IN THE HIGH COURT OF JHARKHAND AT RANCHI
B.A. No.5375 of 2026

Amit Agarwal @ Vicky Bhalotia, S/o R.L. Agarwal, aged about 40 years, R/o Ram Tekri Road, PO & PS Jugsalai, Ward No.11, Jamshedpur, District East Singhbhum, Jharkhand .... **Petitioner**

Versus

Directorate of Enforcement, through its Assistant Director, Having it Zonal office, Plot No.1502/B, Airport Road, PO & PS Airport Road, District-Ranchi, Pin-834002, Jharkhand

... ... **Opp. Party**

CORAM: HON'BLE MR. JUSTICE SUJIT NARAYAN PRASAD

For the Petitioner : Mr. Ajit Kumar, Sr. Advocate
Ms. Aprajita Bhardawaj, Advocate

For Opp. Party-E.D. : Mr. Amit Kumar Das, Sr. Advocate
: Mr. Saurav Kumar, Advocate
Ms. Megha Singh, Advocate

C.A.V. on 22.07.2026 ***Pronounced on 12/08/2026***

Prayer

1. The instant application has been filed under Sections 483 and 484 of the B.N.S.S., 2023 praying for grant of regular bail in connection with ECIR Case No.05 of 2025, arising out of ECIR/RNZO/18/2024 dated 23.09.2024 alleging commission of offence of money laundering and now pending in the Court of learned Special Judge, CBI-cum-Special Judge under PMLA, Ranchi.

Prosecution case/Facts

2. The brief facts of the case, are that the Directorate General of GST Intelligence (in short DGGI), Jamshedpur filed three complaint cases i.e. Complaint Case No. 678/2024 dt. 29.04.2024 against Shiva Kumar Deora, Complaint Case No. 1280/2024 dt. 04.06.2024 against Sumit Gupta and Complaint Case No. 1281/2024 dt. 04.06.2024 against Amit Gupta u/s 132 of the GST Act r/w section 20 of the Integrated GST Act, 2017 r/w section 34, 120A, 193, 195A, 201, 203, 204, 406, 409, 420, 465, 467, 468, 471 of IPC in the court of Economic Office, Jamshedpur. Since u/s 420, 467 and 471 of the IPC, above stated complaints filed by the DGGI, Jamshedpur are scheduled offence and as per paragraph 1 Part A of the schedule provided under PMLA 2002, the ECIR No. RNZO/18/2004 was recorded on 23.09.2024 for conducting an investigation under PMLA, 2002.

3. As per aforesaid three complaint cases, it is revealed that a syndicate is operational in Jharkhand, West Bengal, Delhi and other States of the Country, Syndicate is indulged in creation, operation and management of fake companies / firms for passing on ineligible ITC (Input Tax Credit) by issuing fake GST bills, without actually delivering the related goods and services and the persons namely Shiva Kumar Deora, Sumit Kumar Gupta and Amit Kumar Gupta are a part of the said syndicate who are knowingly a party with each other and or directly involved in illegal activities of creation of fake companies / firms in the name of various dummy directors/ proprietors in order to avail and pass on ITC to several end beneficiaries in lieu of money, which are proceeds of crime. Further, it has been stated in the complaints that several bogus GST invoices have been generated in Delhi and have traveled to Jharkhand via West Bengal in three to four layers.

4. A portion of these bogus ITCs have also been transferred to other states such a Tamil Nadu, Telangana, Andhra Pradesh, Maharashtra and Odisha and bogus ITC claims have also been taken on the basis of the said fake invoices.

5. As per aforesaid complaint cases Shiva Kumar Deora is the mastermind behind the said fraud committed of availing ITC on the strength of bogus invoices, by way of creation of multiple companies/firms in the name of innocent persons. They hired innocent and needy persons in the name of job at the numeration of Rs. 10,000/- to 15,000/- per month and they were not required attend the office daily. They were asked to provide OTP and PIN, whenever required by them. Subsequently, fake firms and companies were floated in the name of those innocent needy persons after using their identity, documents, without their knowledge or consent.

6. Further, it is also revealed that Sumit Kumar Gupta, the accomplice of Shiva Kumar Deora worked as an office staff member on his instructions for creating DSCs, rent agreements for various firms and companies for which, he was initially paid a monthly salary of Rs. 30,000/-. Shiva Kumar Deora and his accomplices namely Amit Kumar Gupta and Sumit Kumar Gupta are beneficial owners of total 135 shell companies/firms which are floated in names of various dummy directors and by these firms they availing fake ITC to the tune of Rs. 750 crores (Approx) and passed them to several end beneficiaries thereby causing significant loss to the government exchequer.

7. From the analysis of aforesaid complaints as filed by DGGI, Jamshedpur, it is revealed that an FIR was registered against Tutui Debnath, Sumi Shaw and Amit Agarwal @ Vicky Bhalotia (applicant/petitioner herein).

8. It has further been alleged that Amit Agarwal @ Vicky Bhalotia is also one of the accomplices of main mastermind Shiva Kumar Deora who also works on similar modus in availing fake ITC on strength of bogus invoices.

9. In this regard FIR NO. 98/2022 u/s 420, 406, 120B of the IPC registered at Bowbazar Police Station, Kolkata against Amit Agarwal @ Vicky Bhalotia in relation to the matter pertaining to availing fake ITC to the tune of Rs. 5,05,91,296/-.

10. It is alleged that Amit Agarwal is one of the directors of Greentech Steel Private Limited which are indulged in claiming ineligible ITC on strength of bogus invoices without actually delivering the goods and services. Shiva Kumar Deora and Amit Agarwal @ Vicky Bhalotia are also common directors / proprietors of various firms. From the scrutiny of the bank accounts maintained in the name of TE Udhyog Private Ltd., it is revealed that Rs. 76,98,500/- have been debited to Amit Gupta on various occasions. It is further revealed that Amit Gupta is one of the former directors in the said company namely TE Udhyog Pvt. Ltd. Further, several transactions have been identified between the entities beneficially owned by Shiva Kumar Deora and Amit Gupta with the said Amit Agarwal @ Vicky Bhalotia through his ICICI Bank Account.

11. It has further been stated that there is a nexus between Shiva Kumar Deora and Amit Gupta with Amit Agarwal alias Vicky Bhalotia in illegal claiming of fake ITCs through fake firms/companies. Form scrutiny of the HDFC Bank Account no. 50100055793602 maintained in the name of petitioner Amit Agarwal @ Vicky Bhalotia, it is revealed that a huge amount of Rs. 16,64,74,760/- has been credited during the period from 28.10.2016 to 02.02.2025, out of which Rs. 3,41,60,151/- have been credited from the bank account of Greentech Steel Enterprises during the period 01.10.2020 to 17.12.2024 and Rs. 4,49,54,750/- have been debited from the said

Greentech Steel Enterprises during the period from 03.04.2021 to 16.11.2024. Further, Rs. 3,24,92,300/- and Rs. 2,54,00,000/- have been credited and debited from Greentech Minerals Pvt. Ltd during the period from 28.10.2021 to 21.01.2025 and 06.10.2020 to 15.03.2024 respectively. Rs. 98,10,900/- and Rs. 85,00,000/- have been credited and debited from Bizzare Commercial Pvt. Ltd during the period from 26.11.2021 to 08.05.2023 and 08.10.2021 to 12.01.2022, respectively. Further, the above stated entities have been prosecuted in the above stated complaints filed by the DGGI.

12. Thus, it has been stated that while the above stated entities are not in business, the bank accounts of the said entities have been used by Amit Agarwal @ Vicky Bhalotia for layering and deriving the proceeds of crime generated out of illegal activities of fraudulently claiming ITC on the strength of bogus invoices. Thus, it is stated that the said Amit Agarwal @ Vicky Bhalotia is knowingly indulged in processes and activities of money laundering and has caused a loss of Rs. 15.95 crores to the government exchequer through the aforementioned illegal activities.

13. On 08.05.2025, a search was conducted at the premises of the petitioner, under Section 17 of the PMLA, 2002 and cash amounting to Rs.3,48, 500/- was seized, and three electronic devices, including two mobile phones and one laptop, were also seized.

14. The petitioner was summoned at the premises under Section 50 of the PMLA, 2002 and thereafter, his statement was recorded and subsequently arrested on conclusion of search.

15. The petitioner was arrested on 08.05.2025 by the ED and was provided arrest order, grounds of arrest and "reasons to believe". The petitioner was produced before the learned Special Court (PMLA), Ranchi on 08.05.2025 and was remanded to the judicial custody.

16. Thereafter, the present petitioner preferred Misc. Cri. Application No. 1005 of 2025 for grant of bail which was rejected, vide order dated 19.06.2025 by the learned Spl. Judge, PML Act, Ranchi.

17. Consequent to aforesaid the petitioner had preferred a regular bail application before this Court by way of B.A. No. 6030 of 2025, which came to be dismissed vide Order dated 08.10.2025.

18. Thereafter, a Special Leave Petition, being SLP (Crl.) No. 16591 of 2025, was preferred before the Hon'ble Supreme Court assailing the aforesaid order of this Court. The Hon'ble Apex Court, by order dated 05.01.2026, directed the respondent–Enforcement Directorate to complete the further investigation within a period of four months from the date of receipt of a copy of the said order. It was further clarified that any breach of the time limit so prescribed shall not operate to dis-entitle the respondent from filing a supplementary prosecution complaint at a belated stage. In such eventuality, liberty was expressly reserved to the petitioner to move a fresh application for bail, which the learned Trial Court shall consider and decide uninfluenced by the earlier orders passed, and strictly on its own merits.

19. Thereafter, the present petitioner has again preferred an application for bail being MCA No. 988 of 2026 before the Spl. Judge PMLA Ranchi but the same was also dismissed vide order dated 25.05.2026.

20. Hence the present petition has been preferred for the grant of bail.

<u>Argument advanced by the learned Sr. Counsel for the petitioner</u>

21. Learned Sr. Counsel appearing for the petitioner has taken the following grounds in assailing the order impugned that: -

(i) Even if the entire ECIR will be taken into consideration, no offence will be said to be committed so as to attract the ingredients of Sections 3 & 4 of the P.M.L. Act, 2002.

(ii) It has been contended that earlier the bail application being B.A. No.6030 of 2025 and W.P.(Cr.) No.652 of 2025 were disposed of by this Court vide order dated 08.10.2025 and 10.12.2025 respectively on merit.

(iii) The petitioner is innocent and has committed no offence and has falsely been implicated in the present case.

(iv) It has been submitted that, as on date, only the charge has been framed against the petitioner, and the prosecution is to examine as many as twenty-nine witnesses. This circumstance is likely to occasion further delay in the conclusion of the trial. It is, therefore, urged that the present applicant, who has been languishing in judicial custody since 08.05.2025, deserves to be enlarged on bail.

(v) It has also been contended that the co-accused, namely, Mohit Deora, has already been granted bail by the Hon'ble Apex Court vide order dated 17th July, 2026 passed in SLP (Crl.) No.2872 of 2026. Earlier, the bail application of the co-accused, Mohit Deora, has also been dismissed by this Court, vide order dated 12.11.2025 passed in B.A. No.8051 of 2025.

(vi) It has also been submitted that in the instant case, the trial would take substantial amount of time to concluded and as such, the incarceration of the present petitioner may not be required.

(vii) Thus, in sum and substance, the learned Senior Counsel has emphatically contended that the petitioner's case rests primarily on the ground of parity, coupled with the probable delay in the conclusion of the trial and the prolonged incarceration already suffered, extending to a period of fourteen months. It has further been urged that the petitioner has not been named in the predicate offence, which circumstance, according to the learned counsel, fortifies the claim for bail.

(viii) In order to buttress the argument, the learned Senior counsel for the petitioner has relied upon the judgment rendered by the Hon'ble Apex Court in the case of ***Arvind Dham Vs. Directorate of Enforcement 2026 SCC OnLine SC 30*** and ***Partha Chatterjee Vs. Directorate of Enforcement 2024 SCC OnLine SC 3729.***

22. Learned senior counsel for the petitioner, based upon the aforesaid grounds, has submitted that it is a fit case where the petitioner is to be given the privilege of bail.

Argument advanced by the learned counsel for the Opp. Party/Directorate of Enforcement:

23. *Per contra*, Mr. Amit Kumar Das, learned senior counsel for the Directorate of Enforcement, has vehemently opposed the prayer for bail by taking the following grounds:

(i) It has been contended that the present bail application is devoid of merit and is liable to be rejected at the threshold.

(ii) This is the 2nd bail application of the present petitioner before this Court. The petitioner's first bail application being B.A. No.6030 of 2025 was considered and rejected by this Court by passing a reasoned order dated 08.10.2025 on merit after due consideration of entire aspects.

(iii) It has been contended that no fresh ground, material change in circumstance or supervening event has been made out that would warrant a departure from the concurrent findings already rendered against the petitioner.

(iv) The present petitioner is a key local operative and beneficiary of the syndicate who controlled at least nine shell entities and independently linked to the generation and availment of fraudulent ITC of approximately Rs.48.19 Crores, constituting proceeds of crime within the meaning of Section 2(1)(u) of the PMLA, 2002.

(v) It has also been contended that in the present matter, charge has already been framed on 07.07.2026 and 29 witnesses are to be examined, in which, one witness has partly been examined.

(vi) It has been submitted that the petitioner is a flight risk and a habitual offender. He is involved in multiple other proceedings arising out of identical ITC fraud.

(vii) The Shell entities pose a continuing threat to the financial system and a real risk of his re-engaging in similar activity and tampering with evidence and witnesses, many of whom are economically vulnerable dummy directors susceptible to inducement.

(viii) The petitioner is in judicial custody since 08.05.2025, however, the said custody is lawful and necessitated by the gravity of offence and the period of incarceration is not the ground for bail in view of the statutory bar under Section 45 of the PMLA.

(ix) It is incorrect on the part of the learned senior counsel for the petitioner to say that the petitioner is innocent and has falsely been implicated in the present case.

(x) It has been submitted that the material collected during investigation established a strong prima-facie case of the petitioner's active and central role in the laundering of the proceeds of crime.

(xi) The learned senior counsel has submitted that this Hon'ble Court while earlier rejecting the prayer for bail of the petitioner has considered all the aforesaid grounds in detail and even the plea of petitioner has not been allowed by the Hon'ble Apex Court and since no new ground/fresh ground is available, therefore the present application is not fit to be allowed.

(xii) So far as the period of custody as agitated by learned senior counsel for the petitioner is concerned, it has been submitted that as per settled proposition of law which has been settled by the Hon'ble Apex Court that the long incarceration (herein about 14 month) or delay in trial alone cannot be ground to release the petitioner on bail, rather in case of scheduled offences/special offences the seriousness of the matter should have been taken in to consideration by the Court concerned while enlarging the petitioner on bail.

(xiii) It has further been contended that the non-inclusion of the petitioner's name in the said predicate offence in any way absolves him under the stringent framework of the Prevention of Money Laundering Act, 2002 (PMLA).

(xiv) It has been submitted that the offence of money laundering under Section 3 of the PMLA is an independent offence and it is not necessary for a person to be shown as an accused in the scheduled offence for him to be prosecuted under the PMLA, provided there exist proceeds of crime derived from a scheduled offence and the person has indulged in or facilitated any process or activity connected with such proceeds of crime. Reliance in this regard be placed upon the judgment rendered by the Hon'ble Apex Court in the case of ***Pavana Dibbur v. Directorate of Enforcement, 2023 SCC OnLine SC 1586,*** as well as in ***Vijay Madanlal Choudhary & Ors. v. Union of India & Ors., 2022 SCC OnLine SC 929.***

(xv) Learned counsel appearing for the ED submits that ED has taken all efforts to conclude the trial as early as possible and there is likelihood that witnesses will be examined in short span of time.

24. Learned senior counsel for the Opp. Party-ED, based upon the aforesaid grounds, has submitted that it is not a fit case for grant of regular bail in favour of the petitioner.

Analysis

25. This Court has heard learned counsel for the parties, considered the argument advanced on behalf of parties as also the judgments relied upon by the parties and other materials available on record.

26. Before embarking upon an appreciation of the submissions advanced on behalf of the respective parties, this Court deems it both fit and proper to recapitulate, at the very threshold, the factual matrix of the instant case.

27. The prosecution case, in essence, is that the Directorate General of GST Intelligence (DGGI), Jamshedpur, instituted three complaint cases, namely Complaint Case No. 678 of 2024 dated 29.04.2024 against Shiva Kumar Deora, Complaint Case No. 1280 of 2024 dated 04.06.2024 against Sumit Gupta, and Complaint Case No. 1281 of 2024 dated 04.06.2024 against Amit Gupta, under Section 132 of the GST Act read with Section 20 of the Integrated GST Act, 2017, and Sections 34, 120A, 193, 195A, 201, 203, 204, 406, 409, 420, 465, 467, 468, and 471 of the IPC, before the Court of Economic Offences, Jamshedpur. Since offences under Sections 420, 467, and 471 IPC are scheduled offences under Part A of the Schedule to the PMLA, 2002, an ECIR bearing No. RNZO/18/2004 was registered on 23.09.2024 for investigation under the PMLA, 2002.

28. The said complaints disclose that a syndicate was operating across Jharkhand, West Bengal, Delhi, and other States, engaged in the creation and management of fictitious companies/firms for passing on ineligible Input Tax Credit (ITC) by issuing fake GST invoices without actual supply of goods or services. The persons named Shiva Kumar Deora, Sumit Kumar Gupta, and Amit Kumar Gupta were knowingly complicit in floating such dummy firms and passing ITC to end beneficiaries in exchange for money, constituting proceeds of crime. Bogus invoices were generated in Delhi and routed through West Bengal to Jharkhand in multiple layers.

29. A portion of these fraudulent ITCs was further transferred to other States, including Tamil Nadu, Telangana, Andhra Pradesh, Maharashtra, and Odisha, where claims were raised on the strength of such invoices.

30. The complaints allege that Shiva Kumar Deora masterminded the fraud by creating multiple firms in the names of innocent persons, recruited under the guise of employment for nominal remuneration. Their identities and documents were misused without consent to float shell companies.

31. Sumit Kumar Gupta, acting under Deora's instructions, prepared digital signatures and rent agreements for such firms, initially drawing a salary of

₹30,000 per month. Together with Amit Kumar Gupta, they beneficially owned 135 shell companies, through which fake ITC worth approximately ₹750 crores were availed and passed on, causing grave loss to the exchequer.

32. On scrutiny of the complaints, an FIR was also registered against Tutui Debnath, Sumi Shaw, and Amit Agarwal @ Vicky Bhalotia (the present petitioner).

33. It is alleged that the petitioner, Amit Agarwal @ Vicky Bhalotia, was an accomplice of Shiva Kumar Deora, employing similar modus operandi to avail ITC on bogus invoices. FIR No. 98 of 2022 under Sections 420, 406, and 120B IPC was registered at Bowbazar Police Station, Kolkata, against him for fraudulently availing ITC of ₹5,05,91,296.

34. The petitioner is stated to be a director of Greentech Steel Pvt. Ltd., which claimed ineligible ITC without actual supply of goods/services. He and Deora were common directors/proprietors in several firms. Bank scrutiny revealed transactions between TE Udhyog Pvt. Ltd., Greentech Steel Enterprises, Greentech Minerals Pvt. Ltd., and Bizzare Commercial Pvt. Ltd., all linked to Deora and Gupta, with substantial credits and debits involving the petitioner's accounts.

35. Analysis of the petitioner's HDFC Bank Account No. 50100055793602 revealed credits of ₹16,64,74,760 between 28.10.2016 and 02.02.2025, including ₹3,41,60,151 from Greentech Steel Enterprises and other large transactions with Greentech Minerals and Bizzare Commercial Pvt. Ltd., entities already prosecuted by DGGI.

36. It is thus alleged that the petitioner knowingly engaged in layering and laundering proceeds of crime derived from fraudulent ITC claims, causing a loss of ₹15.95 crores to the exchequer.

37. On 08.05.2025, a search under Section 17 of the PMLA, 2002 was conducted at the petitioner's premises, resulting in seizure of ₹3,48,500 in cash and three electronic devices. His statement was recorded under Section 50 PMLA, and he was arrested the same day.

38. The petitioner was produced before the Special Court (PMLA), Ranchi, and remanded to judicial custody. His bail application, Misc. Cri. Application No. 1005 of 2025, was rejected on 19.06.2025.

39. A subsequent bail application, B.A. No. 6030 of 2025, was dismissed by this Court on 08.10.2025.

40. The petitioner then preferred SLP (Crl.) No. 16591 of 2025 before the Hon'ble Supreme Court, which, by order dated 05.01.2026, directed the Enforcement Directorate to complete further investigation within four months. The Court clarified that delay in filing a supplementary complaint would not bar the respondent, and liberty was reserved to the petitioner to file a fresh bail application, to be decided by the Trial Court uninfluenced by earlier orders.

41. Thereafter, the petitioner again moved for bail in MCA No. 988 of 2026 before the Special Judge, PMLA, Ranchi, which was dismissed on 25.05.2026.

42. In the aforesaid context, this Court deems it appropriate that, for a proper and comprehensive appreciation of the present application, reference be made to the relevant portions of the order dated 08.10.2025 passed in B.A. No.6030 of 2025, whereby, the bail of the present petitioner stood rejected upon due consideration on merits. The pertinent paragraphs of the said order are accordingly extracted hereinbelow:

> *"**Issue of legality of Arrest***
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> *61. Now coming to the ground as has been raised on behalf of the petitioner that at the time of arrest the condition stipulated under Section 19(1) of the PML Act, 2002 has not been followed and further, the settled position of law as settled by the Hon'ble Apex Court has also not been followed, hence, the very arrest of the petitioner is per se illegal and in that view of the matter, the order of arrest is fit to be quashed and set aside and in consequence thereof, appellant may be directed to be released from judicial custody.*
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> *87. It is, thus, evident that in all these judgments the issue at the time of arrest was the primary factor, which was questioned before the Hon'ble Apex Court and the same has been dealt with by the Hon'ble Apex Court in those judgments. 88. It is, thus, evident from the cumulative consideration of the judgment rendered by the Hon'ble*

Apex Court, as referred above, that the law under statutory provision as contained under Section 19(1) of the PML Act, 2002 is that the reason/ground is to be communicated to the person concerned then only the arrest would be said to be valid.

89. This Court is conscious that in any nature of arrest, the mandatory requirement is to be fulfilled. Herein, the mandatory requirement as per Article 19(1) of the PML Act, 2002 coupled with the judgment as referred hereinabove by laying down the ratio to communicate the "grounds for arrest" and "reason to believe" in writing and as such this Court has to consider as to whether the statutory command in the facts and circumstances of the present case has been followed or not, if yes, then the arrest cannot be held to be invalid and if no, then certainly the arrest would be held to be invalid.

90. Now, adverting to the factual aspect of the present case and on consideration of the submissions advanced on behalf of petitioner, this Court has gone through the record, particularly, Annexure-2 and 3 appended with the instant petition/application, wherefrom, it is evident that petitioner was arrested on 08.05.2025 and thereafter, he has been produced forthwith before the Court within 24 hours for remand. From Annexure-3, it appears that arrest of the petitioner was made on 08.05.2025 under Section 19 of the Act 2002 after recording detail "reasons to believe" based on material which indicates the petitioner's involvement in the alleged crime.

91. It is evident from Annexure-2 that the search conducted on 08.05.2025 under Section 17 of the PMLA at the premises of the Petitioner led to the recovery of incriminating material including unaccounted cash and digital evidence in the form of electronic devices. The search was duly recorded in a Panchnama, and the Petitioner was also summoned under Section 50 of PMLA, during which his statement was recorded.

92. It is further evident from Annexure-3 that the Petitioner was arrested on the same day after the Authorized Officer recorded detailed "Reasons to Believe" under Section 19(1) *of PMLA, based on credible material showing his active role in generating and layering proceeds of crime.*

93. So far as the contention of the petitioner that the ground of arrest and reason to believe were similar or vague, which appears to be misplaced because from perusal of Annexure-3 wherein both the documents have been annexed, wherefrom, it is evident that a clear distinction was maintained between the "Reasons to Believe" and the "grounds of arrest" and both were supplied to the petitioner satisfying the statutory mandate and the safeguards envisaged under article 22(1) of the Constitution of India. Further, at paragraph-15 of the instant petition, the petitioner himself admitted the supply of all documents like grounds of arrest and reasons to believe.

94. Further, the Petitioner was promptly produced before the Ld. Special Court, PMLA, Ranchi within 24 hours, as mandated under Section 19(3) of the Act. Subsequently, a well-reasoned remand order was passed and even custody was granted upon an application made by the Opposite Party, demonstrating full judicial application of mind and negating the plea of arbitrariness.

95. Thus, from the aforesaid, it is evident that the mandate as rendered by the Hon'ble Apex Court in the case of Arvind Kejriwal v. Directorate of Enforcement, (supra) and Pankaj Bansal v. Union of India, (supra) is fully complied with in the facts of the present case. The said decisions reinforce the requirement for proper application of mind, existence of reasons, and communication of grounds, all of which were duly complied with in the present case. Further, the Hon'ble Supreme Court in Vijay Madanlal Choudhary v. Union of India, (supra) has clearly laid down that once reasons to believe are recorded on the basis of material, the scope of judicial review at the pre-trial stage, is limited.

96. Further, the submission of the Petitioner that he was never previously summoned is factually incorrect. He was summoned under Section 50 PMLA on 08.05.2025 and his statement was recorded, which would be evident from

Annexure-2 of the petition. Further, the contention of the Petitioner that the reasons to believe and grounds of arrest are identical, is factually misconceived and legally untenable as both the "Reasons to Believe" and "Grounds of Arrest" were recorded separately, in writing, and were duly communicated to the Petitioner at the time of arrest, which would be evident from Annexure-3 of the petition.

97. It requires to refer herein that the arrest under Section 19(1) of PMLA does not require compliance with Section 41 Cr.P.C., since, later governs police arrests under the Code of Criminal Procedure. PMLA being a special law, the provisions of Section 19(1) of PMLA operate independently, with in-built safeguards including the requirement of written reasons to believe, furnishing of grounds of arrest and production before the Ld. Special Court within 24 hours.

98. Thus, on the basis of the discussion made hereinabove, this Court is of the view that contention of the petitioner that his arrest was made without any substantive material, is wholly untenable and contrary to the facts and record of the case. The procedural and substantive requirements for arrest have been fully complied with. The judicial remand granted by the Ld. Special Court further confirms the legality and necessity of the arrest.

99. Further, the arrest of the Petitioner was made by an officer duly authorised under the provisions of the PMLA and in accordance with the statutory requirements laid down under Section 19 of the said Act. As per the averment made in the counter affidavit, the officer effecting the arrest, namely, Shri Rajendra Singh, Assistant Director, is a designated and empowered officer under Section 19(1) PMLA, hence, the arrest is not vitiated on this ground.

100. It appears from the record that the Arresting Officer, in the present case, did in fact form reasons to believe in writing based on the material in his possession, and such reasons were separately recorded and communicated to the Petitioner at the time of arrest, along with a copy of the

Grounds of Arrest. This procedure fully complied with the mandate of V. Senthil Balaji (supra) wherein the Hon'ble Supreme Court reiterated that the authorised officer must assess material, form a belief and communicate the grounds of arrest which was done in the instant case.

101. Further, the Petitioner's contention that the Arresting Officer must himself have physically participated in the search proceedings or have personally gathered all material is not a legal requirement under PMLA.

102. It requires to refer herein that Section 19(1) of PMLA only mandates that the authorised officer must form a reason to believe, on the basis of material in his possession, which may include material collected by subordinate officers during search and investigation and placed before him for consideration. This does not mean the arresting officer must be physically present at every preceding investigative step. Such a literal and restrictive interpretation finds no support in law and is contrary to the operational realities of multi-agency investigations. Further, there is no requirement under Section 19(1) of PMLA or the relevant rules that the authorisation to arrest in a particular ECIR must be separately annexed or filed before the Court. The arrest cannot be declared invalid merely because the Petitioner seeks production of a document that has no bearing on the substantive legality of arrest.

103. In Vijay Madanlal Choudhary v. Union of India, (supra), the Hon'ble Supreme Court held that high-ranking officers such as Assistant Directors are empowered to arrest under Section 19(1), provided they form the required belief on the basis of material in their possession. There is no statutory requirement that such material must be collected only by them personally.

104. It is evident from record that at the time of arrest, the Petitioner/Accused was not only informed of the grounds for his arrest but was also provided with the detailed "Reasons to Believe", the "Grounds of Arrest", and the "Arrest Order" in writing which is conclusively evidenced by the Petitioner's own sign, handwritten acknowledgment *on the document itself, confirming he received the 'Reasons to Believe' and other arrest documents in writing and in original at the time of his arrest. A true copy of the "Reasons to believe" u/s 19(1) of the PMLA for arrest of present petitioner and "Grounds of Arrest" is also being annexed herewith by the respondent by filing interlocutory application. True Copies of the said 'Reasons to Believe' and 'Grounds of Arrest' are annexed herewith as Annexure R-2 and R-3 respectively, wherefrom, it is evident that the Petitioner/Accused, Amit Agarwal, had personally acknowledged the receipt of the said documents in his own handwriting on the last page of the 'Reasons to Believe document itself.*--------

105. Thus, the aforesaid acknowledgment by the Petitioner himself irrefutably established that there has been complete compliance with the settled principles of law laid down by the Hon'ble Apex Court.

106. Thus, on the basis of the discussions made hereinabove, it is the considered view of this Court that herein the arrest of the Petitioner is valid both procedurally and substantively and the officer effecting arrest was authorised, possessed material in his custody, formed a reasoned belief based on that material, recorded the same in writing, informed the Petitioner of the grounds of arrest, and forwarded all material to the Adjudicating Authority, thereby satisfying all legal requirements under the PMLA and the binding judgments of the Hon'ble Supreme Court, therefore, the contention of the learned counsel for the petitioner about legality of the arrest, is hereby negated.

***Issue of culpability of the present petitioner**:*

122. Learned counsel for the petitioner has submitted that the allegation leveled against the present petitioner cannot be said to attract the ingredient of Section 3 of PML Act, 2002.

123. While on the other hand, the learned counsel appearing for the Opp. Party-ED has submitted by referring to various paragraphs of prosecution complaint that the offence is very much available attracting the offence under provisions of PML Act, 2002.

124. This Court, in order to appreciate the rival submission, is of the view that various paragraphs of prosecution complaint upon which the reliance has been placed on behalf of both the parties, needs to be referred herein so as to come to the conclusion, "as to whether the parameter as fixed under Section 45 (i) and (ii) of the Act 2002, is being fulfilled in order to reach to the conclusion that it is a fit case where regular bail is to be granted or not".

125. For ready reference, the relevant paragraphs of the prosecution complaint are being quoted as under:------------

126. From the aforementioned paragraphs of the prosecution complaint, it is evident that the petitioner is a member of syndicate of co-accused persons namely Shive Kumar Deora, Mohit Deora, Amit Gupta etc. and he is also Director of fake shell companies an along with them deliberately generating and availing fake Input Tax Credit (ITC) by issuing bogus invoices and all of them are a party with each other in acquisition, possession, use and concealment of proceeds of crime as well as claiming the said proceeds of crime as untainted property and they have deliberately generated proceeds of crime to acquire and use it for personal gains.

127. It has come in the investigation that present petitioner is one of the directors/proprietors in various entities indulged in claiming ineligible ITC on bogus invoices without delivering goods/ services and caused a wrongful loss of Rs. 15.95 crores to the government exchequer through illegal activities and he failed to explain about the transactions which has been credited in his account in the statement as recorded u/s 50 of PMLA.

128. Further, it is evident that the allegation against the petitioner that he is part of organized syndicate operating through 135 shell companies for issuance of bogus GST invoices involving ITC exceeding Rs. 750 crores. These invoices were used to illegally avail and pass on Input Tax Credit (ITC) to various entities causing wrongful loss to the government exchequer. The proceeds of crime were layered through several accounts to project them as legitimate.

129. From investigation, it is evident that the petitioner Amit Agarwal @ Vicky Bhalotia was a key mastermind in the criminal conspiracy, operating as the head of the syndicate's fraudulent activities in Jamshedpur, Jharkhand. He was directly involved in creating and managing his own network of shell entities, generating substantial proceeds of crime, and laundering these funds in close coordination with the other masterminds.

130. It is evident from the prosecution complaint that the petitioner directly and indirectly, indulged, knowingly assisted, and was knowingly a party to and actually involved in the processes and activities connected with the proceeds of crime.

131. It has further come in the investigation that he established and controlled a network of at least nine shell companies, including M/s Greentech Steel Enterprises, M/s Aurorus Metal Private Limited, and M/s Bizzare Commercial Private Limited. He used these entities to generate bogus invoices and fraudulently availed inadmissible ITC amounting to approximately 148.19 Crores. He admitted to creating these firms and using individuals like Shri Ritesh Kumar as dummy directors on a monthly salary, while retaining complete control over the entities' finances and operations.

132. The petitioner was found in possession of substantial proceeds of crime. An analysis of his personal HDFC Bank account revealed unexplained credits of over ₹15.40 crores from various shell entities, for which he could not provide a legitimate explanation.

133. In his statement also, he had confessed to the detailed modus operandi, which involved creating bogus bills and using a network of 'Angadias (hawala operators) to return funds in cash after deducting commission. This was a deliberate mechanism to layer transactions and conceal their criminal origin. His, personal bank account was actively used as a conduit to receive and layer illicit funds from the broader syndicate, demonstrating his role in concealing the proceeds of their joint criminal enterprise.

134. The investigation revealed that the present petitioner was a significant beneficiary of the fraud. The illicit funds were used to make substantial investments in real estate and his business activities, thereby integrating the proceeds of crime into the legitimate economy and projecting them as untainted assets.

137. Thus, prima-facie on the basis of the material available in prosecution complaint the role of the present petitioner in the alleged money laundering cannot be negated.

139. In the light of the aforesaid statutory definitions, it can safely be inferred that it is enough if the prosecution establishes that there was generation of proceeds of crime and the accused was involved in any process or activity in connection with the proceeds of crime.

140. Hence, it appears that the petitioner is directly indulged and is actually involved in all the activities connected with the offence of money laundering, i.e., use or acquisition, possession, concealment, and projecting or claiming as untainted property, as defined u/s 3 of PML Act, 2002.

143. Now coming to the contentions as raised by the learned counsel for the petitioner, wherein, he has taken the ground that the petitioner is not accused in the predicate offence, hence, cannot be made liable for money laundering offence. But the contention of the learned counsel appears to be misplaced reason being that it is settled proposition of law that the offence of money Laundering is independent of the scheduled offence, particularly in matters related to the proceeds of crime.

144. It is evident that as per Section 3, there are six processes or activities identified therein. They are, (i) concealment; (ii) possession; (iii) acquisition; (iv) use; (v) projecting as untainted property; and (vi) claiming as untainted property. Even if a person does not retain the money generated as proceeds of crime but "uses" it, he will be guilty of the offence of money-laundering, since "use" is one of the six activities mentioned in Section 3.

145. Further, it needs to refer herein that the Hon'ble Supreme Court has consistently held, including in Pavana Dibbur v. Directorate of Enforcement, 2023 SCC OnLine SC 1586, as well as in Vijay Madanlal Choudhary & Ors. v. Union of India & Ors., 2022 SCC OnLine SC 929, that the offence of money laundering under Section 3 of the PMLA is an independent offence. The Hon'ble Apex Court has categorically laid down that it is not necessary for a person to be shown as an accused in the scheduled offence for him to be prosecuted under the PMLA, provided there exist proceeds of crime derived from a scheduled offence and the person has indulged in or facilitated any process or activity connected with such proceeds of crime.

146. In the aforesaid case, i.e., Pawana Dibbur (supra) it has further been observed by referring the decision rendered by the Hon'ble Apex Court in Vijay Madanlal Choudhary and Ors. Vs. Union of India and Ors. (supra) that the condition precedent for the existence of proceeds of crime is the existence of a scheduled offence. At paragraph 15 the finding has been given therein that on plain reading of Section 3 of the Act, 2002, an offence under Section 3 can be committed after a scheduled offence is committed. By giving an example, it has been clarified that if a person who is unconnected with the scheduled offence, knowingly assists the concealment of the proceeds of crime or knowingly assists the use of proceeds of crime, in that case, he can be held guilty of committing an offence under Section 3 of the PMLA. Therefore, it is not necessary that a person against whom the offence under Section 3 of the PMLA is alleged must have been shown as the accused in the scheduled offence.

147. Keeping in mind these essential elements that make up the molecular structure of Section 3, this Court adverts in to facts of the instant case as discussed in preceding paragraph is of view that the contention of the learned counsel for the petitioner has no substance.

150. The involvement of the Petitioner in directing dummy persons, creating forged documents, and misusing control over shell firms is not only substantiated but has been *corroborated by statements under Section 50 of the PMLA and materials recovered during search.*

151. Further, the grant of bail to the Petitioner in BA No. 569 of 2024 by this Court in connection with a predicate offence has no bearing on the present bail application under PMLA. It is a settled principle that the offence of money laundering is a standalone and continuing offence, as recognized in Vijay Madanlal Choudhary (supra), and grant of bail in the predicate offence does not create any presumption in favour of bail.

152. It requires to refer herein that the Petitioner was on regular bail in the predicate offence or that no complaint has been filed by the DGGI does not dilute or nullify the independent action taken under the PMLA since both are the parallel proceedings. 153. The learned counsel for the petitioner has further contended that the petitioner has been implicated in the present case on the basis of statement recorded under Section 50 of the PML Act of the co-accused, who was already in custody, hence, the statement recorded under Section 50 of the PML Act of the co-accused, who were already in custody cannot be used against the present petitioner as per the mandate of judgment rendered by the Hon'ble Apex Court in the case of Prem Prakash Vs. Union of India through the Directorate of Enforcement (supra).

154. In the aforesaid context, it needs to refer herein that there is no dispute regarding the settled proposition of law that the statements recorded which are merely confessional in nature ought to be ignored while adjudicating upon a case as confessional statement of co-accused cannot be treated as substantive evidence and such statements can only be pressed into service when the Hon'ble Courts are inclined to accept other evidences. Thus, instead of placing reliance solely upon the statements of the petitioner and the other co-accused persons recorded under Section 50 of PMLA, the opposite party ought to have collected and relied upon other evidence in order to prosecute the petitioner.

155. Herein, the argument is that the imputation of the petitioner is based upon the statement recorded under section 50 of the PML Act, 2002 of the co-accused person, namely, Shiva Kumar Deora while he was in custody but this Court after going through the prosecution report has found that other witnesses who have not been arrayed as an accused in their statements recorded under section 50 of the PML Act have made specific imputation against the petitioner.

156. Further herein, it is evident from the various paragraphs of the prosecution complaint filed which have been referred hereinabove, is supported by substantial evidence gathered during the investigation and culpability against the petitioner is not based solely upon on the statements of the petitioner and his accomplices. Furthermore, prima facie there is ample evidence establishing the petitioner's involvement in the offence of money laundering, which is further corroborated by statements of other witnesses who were not arraigned as accused in the instant case. Further, the petitioner's role has already been discussed herein in detail in the preceding paragraphs, therefore, the averments of the petitioner are unfounded and liable to be dismissed.

159. In light of the foregoing judicial pronouncements, it is evident that statements recorded under Section 50 of the PML Act, 2002 hold evidentiary value and are admissible in legal proceedings. The Hon'ble Supreme Court, while emphasizing the legal sanctity of such statements, observed that they constitute valid material upon which reliance can be placed to sustain allegations under the PML Act, 2002.

160. In the aforesaid judgment, the Hon'ble Supreme Court also reaffirmed the admissibility of Section 50 of the PML Act, 2002 distinguishing them from statements recorded under the Cr.PC. The Court underscored that such statements, being recorded during an inquiry rather than an investigation, are not subject to the restrictions under Article 20(3) and Article 21 of the Constitution. Instead, they are deemed to be judicial proceedings under Section

50(4) of the PML Act, 2002 and, therefore, admissible as evidence in proceedings under the PML Act, 2002. The Hon'ble Apex Court further clarified that the provisions of Section 50 of the PML Act, 2002 having an overriding effect by virtue of Sections 65 and 71 of the PML Act, 2002 prevail over the procedural safeguards under the CrPC.

161. In the instant case, it has been found that during the course of investigation, statement recorded of the accused persons as also the statement of various other witnesses.

162. Hence, the contention is that no independent corroborative material exists is patently false. As already elaborated in the "Brief Facts" and "Role of the Accused" and in the Prosecution Complaint, there exists documentary, financial, and digital evidence linking the Petitioner with entities that generated fake invoices, availed illegal ITC, and layered the proceeds of crime through a complex chain of shell companies and proxy accounts. The role of the Petitioner is not based merely on statements but is fortified by the recovery of incriminating digital documents during the course of searches conducted on 08.05.2025.

163. The reliance placed on Prem Prakash v. Union of India (supra) is misplaced. The observations therein pertain to co-accused statements under Section 30 of the Evidence Act and are not intended to override the admissibility of statements under Section 50 of PMLA in the unique statutory scheme of the PMLA. In fact, the Hon'ble Supreme Court has recognized the evidentiary sanctity of Section 50 in Vijay Madanlal Choudhary v. Union of India, 2022 SCC OnLine SC 929, affirming that such statements are legally distinct from statements to police under the Evidence Act.

164. Thus, the petitioner knowingly is as party and is actually involved in all the activities connected with the offence of money laundering, i.e., use or acquisition, possession, concealment, and projecting or claiming as untainted property.

176. Now in the light of aforesaid discussion at this juncture, this Court thinks it fit to revisit the scope of

Section 45 of the PML Act, 2002. As discussed in preceding paragraphs that Section 45 of the PML Act, 2002 provides twin test. First 'reason to believe' is to be there for the purpose of reaching to the conclusion that there is no prima facie case and second condition is that the accused is not likely to commit any offence while on bail.

177. Sub-section (1)(ii) of Section 45 of the PML Act, 2002, provides that if 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, meaning thereby, the parameter which is to be followed by the concerned court that satisfaction is required to be there for believing that such accused person is not guilty of such offence and is not likely to commit offence while on bail.

178. Section 45(2) of the Act 2002 provides to consider the limitation for grant of bail which is in addition to the limitation under the Code of Criminal Procedure, 1973, i.e., limitation which is to be considered while granting the benefit either in exercise of jurisdiction conferred to this Court under BNSS, 2023 is to be taken into consideration.

179. It is, thus, evident by taking into consideration the provision of Sections 19(1), 45(1) and 45(2) of PML Act, 2002 that the conditions provided therein are required to be considered while granting the benefit of regular bail in exercise of power conferred under statute apart from the twin conditions which has been provided under Section 45(1) of the Act, 2002. 180. Thus, Section 45 of the PML Act, 2002 turns the principle of bail is the rule and jail is the exception on its head. The power of the Court to grant bail is further conditioned upon the satisfaction of the twin conditions prescribed under Section 45(1) (i) and (ii) PML Act, 2002. While undertaking this exercise, the Court is required to take a prima facie view on the basis of materials collected during investigation. The expression used in Section 45 of PML Act, 2002 are "reasonable grounds for believing" which means that the Court has to find, from a prima facie view of the materials collected *during investigation that there are reasonable grounds to believe that the accused has not committed the offence and that there is no likelihood of him committing an offence while on bail.--------*

181. Further, at the stage of recording statements during enquiry, it cannot be construed as an investigation for prosecution. The process envisaged under Section 50 of PML Act, 2002 is in the nature of an inquiry against the proceeds of crime and it is not an investigation and the authorities who are recording the statements are not police officers and therefore, these statements can be relied upon as admissible piece of evidence before the Court. The summons proceedings and recording of statements under PML Act, 2002 are given the status of judicial proceedings under Section 50(4) of PML Act, 2002.

182. The statements that were recorded from the witnesses during the investigation have been dealt with in prosecution complaint and many of the statements clearly implicate the petitioner. Therefore, the statements that have been recorded from the witnesses and which has been relied upon, is also a strong material that prima facie establishes the offence of money laundering against the present petitioner.

183. Thus, on the basis of the discussion made hereinabove, the contention of the learned counsel for the petitioner that even if the entire ECIR will be taken into consideration, no offence will be said to be committed so as to attract the ingredients of Sections 3 & 4 of the PML Act, 2002, is totally misplaced in the light of accusation as mentioned in prosecution complaint.

185. So far as the issue of period of custody as agitated by learned counsel for the petitioner is concerned, it is settled proposition of law which has been settled by the Hon'ble Apex Court that the period of incarceration (herein about 05 month) or delay in trial alone cannot be ground to release the petitioner on bail, rather in case of scheduled offences/special offences the seriousness of the matter and the societal impact should be taken in to consideration *by the Court concerned while enlarging the petitioner on bail.*

186. Further, this Court is conscious with the fact that personal liberty is utmost requirement to maintain the individuality of the person concerned but at the same time it is equally settled that the balance between personal liberty and societal impact of the alleged offence should be taken care of by the Court concerned.

187. Further, the Hon'ble Apex Court while dealing with the offences under UAP Act 1967, in the case of Gurwinder Singh v. State of Punjab (supra) and taking in to consideration the ratio of judgment of Union of India vs. K.A. Najeeb, (2021) 3 SCC 713 has observed that mere delay in trial pertaining to grave offences as one involved in the instant case cannot be used as a ground to grant bail,------

188. Thus, on the basis of the aforesaid settled position of law it is evident that mere proposed delay in trial pertaining to grave offences as one involved in the instant case cannot be used as a ground to grant bail.

189. Admittedly, the petitioner has been in judicial custody since May 2025 but delay, under the aforesaid circumstances, does not entitle the petitioner to bail. The Hon'ble Supreme Court in Tarun Kumar v. Directorate of Enforcement, 2023 SCC OnLine SC 1486, has authoritatively held that while the period of custody may be a relevant factor, it cannot by itself override the gravity of the offence, the seriousness of allegations or the statutory twin conditions under Section 45 of the Act 2002.

190. Similarly, in Satyendar Kumar Jain v. Directorate of Enforcement, 2024 SCC OnLine SC 306, the Hon'ble Apex Court refused bail despite protracted proceedings, noting that the complexity inherent in economic offences often necessitates lengthy trials.

191. Thus, on the basis of the aforesaid discussions and taking into consideration the grave nature of the allegations, the sophisticated modus operandi employed to project tainted property as untainted, and the strict statutory framework governing bail under the PML Act, *2002, it is the considered view of this Court that no ground exists for the petitioner to claim the benefit of bail on merits. The gravity of the offence, and the serious allegations of facilitating the laundering of proceeds of crime continue to justify the petitioner's custody under the strict rigours of Section 45 of the Act 2002.*

193. This Court is conscious of this fact that while deciding the issue of granting bail in grave economic offences it is the utmost duty of the Court that the nature and gravity of the alleged offence should have been kept in mind because corruption poses a serious threat to our society should be dealt with by iron hand.

197. It requires to refer herein that the Hon'ble Apex Court in catena of judgments has held that the economic offences constitute a class apart and need to be visited with a different approach in the matter of bail. The economic offences having deep-rooted conspiracies and involving huge loss of public funds need to be viewed seriously and considered as grave offences affecting the economy of the country as a whole and thereby posing serious threat to the financial health of the country.

198. The Hon'ble Apex Court has further observed that with the advancement of technology and Artificial Intelligence, the economic offences like money laundering have become a real threat to the functioning of the financial system of the country and have become a great challenge for the investigating agencies to detect and comprehend the intricate nature of transactions, as also the role of the persons involved therein. Reference in this regard may be made to the judgment rendered by the Hon'ble Apex Court in the case of "Tarun Kumar vs. Assistant Director Directorate of Enforcement" (supra).

199. This Court, considering the aforesaid material available against the petitioner quoted and referred hereinabove in such a grave nature of offence and applying the principle of grant of bail wherein the principle of having prima facie case is to be followed, is of the view that it is not a fit case of grant of bail.

200. Having regard to the entirety of the facts and circumstances of the case, this Court is of the view that the petitioner has miserably failed to satisfy this Court that there are reasonable grounds for believing that he is not guilty of the alleged offences. On the contrary, there is sufficient material collected by the respondent-ED to show that he is prima facie guilty of the alleged offences.

201. For the foregoing reasons, having regard to facts and circumstances, as have been analyzed hereinabove, since the petitioner has failed to make out a special case to exercise the power to grant bail and considering the facts and parameters, necessary to be considered for adjudication of bail, this Court does not find any exceptional ground to exercise its discretionary jurisdiction to grant bail.

202. It is evident from the various paragraphs of the prosecution report dated 05.07.2025 which have been quoted and referred hereinabove that the allegations levelled against the Petitioner are of an extremely grave and serious in nature, striking at the very foundation of the country's economic and financial system. The same pertains to fraudulent transactions running into hundreds of crores of rupees, executed through a complex and deliberate layering of illicit funds, and culminating in the acquisition and projection of properties derived from such tainted sources as untainted assets. The Petitioner's activities have been found to be indispensable to the layering and integration stages of the laundering process, involving multiple shell companies and bank accounts under his de facto control.

203. It is also pertinent that delays frequently arise from procedural applications and thus, given the grave nature of the allegations, the sophisticated modus operandi employed to project tainted property as untainted, and the strict statutory framework governing bail under the PMLA, no ground exists for the petitioner to claim the benefit of bail either on merits or on account of delay. The gravity of the offence, and the serious allegations of facilitating the laundering of proceeds of crime continue to justify the *petitioner's custody under the strict rigours of Section 45 of the Act 2002.*

204. Thus, the magnitude of the fraud, its organized nature, and the systematic siphoning of funds, the present case strikes at the core of the country's economic and financial fabric. The fraudulent availment and passing of fake ITC not only caused direct financial loss to the Government but also undermined the sanctity of the GST regime, which is based on self-declaration and trust.

205. On the basis of discussions made hereinabove it is the considered view of this Court that granting bail to the Petitioner would send a wrong signal to society and embolden economic offenders, thereby, undermining public confidence in the justice delivery system. The offence in question is not a mere fiscal offence but a crime against the economic health of the nation, with a cascading effect on honest taxpayers, market integrity, and state revenue, therefore, this Court is of the view that it is not a case where the prayer for bail is to be granted.

206. In the result, the instant bail application stands dismissed."

43. It is evident from the aforesaid quoted paragraphs of the said order, that order of arrest along with non-availability of element of predicate offence has been raised and after due consideration of the same, this Court has dismissed the said grounds and accordingly prayer for bail of the petitioner has been rejected by this Court.

44. It is, thus, evident from the perusal of the aforesaid paragraphs particularly paragraphs 61 to 105 that this Court while referring the various settled position of law and the provisions of Act 2002 had addressed contentions of the parties in relation to issue of legality of arrest.

45. It is further apparent from the aforesaid order particularly paragraph 122-137 that the Court while passing the aforesaid order, had also taken care of the culpability of the present applicant which was mentioned in the prosecution complaint/ECIR and based upon the same, the Court has not found the availability of the twin condition as stipulated in the Act 2002 and accordingly, dismissed the bail petition.

46. It is further admitted fact that the petitioner has moved to the Hon'ble Apex Court by filing SLP (Cr.) No. 16591 of 2025, making the prayer for bail by invoking the jurisdiction conferred under the Constitution of India, but the same was also disposed of with liberty to petitioner to file fresh bail application. For ready reference, the relevant part of the order is being quoted as under:

"O R D E R

After hearing the learned Senior counsel appearing for the petitioner and the learned counsel appearing for the respondent, we only direct the respondent to complete further investigation within a period of four months from the date of receipt of a copy of this order. We further make it clear that breach of the time limit granted by us will not dis-entitle the respondent from filing the supplementary prosecution complaint belatedly, in which case, liberty is granted to the petitioner to file a fresh bail application.

As and when such an application is filed, we expect the Trial Court to decide the same without being influenced by the earlier orders passed and on its own merits. The Special Leave Petition stands disposed of, accordingly.

Pending application(s), if any, shall also stand disposed of."

47. Thus, from the aforesaid, it is evident that on merit prayer for bail of the present applicant has already been adjudicated by this Court and further, there is no cogent fresh ground or change in circumstance is available herein, except bail granted to one of the co-accused Mohit Deora hence, at first instance the contention of learned counsel for E.D. that there is no need to entertain the instant application afresh, having force but in the instant application, the learned counsel for the petitioner in his arguments has mainly emphasized on three grounds:

i) In predicate offence the petitioner has not been named,
ii) Petitioner is in custody since 08.05.2025 i.e., about 14 months
iii) Other co-accused namely Mohit Deora has been granted bail by the Hon'ble Apex Court.

48. Thus, in the aforesaid context, this Court is of the considered view that it is the bounden duty of this Court to appreciate the aforesaid particular contentions of the learned senior counsel for the applicant/petitioner.

49. It is evident from order dated 08.10.2025 passed by this Court in B.A. No. 6030 of 2025 that this Court while rejecting the aforesaid bail application has taken into consideration the specific culpability of the petitioner, as alleged in prosecution complaint.

50. From the various paragraphs of the prosecution complaint, it appears that the present petitioner is alleged to be an active member of a syndicate comprising co-accused persons, namely *Shiva Kumar Deora*, *Mohit Deora*, *Amit Gupta*, and others. He is said to have functioned as Director of several shell companies, deliberately generating and availing fraudulent Input Tax Credit (ITC) by issuing bogus invoices. Together with the co-accused, he is alleged to have participated in the acquisition, possession, use, and concealment of proceeds of crime, while projecting such proceeds as untainted property for personal gain.

51. Investigation has revealed that the petitioner acted as director/proprietor in multiple entities engaged in claiming ineligible ITC on fictitious invoices without actual supply of goods or services, thereby causing wrongful loss of ₹15.95 crores to the government exchequer. In his statement recorded under Section 50 of PMLA, he failed to satisfactorily explain the transactions credited to his account.

52. It has further emerged that the petitioner was part of an organized syndicate operating through 135 shell companies, issuing bogus GST invoices involving ITC exceeding ₹750 crores. These invoices were used to unlawfully avail and pass on ITC to various entities, causing substantial loss to the exchequer. The proceeds of crime were layered through multiple accounts to give them a semblance of legitimacy.

53. The investigation identifies the petitioner, *Amit Agarwal @ Vicky Bhalotia*, as a key mastermind of the conspiracy, heading the syndicate's fraudulent operations in Jamshedpur, Jharkhand. He directly created and managed a network of shell entities, generating significant proceeds of crime and laundering funds in close coordination with other principal conspirators.

54. The prosecution complaint records that the petitioner directly and indirectly indulged in, knowingly assisted, and was a party to activities connected with the proceeds of crime.

55. Since the imputation against the present petitioner has already been dealt with by this Court vide order dated 08.10.2025, therefore it is not required herein to reiterate the same factual aspects elaborately and further this Court is dealing with the issue of bail and not analyzing the veracity of the imputation which is only to be done at appropriate stage and at this stage which requires consideration is parameters of Section 45 of the PML Act, 2002 as per which the twin condition is to be fulfilled .

56. Learned senior counsel for the petitioner has contended that the present petitioner has not been named in predicate offence.

57. In the aforesaid context, it needs to refer herein that it is settled position of law that the offence of money laundering under Section 3 of the PMLA is an independent offence. The Hon'ble Apex Court has categorically laid down that it is not necessary for a person to be shown as an accused in the scheduled offence for him to be prosecuted under the PMLA, provided there exist proceeds of crime derived from a scheduled offence and the person has indulged in or facilitated any process or activity connected with such proceeds of crime.

58. Further if a person who is unconnected with the scheduled offence, knowingly assists the concealment of the proceeds of crime or knowingly assists the use of proceeds of crime, in that case, he can be held guilty of committing an offence under Section 3 of the PMLA. Therefore, it is not necessary that a person against whom the offence under Section 3 of the PMLA is alleged must have been shown as the accused in the scheduled offence.

59. However, it is pertinent to mention herein that this Court has already dealt with the said issue in its earlier order dated 08.10.2025, by which, bail of the present petitioner has been rejected.

60. So far as the issue of period of custody as agitated by learned senior counsel for the petitioner is concerned, it is settled proposition of law which has been settled by the Hon'ble Apex Court that the long incarceration (herein about 14 month) or delay in trial alone cannot be ground to release the petitioner on bail, rather, in case of scheduled offences/special offences the seriousness of the matter and the societal impact should be taken into consideration by the Court concerned while enlarging the petitioner on bail.

61. At this juncture, the learned senior counsel for ED has submitted at Bar that all endeavour will be taken to expedite the trial. Charges have already been framed and 29 witnesses are to be examined, in which, one witness has partly been examined.

62. This Court is conscious with the fact that personal liberty is utmost requirement to maintain the individuality of the person concerned but at the same time it is equally settled that the balance between personal liberty and societal impact of the alleged offence should be taken care of by the Court concerned.

63. Further, the Hon'ble Apex Court while dealing with the offences under UAP Act 1967, in the case of ***Gurwinder Singh v. State of Punjab (supra)*** and taking into consideration the ratio of judgment of ***Union of India vs. K.A. Najeeb, (2021) 3 SCC 713*** has observed that mere delay in trial pertaining to grave offences as one involved in the instant case cannot be used as a ground to grant bail, for ready reference, the relevant paragraph is being quoted as under:

> *"46. As already discussed, the material available on record indicates the involvement of the appellant in furtherance of terrorist activities backed by members of banned terrorist organisation involving exchange of large quantum of money through different channels which needs to be deciphered and therefore in such a scenario if the appellant is released on bail there is every likelihood that he*

> *will influence the key witnesses of the case which might hamper the process of justice. Therefore, mere delay in trial pertaining to grave offences as one involved in the instant case cannot be used as a ground to grant bail. Hence, the aforesaid argument on behalf of the appellant cannot be accepted."*

64. Thus, on the basis of the aforesaid settled position of law, it is evident that mere delay in trial pertaining to grave offences as one involved in the instant case cannot be used as a ground to grant bail.

65. This Court is conscious of this fact that while deciding the issue of grant bail in grave economic offences, it is utmost duty of this Court that the nature and gravity of the alleged offence should have been kept in mind because corruption poses a serious threat to our society should be dealt with by iron hand.

66. Admittedly, the petitioner has been in judicial custody since 08.05.2025 but delay in trial under the aforesaid circumstances, does not entitle the petitioner to grant bail.

67. The Hon'ble Supreme Court in ***Tarun Kumar v. Directorate of Enforcement, 2023 SCC OnLine SC 1486,*** has authoritatively held that while the period of custody may be a relevant factor, it cannot by itself override the gravity of the offence, the seriousness of allegations or the statutory twin conditions under Section 45 of the Act 2002.

68. Similarly, in ***Satyendar Kumar Jain v. Directorate of Enforcement, 2024 SCC OnLine SC 306***, the Hon'ble Apex Court refused bail despite protracted proceedings, noting that the complexity inherent in economic offences often necessitates lengthy trials. It is also pertinent that delays frequently arise from procedural applications and litigations pursued by accused themselves. Thus, given the grave nature of the allegations, the sophisticated modus operandi employed to project tainted property as untainted, and the strict statutory framework governing bail under the PMLA, no ground exists for the petitioner to claim the benefit of bail either on merits or on account of delay. The gravity of the offence, misuse of a high public office, and the serious allegations of facilitating the laundering of proceeds of crime continue to justify the petitioner's custody under the strict rigours of Section 45 of the Act 2002.

Issue of parity

69. Learned Senior Counsel appearing on behalf of the petitioner has urged that the petitioner has remained in judicial custody since 08.05.2025, i.e., for a period exceeding one year and two months. It has further been submitted that the trial, is presently at the stage of recording evidence, and there is no likelihood of its conclusion in the near future. Attention has been invited to the circumstance that one of the co-accused, namely *Mohit Deora*, has already been enlarged on bail by the Hon'ble Supreme Court, and the allegations levelled against the said co-accused stand on a footing similar to those attributed to the present petitioner. In view of the parity of circumstances and the prolonged incarceration, it is prayed that the petitioner be directed to be released on bail.

70. *Per contra*, learned Senior Counsel appearing for the respondent has contended that the plea of parity is wholly misconceived in the facts of the present case.

71. It has been submitted that the role attributed to the petitioner is materially distinct from that of the co-accused who has been granted bail by the Hon'ble Supreme Court, inasmuch as the petitioner is alleged to be the key operator of the syndicate through which proceeds of crime to the tune of approximately ₹750 crores were channelled. On this distinguishing feature, it is urged that no benefit of parity can be extended to the petitioner.

72. Further, the petitioner is a person of considerable influence and has a history of involvement in similar offences. It is apprehended that if the petitioner enlarged on bail, the petitioner may tamper with the evidence and may again indulge in offences of like nature.

73. It has also been pointed out that the trial is presently at the stage of recording evidence, with only 29 witnesses are to be examined, in which, one witness has partly been examined and the Enforcement Directorate/respondent is making earnest efforts to conclude the trial within the shortest possible time. Accordingly, it is argued that neither the ground of parity nor the ground of delay in trial can justify the petitioner's release on bail, and this is not a fit case for exercise of discretion in favour of the petitioner.

74. Now coming to the ground of parity as raised herein. The law is well settled that the principle of parity is to be applied if the case on fact is exactly similar then only the principle of parity in the matter of passing order is to be passed but if there is difference in between the facts, then, the principle of parity is not to be applied.

75. It is further settled connotation of law that Court cannot exercise its powers in a capricious manner and has to consider the totality of circumstances before granting bail and by only simple saying that another accused has been granted bail is not sufficient to determine whether a case for grant of bail on the basis of parity has been established. Reference in this regard may be made to the judgment rendered by the Hon'ble Apex Court in ***Ramesh Bhavan Rathod vs. Vishanbhai Hirabhai Makwana & Anr., (2021) 6 SCC 230,*** wherein, it has been held as under:

"25. We are constrained to observe that the orders passed by the High Court granting bail fail to pass muster under the law. They are oblivious to, and innocent of, the nature and gravity of the alleged offences and to the severity of the punishment in the event of conviction. In Neeru Yadav v. State of U.P. [Neeru Yadav v. State of U.P., (2014) 16 SCC 508 :] , this Court has held that while applying the principle of parity, the High Court cannot exercise its powers in a capricious manner and has to consider the totality of circumstances before granting bail. This Court observed : (SCC p. 515, para 17)

"17. Coming to the case at hand, it is found that when a stand was taken that the second respondent was a history-sheeter, it was imperative on the part of the High Court to scrutinise every aspect and not capriciously record that the second respondent is entitled to be admitted to bail on the ground of parity. It can be stated with absolute certitude that it was not a case of parity and, therefore, the impugned order [Mitthan Yadav v. State of U.P., 2014 SCC OnLine All 16031] clearly exposes the non application of mind. That apart, as a matter of fact it has been brought on record that the second respondent has been charge sheeted in respect of number of other heinous offences. The High Court has failed to take note of the same. Therefore, the order has to pave the path of extinction, for its approval by this Court would tantamount to travesty of justice, and accordingly we set it aside. 26. Another aspect of the case which needs emphasis is the manner in which the High Court has applied the principle of parity. By its two orders both dated 21-12-2020 [Pravinbhai Hirabhai Koli v. State of Gujarat, 2020 SCC OnLine Guj 2986] , [Khetabhai Parbatbhai Makwana v. State of Gujarat, 2020 SCC OnLine Guj 2988] , the High Court granted bail to Pravin Koli (A 10) and Kheta Parbat Koli (A-15). Parity was sought with Sidhdhrajsinh Bhagubha Vaghela (A-13) to whom bail was granted on 22-10-2020 [Siddhrajsinh Bhagubha Vaghela v. State of Gujarat, 2020 SCC OnLine Guj 2985] on the ground (as the High Court recorded) that he was "assigned similar role of armed with stick (sic)". Again, bail was granted to Vanraj Koli (A-16) on the ground that he was armed with a wooden stick and on the ground that Pravin (A-10), Kheta (A-15) and Sidhdhrajsinh (A-13) who were armed with sticks had been granted bail. The High Court has evidently misunderstood the central aspect of what is meant by parity. Parity while granting bail must focus upon the role of the accused. Merely observing that another accused who was granted bail was armed with a similar weapon is not sufficient to determine whether a case for the grant of bail on the basis of parity has been established. In deciding the aspect of parity, the

> *role attached to the accused, their position in relation to the incident and to the victims is of utmost importance. The High Court has proceeded on the basis of parity on a simplistic assessment as noted above, which again cannot pass muster under the law."*

76. The Hon'ble Apex Court in ***Tarun Kumar Vs. Assistant Director Directorate of Enforcement (supra)*** wherein at paragraph-17, it has been held that parity is not the law and while applying the principle of parity, the Court is required to focus upon the role attached to the accused whose application is under consideration.

77. Thus, while considering bail, parity can be a consideration, it is not a standalone ground and must be assessed in conjunction with the specific role of the accused, the gravity of the offence, and the potential for interference with the trial.

78. In the case of ***Partha Chatterjee v. Directorate of Enforcement (supra)*** upon which, reliance has been placed by the learned Senior Counsel, the Supreme Court reiterated that prolonged incarceration unjustly deprives an accused of their right to personal liberty under Article 21, and even statutory embargoes on bail must yield in such cases. However, the Court also emphasized that bail must be determined based on the unique circumstances of each case, balancing factors such as the gravity of the offense, the nature of allegations, likelihood of interference with investigation, possibility of evidence tampering, threat or influence over material witnesses, societal impact of release, and risk of absconding.

79. In ***Tarun Kumar v. Assistant Director Directorate of Enforcement (supra)***, the Supreme Court considered the twin conditions under Section 45(1) of the PMLA, which require the court to be satisfied that there are reasonable grounds for believing that the accused is not guilty of such offense and that he is not likely to commit any offense while on bail. The Court also addressed the argument of bail parity, noting that it is not an absolute rule and depends on the specific role and involvement of each accused. The Court emphasized that the gravity of the offense and the potential for the accused to tamper with evidence or influence witnesses are crucial considerations.

80. In ***Kalyan Chandra Sarkar v. Rajesh Ranjan @ Pappu Yadav and Another*, (2004) 7 SCC 528**, the Hon'ble Supreme Court emphasized that, prior to granting bail, the Court must carefully assess the seriousness of the charges, the severity of the punishment likely to follow upon conviction, the credibility and strength of the supporting evidence, and the reasonable likelihood of the accused tampering with witnesses.

81. It is settled position of law that the plea of parity should not be the sole reason for granting bail.

82. It is further settled position of law that parity must be assessed with reference to the role of the accused, and cannot be invoked merely because a co-accused has been granted bail. Nor can it be claimed as a matter of right.

83. A significant recent clarification came in ***Sagar v. State of U.P., 2025 INSC 1370***, where the Supreme Court unequivocally stated that parity in bail is role-based and cannot be the sole ground. The Court clarified that parity hinges on the similarity of position and role in the crime, not merely co-accused status. The Court stressed that the requirement of "position" is not met only by involvement in the same offence, but refers to the specific role played by the accused.

84. In the backdrop of the aforesaid settled legal principles, this Court now proceeds to advert to the specific culpability alleged against the present petitioner in relation to the commission of the offence under consideration.

85. While rejecting the earlier bail application of the present applicant/petitioner this Court has gone through the prosecution complaint wherefrom it is evident that the petitioner is a central figure in a syndicate comprising co-accused persons, engaged in generating and availing fake Input Tax Credit (ITC) through bogus invoices. He is alleged to have acted as director/proprietor in multiple shell companies, causing wrongful loss of ₹15.95 crores to the government exchequer, and failed to explain suspicious credits in his accounts.

86. It is further established that the petitioner was part of an organized network of 135 shell companies issuing fraudulent GST invoices involving ITC exceeding ₹750 crores, with proceeds of crime layered through several accounts to project them as legitimate. He is identified as a key mastermind in Jamshedpur, directly managing shell entities and laundering funds in coordination with other conspirators.

87. The prosecution complaint shows his active and knowing participation in the processes connected with proceeds of crime. He controlled at least nine shell companies, including Greentech Steel Enterprises, Aurorus Metal Pvt. Ltd., and Bizzare Commercial Pvt. Ltd., fraudulently availing ITC of about ₹148.19 crores, using dummy directors under his control.

88. Analysis of his personal HDFC Bank account revealed unexplained credits exceeding ₹15.40 crores. His own statement disclosed the modus operandi of creating bogus bills and using hawala operators (Angadias) to circulate funds in cash, thereby layering and concealing their criminal origin.

89. The investigation concludes that the petitioner was a significant beneficiary of the fraud, investing illicit funds in real estate and business ventures, thereby integrating proceeds of crime into the legitimate economy and projecting them as untainted assets.

90. In addition to the aforesaid culpability of the present petitioner, it has come on record that the Petitioner is a key conspirator with a history of orchestrating GST/ITC fraud, as borne out by the FIR registered by the CID, Durgapur; DGGI Complaint No. 5760 of 2023; and FIR No. 98 of 2023 (also referred to as FIR No. 98 of 2022) registered at Bowbazar Police Station, Kolkata, under Sections 420/406/120B IPC for fraudulent availment of ITC of ₹5,05,91,296/-. The said pattern establishes the Petitioner as a habitual offender.

91. Furthermore, as recorded in paragraph-47 of the counter-affidavit, the apprehension of tampering with evidence and of influencing witnesses particularly the economically vulnerable dummy directors whose testimonies are vital to the prosecution remains both real and continuing.

92. It is further pertinent to record that the bail applications being B.A. No. 8570 of 2025 and B.A. No. 7476 of 2025, preferred by the co-accused *Shiva Kumar Deora* and *Amit Gupta*, have already been rejected by this Court vide orders dated 12.11.2025 and 08.10.2025 respectively. Against the said orders, Special Leave Petitions have been filed before the Hon’ble Supreme Court; however, till date no relief has been granted to either of the aforesaid co-accused.

93. Thus, upon consideration of the aforesaid discussion, it can be safely inferred that the contention advanced by learned Senior Counsel for the petitioner that the present applicant ought to be enlarged on bail merely because co-accused *Mohit Deora* has been granted bail does not merit acceptance.

94. Further it is apparent from the order dated 05.01.2026 passed in SLP (Criminal) No. 16591 of 2025, the Hon'ble Supreme Court merely granted the Opposite Party time to complete further investigation and granted liberty to the Petitioner to file a fresh bail application in the event of breach of the timeline, expressly directing that such application be decided without prejudice to the earlier orders passed. The Hon'ble Supreme Court recorded no finding in favour of the Petitioner and the liberty to apply is not a direction to enlarge on bail.

95. Moreover, the period of incarceration undergone by the petitioner cannot be regarded as disproportionate so as to constitute an independent ground for grant of bail in the facts of the present case. The Prosecution Complaint has been filed within the statutory period, and any delay in the proceedings is, in substantial measure, attributable to the petitioner's own successive applications and challenges. At present, charges have already been framed, the trial stands at the stage of recording evidence, and 29 witnesses are to be examined, in which, one witness has partly been examined. Learned Senior Counsel for the respondent has assured this Court that earnest efforts are being made to conclude the trial within the shortest possible time.

96. Further, in economic offences of this magnitude, the length of incarceration alone cannot, by itself, override the statutory bar of Section 45 of the PMLA, and while granting bail, the court has to keep in mind the nature of accusations, the nature of evidence in support thereof, the severity of the punishment which conviction will entail, the character of the accused, circumstances which are peculiar to the accused, reasonable possibility of securing the presence of the accused at the trial, reasonable apprehension of the witnesses being tampered with, the larger interests of the and public/State and other similar considerations.

97. Thus, it is manifest from the foregoing discussion that the earlier bail application of the petitioner stood rejected on merits after due appreciation of the entire factual matrix. The pivotal issue now arising for consideration is whether any major change in circumstance, either factual or legal, warrants reconsideration of the petitioner's prayer for bail, apart from the plea of parity with a co-accused who has since been enlarged on bail. Upon careful scrutiny of the record and submissions and on the basis of discussion made hereinabove, this Court is satisfied that no relevant change of circumstance has been shown.

98. In view of the foregoing, the present second/successive bail application is wholly devoid of merit. The Petitioner has played a central and indispensable role in a large-scale, organized money laundering operation; the proceeds of crime attributable to his conduct are of grave magnitude and remain partly untraced; the twin conditions under Section 45 of the PMLA are squarely attracted and remain unsatisfied and there exists a real and continuing risk of tampering with evidence, influencing of vulnerable witnesses, and repetition of the offence if the Petitioner is enlarged on bail. No fresh ground or supervening circumstance has been made out to warrant a departure from the concurrent orders already passed.

99. For the foregoing reasons, and upon a comprehensive appraisal of the facts and circumstances delineated hereinabove, this Court is of the considered view that the applicant has failed to disclose any ground warranting exercise of the discretionary jurisdiction to grant bail.

100. Having regard to the settled parameters governing to adjudication of bail, and without venturing into the merits of the prosecution case, this Court finds no exceptional circumstance justifying departure from the earlier order rejecting bail of the present petitioner.

101. Accordingly, and in view of the foregoing discussions, the instant bail application stands dismissed.

102. It is further clarified that the observations and findings recorded hereinabove are confined solely to the issue of consideration of bail. Nothing stated in this order shall prejudice or influence the merits of the case at the stage of trial.

103. Pending I.A(s), if any, also stands disposed of.

(Sujit Narayan Prasad, J.)

12/08/2026

Rohit/-**A.F.R.**

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