their relatives from the bank accounts of claimants without their knowledge in the name of fees. It is also clear that the amount which has been withdrawal fraudulently in cash from the bank account of the claimants was later deposited in the bank accounts of advocates and their relatives in the name of fees. It is clear that the amount which has been withdrawn fraudulently in cash from the bank account of claimants was later deposited in the bank accounts of advocates and their relatives in the name of fees.

11. From the bank analysis of the said accounts, it is also revealed that the petitioner transferred huge amounts to his team members Parmanand Singh, Archana Singh, Vijay Kumar and Nirmala Kumari and huge amount was credited back to the account of the petitioner. These amounts are nothing but the settlements between them carried out to adjust their share of siphoned off amounts from claimants account. Statements of Parmanand Sinha were recorded under Section 50 of the PMLA Act, 2002, wherein he stated that all financial decisions, including transfers, were made under the direction of Bidyanand Singh. He confirmed multiple bank transactions between his accounts and those of claimants. He refuted Bidyanand Singh's

statement, which claimed that Parmanand Sinha and Vijay Kumar handled all financial transactions. He stated that he was merely an employee and did not make independent financial decisions. He confirmed that claimant accounts were used without their knowledge in spite of that instruction came from Bidyanand Singh.

12. Likewise, the statement of Vijay Kumar was recorded under Section 50 of the PMLA Act who has also stated that claimants were unaware of the exact compensation amount or the fees retained by Bidyanand Singh. He confirmed that some amounts were withdrawn in cash and handed over to Bidyanand Singh's office for disbursement to claimants.

13. Sudhir Kumar, former Branch Manager of Canara Bank, Mithapur, has also given his statement recorded under Section 50 of PMLA and has stated that the petitioner, a lawyer handling railway claims, opened around 30-40 bank accounts for claims with himself or Vijay Kumar as the introducer. Most claimants never visited the bank, and withdrawals were made without their knowledge using pre-signed cheques or withdrawal forms. Bidyanand Singh and his associates frequently visited the bank and facilitated transactions.

14. During the course of search, action conducted by

Directorate on 22.01.2025 at the premises of Vijay Kumar, files containing documents related to Railway Claims Tribunal claims were seized under the provisions of PMLA, 2002. In the said file, handwritten account of money received by one claimant Sundari Devi is written wherein it is mentioned that Sundari Devi and her sons received Rs. 4,70,300/- as compensation amount from railways. Out of this, Rs. 2,30,000/- was given to client (Sundari Devi) and remaining Rs. 2,35,300/- (excluding Rs. 5,000/-) was distributed between Bidyanand Singh and Vijay Kumar in the proportion of 65-35. A cheque of Rs. 2,00,000/- in the name of Sundari Devi from the bank account of Rinki Sinha is also found in the file. Vijay Kumar in his statement recorded under Section 50 of the PMLA, 2002 stated that the claimants had received a total of Rs. 4,70,300/- as compensation from RCT, out of which, as per the instructions of Bidyanand Singh (the petitioner), Rs. 2,30,000/- was given to the claimants. From this amount, Rs. 2,00,000/- was transferred to Sundari Devi's Punjab National Bank account through Cheque from Kumari Rinki Sinha's Punjab National Bank account and Rs. 30,000/- was given in cash. Out of the remaining Rs. 2,40,300/-, after deducting Rs. 5,000/- from a previous account, Rs. 2,35,000/- remained. 35% of this amount i.e., Rs. 82,355/- was given to Vijay Kumar by Bidyanand Singh and remaining amount was kept by Bidyanand Singh. During the search conducted at the residential premises of Vijay Kumar, a blue color diary was seized. In this diary, it was found that the amount siphoned off from the bank accounts of claimants was distributed between Vijay Kumar and Bidyanand Singh in the proportion of 35% and 65% respectively. Therefore, Bidyanand Singh along with Parmanand Singh received 65% of the amount siphoned off from the claimants which amounts to Rs. 6.67 Crore which is nothing but the part of proceeds of crime. As such, it has been submitted that Bidyanand Singh was involved in defrauding the claimants and the government. He generated proceeds of crime and was involved in layering and laundering of the same. Thus, he is found to be directly involved in concealing the proceeds of crime generated from the activities related with the scheduled offence, hence, he is guilty of money laundering.

15. Learned counsel for the ED has placed reliance on the judgments passed in the case of **Tarun Kumar vs. Assistant Directorate of Enforcement** and the judgments passed by the learned coordinate Bench of this court in **Cr. Misc. Nos. 47285 of 2025 and 63110 of 2025 respectively.**

16. Before considering the merit of the allegations made against the petitioner, I would like to refer Section 3 of the PMLA.

17. Section 3 of the PMLA which pertains to the offence of money laundering reads as under:-

> ***"3. <u>Offence of money-laundering</u>.*** *- Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming it as untainted property shall be guilty of offence of money-laundering.*
>
> *Explanation. -For the removal of doubts, it is hereby clarified that,*
>
> *(i) a person shall be guilty of offence of money-laundering if such person is found to have directly or indirectly attempted to indulge or knowingly assisted or knowingly is a party or is actually involved in one or more of the following processes or activities connected with proceeds of crime, namely: -*
>
> *(a) concealment; or*
>
> *(b) possession; or*
>
> *(c) acquisition; or*
>
> *(d) use; or*
>
> *(e) projecting as untainted property; or*

(f) claiming as untainted property, in any manner whatsoever;

(ii) the process or activity connected with proceeds of crime is a continuing activity and continues till such time a person is directly or indirectly enjoying the proceeds of crime by its concealment or possession or acquisition or use or projecting it as untainted property or claiming it as untainted property in any manner whatsoever."

18. Section 45 of the said Act being relevant for the purposes of disposing of this bail application is reproduced hereunder for ready reference:-

"45. Offences to be cognizable and non-bailable.- *(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), no person accused of an offence [under this Act] shall be released on bail or on his own bond unless*

(i) the Public Prosecutor has been given an opportunity to oppose the application for such release; and

(ii) where the Public Prosecutor opposes the application, the court is satisfied that there are reasonable grounds for believing that he is not guilty of such offence and that he is not likely to commit any offence while on bail:

Provided that a person, who, is under

the age of sixteen years, or is a woman or is sick or infirm, or is accused either on his own or along with other co-accused of money-laundering a sum of less than one crore rupees may be released on bail, if the Special Court so directs:

Provided further that the Special Court shall not take cognizance of any offence punishable undersection 4 except upon a complaint in writing made by-

(i) the Director; or

(ii) any officer of the Central Government or a State Government authorised in writing in this behalf by the Central Government by a general or special order made in this behalf by that Government.

(1A) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), or any other provision of this Act, no police officer shall investigate into an offence under this Act unless specifically authorised, by the Central Government by a general or special order, and, subject to such conditions as may be prescribed.

(2) The limitation on granting of bail specified in sub-section (1) is in addition to the limitations under the Code of Criminal Procedure, 1973 (2 of 1974) or any other law for the time being in force on granting of bail.

Explanation. -For the removal of

doubts, it is clarified that the expression "Offences to be cognizable and non-bailable" shall mean and shall be deemed to have always meant that all offences under this Act shall be cognizable offences and non-bailable offences notwithstanding anything to the contrary contained in the Code of Criminal Procedure, 1973 (2 of 1974), and accordingly the officers authorised under this Act are empowered to arrest an accused without warrant, subject to the fulfillment of conditions under section 19 and subject to the conditions enshrined under this section."

19. In the case of **Vijay Madan Lal Choudhary & Others vs. Union of India** reported in **2022 SCC Online SC Page 929.** A three judge bench of the Apex Court has considered a provisions of PMLA in detail.

20. After considering the submissions of the learned counsel for the parties, with regard to the interpretation of Section 3 of the said Act, it was held therein as under:-

"269. *From the bare language of Section 3 of the 2002 Act, it is amply clear that the offence of money-laundering is an independent offence regarding the process or activity connected with the proceeds of crime which had been derived or obtained as a result of criminal activity relating to or in relation to a scheduled offence.*

The process or activity can be in any form be it one of concealment, possession, acquisition, use of proceeds of crime as much as projecting it as untainted property or claiming it to be so. Thus, involvement in any one of such process or activity connected with the proceeds of crime would constitute offence of money-laundering. <u>This offence otherwise has nothing to do with the criminal activity relating to a scheduled offence except the proceeds of crime derived or obtained as a result of that crime.</u>

***270**. Needless to mention that such process or activity can be indulged in only after the property is derived or obtained as a result of criminal activity (a scheduled offence). It would be an offence of money-laundering to indulge in or to assist or being party to the process or activity connected with the proceeds of crime; and such process or activity in a given fact situation may be a continuing offence, irrespective of the date and time of commission of the scheduled offence. In other words, the criminal activity may have been committed before the same had been notified as scheduled offence for the purpose of the 2002 Act, but if a person has indulged in or continues to indulge directly or indirectly in dealing with proceeds of crime, derived or obtained from such criminal activity even after it* *has been notified as scheduled offence, may be liable to be prosecuted for offence of money-laundering under the 2002 Act-for continuing to possess or conceal the proceeds of crime (fully or in part) or retaining possession thereof or uses it in trenches until fully exhausted. The offence of money-laundering is not dependent on or linked to the date on which the scheduled offence or if we may say so the predicate offence has been committed. The relevant date is the date on which the person indulges in the process or activity connected with such proceeds of crime. These ingredients are intrinsic in the original provision (Section 3, as amended until 2013 and were in force till 31.7.2019); and the same has been merely explained and clarified by way of Explanation vide Finance (No. 2) Act, 2019. Thus understood, inclusion of Clause (ii) in Explanation inserted in 2019 is of no consequence as it does not alter or enlarge the scope of Section 3 at all."*

21. Now coming back to the facts of this case. In this case, there is allegation and material against the petitioner that he has siphoned off Rs. 6.67 crore being the decretal amount of the claimants by defrauding them. Considering the above facts and circumstances of the case and *prima facie* reading of the material placed on record and considering the parameters of

Section 46 of PMLA as well as gravity of the offence, it appears that the petitioner is involved in the alleged concealment possession and using the properties acquired out of proceeds of crime and projected the same as untainted, as such, this Court is not inclined to grant bail to the petitioner, **accordingly the prayer for bail of the petitioner is hereby rejected.**

22. The learned trial court is directed to expedite the trial and conclude the same as soon as possible.

23. If the trial is not concluded within a period of six months from the date of receipt/production of the order, the petitioner will be at liberty to renew his prayer for bail in the court below itself.

24. However, the above observations are only tentative and only for the purpose of disposal of the bail application.

(Ashok Kumar Pandey, J)

Sudhanshu/-

AFR/NAFR	NAFR
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