



IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

CrMPs(M) No. : 46 & 48 of 2024

Reserved on : 13.05.2024

Decided on : 31.05.2024

CrMP (M) No. 46 of 2024

Rajdeep Singh ...Applicant

Versus

Directorate of Enforcement ...Respondent

CrMP (M) No. 48 of 2024

Krishan Kumar ...Applicant

Versus

Directorate of Enforcement ...Respondent

Coram

The Hon'ble Mr. Justice Virender Singh, Judge.

Whether approved for reporting?¹

For the applicant(s) : Mr. Rajiv Chauhan, Advocate.

For the respondent(s): Mr. Ajeet Singh Saklani, Advocate.

Virender Singh, Judge.

Applicants-Rajdeep Singh and Krishan Kumar have filed the present applications, under Section 439 of the Code of Criminal Procedure (hereinafter referred to as

¹ *Whether Reporters of local papers may be allowed to see the judgment? Yes.*

‘CrPC’), for releasing them on bail, during the pendency of trial, in case No. ECIR/SHSZO/04/2019, dated 22nd July, 2019, registered with Enforcement Directorate Office (ED), Sub Zonal Office, Rani Villa, Bagrian House, Strawberry Hills, Chhota Shimla (hereinafter referred to as ‘ED’), under Sections 3 and 4 of the Prevention of Money Laundering Act (hereinafter referred to as ‘PMLA’).

2. According to the applicants, they are innocent persons and have falsely been framed in case, bearing FIR No. 133 of 2018, dated 16th November, 2018, registered under Sections 409, 419, 465, 466 and 471 of the Indian Penal Code (hereinafter referred to as ‘IPC’) registered with Police Station East, Shimla, District Shimla, H.P. Thereafter, the ED has registered the above case. After the registration of the case, on 31st August, 2023, the applicants were summoned to appear before the Assistant Director, ED, on 31st August, 2023 itself, however, their arrest has been shown to be on 30th August, 2023. In this regard, the applicants have annexed the copy of the arrest order, dated 30th August, 2023, alongwith the application.

3. All these facts have been highlighted to show that the procedure, in violation to the law, has been adopted.

4. The applicants have further given the factual background of the case, as to how, they have been bailed out by this Court, in case No. RC0962019A0002, dated 7th May, 2019, registered under Sections 409, 419, 465, 466, 467, read with Section 120-B IPC and Sections 13(1)(c), 13(1)(d) and 13(2) of the Prevention of Corruption Act (hereinafter referred to as 'PC Act'), with the Central Bureau of Investigation, Shimla, Railway Board Building, The Mall, Shimla (H.P.), vide judgment, dated 24th May, 2021, in CrMPs (M) No. 825 and 824 of 2021.

5. According to the further case of the applicants, they are the Directors of ASAMS Education Group, situated at Nahan. The said educational institution is stated to be committed to the laudable objective of imparting specialized skill development training programmes, which are accessible to both, urban and rural youth. The primary aim of these programmes is stated to be to mold

the young individuals into competent and skilled human resources, ready to contribute positively to the society.

6. As per the applicants, the ASAMS Education Group acts as the principal holding organization, overseeing the administration and operations of various educational institutions, including NIELIT, Nahan – ASAMS Group, Nahan; IELIT Una – Skill Development School, Una; NIELIT Chamba – Skill Development Society, Chamba; and NIELIT Kangra – ASAMS Education Group, Kangra. In addition to this, they are also running a private ITI at Badukhar.

7. It is the case of the applicants that it has wrongly been alleged by the prosecution that the NIELIT institutions, operated by ASAMS Group lack proper affiliation, with any recognized University, State Government or Central Government. The said accusation is stated to have been made due to fundamental misunderstanding of facts. The institution, being run by the applicants, is stated to be ISO certified

8. It is the further case of the applicants that even the CBI could not collect any substantial evidence to prove

the accusation. The CBI has recorded the statements of 62 witnesses, under coercion, in which, it has been alleged that the multi-crore scholarships were illicitly misappropriated, whereas, according to the applicants, the fees from these 62 students, amounting to ₹ 15 lakhs, and these 62 students have successfully completed their respective courses.

9. The applicants have given the clarification to the allegations raised against them. Alleging the biasness against the ED, the applicants have sought the relief of bail, on the grounds, as mentioned in the bail applications.

10. The applicants have also tried their luck, by moving similar applications, before the Special Judge, Shimla, however, the said applications were dismissed, on 10th November, 2023. Similarly, their bail applications, under Section 167 (2) CrPC, are also stated to have been withdrawn, on 9th November, 2023.

11. When put to notice, the status report/reply, on behalf of ED, has been filed, mentioning therein that the applicants have been arrested, under Section 19 of the PMLA, as per the procedure established under law.

11.1. According to ED, the matter revolves around a scam, involving the allocation of scholarships to SC, ST and OBC categories of students of Himachal Pradesh, under Post Matric Scholarship Scheme. In this fraudulent activity, officials from the Department of Higher Education, alongwith private Educational Institutions and Banks, were involved, which has resulted into misappropriation of scholarship funds of more than ₹ 200 crore.

11.2. The applicants, according to the stand taken by ED, alongwith others, have played a major role in the scam, wrongfully withholding the rightful scholarship entitlement of the scholarships of the students, belonging to SC, ST and OBC students of Himachal Pradesh. According to ED, they have diverted the said funds into their pockets/accounts. 22 institutions are stated to be involved. In this regard, ED has relied upon the charge sheet submitted by CBI.

11.3. After recording the reason to believe in writing, the applicants are stated to have been arrested by ED on 30th August, 2023, under Section 19 of PMLA, in the said ECIR. Thereafter, they were produced before the Special

Court (PMLA), Shimla, on 31st August, 2023, and the learned Special Court, after perusal of all the documents, including the arrest memo, grounds of arrest, reasons to believe and material for formation of such belief, granted five days' ED custody, with a direction, to produce the accused persons before the Special Court on 4th September, 2023, on which date, they were produced before the Special Court and were remanded to judicial custody.

11.4. It is the further case of the ED that investigation is going on and is at crucial stage, which requires collection of additional evidence, examination of voluminous records and recording of statements of several persons associated with the applicants and other accused persons related to the case.

11.5. The prayer, so made by the applicants, has further been opposed, on the ground that the offences, under the PMLA, are different offences, as such, constitute class apart and need to be dealt with different approach, in the matter of bail.

11.6. As per the stand taken by ED, PMLA is a special enactment, which has distinct procedure and by virtue of Sections 71 and 65 of PMLA, the provisions of PMLA shall prevail over any provisions of CrPC.

11.7. According to the ED, the offence, is under investigation, and the same requires detailed investigation to unearth the material and in such circumstances, if bail is granted, it would defeat the case of the prosecution. The twin conditions, as per Section 45 of the PMLA, are also stated to be not satisfied, in this case.

11.8. Elaborating their stand, it is the case of the ED that CBI registered the case vide RC0962019S0002, dated 7th May, 2019, under Sections 409, 419, 465, 466 and 471 IPC, against the unknown persons. As per the allegations of the said case, there were complicity of individuals from State Government Education Department, Bank Officials and private institutions. Misappropriation in the disbursement of scholarship funds, in large scale, has also been alleged. The offences, under Sections 419 and 471 IPC, are also stated to be scheduled offences, mentioned in the schedule, appended to PMLA and as such, inquiry was

initiated by ED and the present case, being ECIR/SHSZO/04/2019, dated 22nd July, 2019, was registered.

11.9. As per the stand of ED, the applicants, alongwith co-accused Arvind Rajta, through his wife-Babita Rajta, formed three shell entities, namely, M/s ASA Marketing Solutions (in the year 2015, its name was changed to ASAMS Education Group); (ii) M/s Skill Development Society; and (iii) M/s Skill Development School.

11.10. These shell companies opened office-cum-study centres at various locations, in Himachal Pradesh, namely, Nurpur, Nahan, Fatehpur, Una, Kangra, Rohru and Rampur and centres were opened by the name and style of (i) ASAMS Education Group; (ii) SDS Education Group; (iii) Skill Development Society; and (iv) NIELIT Center. Through these study centres, the candidates, belonging to SC/ST/OBC categories, were allured of free education in post matric diploma and degree courses, through open and distance learning mode. They had collected the documents of the desirous candidates and their signatures were got

appended on the application form, bank forms and bank authorization letters. Thereafter, on the basis of documents collected and signed by the students, bank accounts in the name of students were opened with the same Bank at Panchkula, Chandigarh and Solan, with which, bank accounts in the name of shell entities were already opened and also, the minimum amount required for opening such bank accounts of students was transferred from the bank account of shell entities.

11.11. Thereafter, as per the stand of the ED, the documents of the students were uploaded on HP-ePass software at Mohali office and while uploading the data on HP-ePass, details of bank accounts opened in the name of students at Panchkula, Chandigarh and Solan were mentioned. Also, one out of six to seven mobile numbers are stated to have been mentioned against the names of the students on HP-ePass.

11.12. It is the further case of the ED that the applicants prepared fee structure of their own, for the students, eligible under PMS Scheme, wherein, the fees of distance learning courses were much higher than the fees

prescribed by the individual University, i.e. Lovely Professional University and Karnataka State Open University. Such fee structure was unrecognized and not approved by any statutory authority. According to the ED, even, such fees were not charged from the students, but, was claimed from Department of Higher Education, Shimla. The claims, under the PMS Scheme, for SC/ST/OBC students were made before the Directorate of Higher Education, Shimla on the basis of false and forged affiliation letters of Lovely Professional University and Karnataka State Open University, by showing the students enrolled in distance learning programmes of these universities.

11.13. As per the further stand of the ED, false and bogus claims of students were made under Post Matric Scheme for the students who were not enrolled and registered with any university and were studying in courses of University, other than Lovely Professional University and Karnataka State Open University. In order to fraudulently grab more and more amount of scholarship,

claims ere made by changing the course category and center of the students in subsequent years.

11.14. It has been contended on behalf of the ED that in connivance with the bank official and on the basis of authorization letters got signed from the students at the time of registration, scholarship amount received in the bank accounts of students gt transferred to the bank account of the shell entities. Signed cheques are also stated to have been taken from the students for transferring the scholarship disbursed in student's bank account to the bank account of the shell entities. These shell entities had no funds of their own and after the scholarship amount got transferred from the bank accounts of students to the bank account of the shell entities, prescribed university fees of the individual students was paid through Demand Draft drawn from the bank account of shell entities and also through direct transfer.

11.15. It is the further case of the ED that in the academic year 2015-16, the applicants claimed scholarship under Post Matric Scholarship scheme of students by

falsely showing them enrolled in distance learning courses of Karnataka State Open University, which was de-recognized by University Grants Commission, in the year 2015. Applicant-Rajdeep Singh is stated to have applied and received refund of fees of more than 700 such students from collaborator of Karnataka State Open University.

11.16. It is their further case that in the year 2016-17, the name of the study centers was changed to NIELIT so as to resemble the same with the name of National Institute of Electronics and Information Technology, which is an autonomous society under the administrative control of Ministry of Electronics and Information Technology, Government of India. Further claims are stated to have been made through the centers, by the name of NIELIT, for students, who were not enrolled in any courses offered by NIELIT, Delhi and scholarship in their name was received.

11.17. It is the further allegation of the ED that the applicants, with co-accused, namely Arvind Rajta through his wife Babita Rajta, obtained proceeds of crime worth ₹ 28,09,00,055/-, as a result of criminal activity of cheating and making false claims of students on the basis

of forged affiliation and fee structure letters and also by receiving scholarship of students not registered with NIELIT, New Delhi, under Post Matric Scholarship Scheme.

11.18. The bail applications have also been opposed, on the ground, that the twin conditions, as per Section 45 of the PMLA, have not been fulfilled, in this case.

11.19. The learned counsel, appearing for the ED, in this regard, has relied upon the decisions of the Hon'ble Supreme Court, in *Special Leave Petition (Criminal) No. 4634 of 2014*, titled as *Vijay Madanlal Choudhary and others versus Union of India and others*, decided on 27th July, 2022; *Criminal Appeal No. 1706 of 2015*, titled as *Gautam Kundu versus Manoj Kumar, Assistant Director*, decided on 16th December, 2015; *Criminal Appeal No. 730 of 2013*, titled as *Y.S. Jaganmohan Reddy versus CBI*, *Criminal Appeal Nos. 1878-1879 of 2017*, titled as *Rohit Tandon versus Directorate of Enforcement*; and of the Allahabad High Court, in a case, titled as *Anirudh Kamal Shukla versus Union of India Thru. Assistant Dir. Directorate of Enforcement*.

11.20. Lastly, it has been submitted that in money laundering cases, jail is the rule and bail is an exception.

11.21. Rest of the contents of the bail applications have been denied. Hence, a prayer has been made to dismiss the bail applications.

12. In order to get the relief of bail, Mr. Rajiv Chauhan, learned counsel appearing for the applicants, has argued that there are no allegations that the applicants may tamper with the evidence or they were not co-operating with the investigation.

13. Another ground, upon which, the bail has been sought, is that on 30th August, 2023, on the day of arrest of the applicants, no Proceeds of Crime were with the ED. The details about the material in possession of the ED, recorded reasons to believe were not communicated to the applicants, as such, according to the learned counsel appearing for the applicants, safeguards, provided under Section 19 of PMLA, were not adhered to, by the investigating agency.

14. Lastly, it has been argued by the learned counsel appearing for the applicants that the Proceeds of Crime should be of the relevant period.

15. In order to decide the present application, it would be just and appropriate for this Court to reproduce the provisions of Section 3 of the PMLA, as under:

“3. Offence of money-laundering. -
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.”

16. The term ‘proceeds of crime’ has been defined in Section 2 (u) of PMLA, as follows:

2. Definitions.

(u) “proceeds of crime” means any property derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to a scheduled offence or the value of any such property or where such property is taken or held outside the country, then the property equivalent in value held within the country or abroad;

Explanation.—For the removal of doubts, it is hereby clarified that “proceeds of crime” include property not only derived or obtained from the scheduled offence but also any property which may directly or indirectly be derived or obtained as a result of any criminal activity relatable to the scheduled offence.

17. It would also be profitable to reproduce Section 2 (v) of PMLA, as under:

2. Definitions.

(v) “property” means any property or assets of every description, whether corporeal or incorporeal, movable or immovable, tangible or intangible and includes deeds and instruments evidencing title to, or interest in, such property or assets, wherever located;

Explanation.—For the removal of doubts, it is hereby clarified that the term “property” includes property of any kind used in the commission of an offence under this Act or any of the scheduled offences;

18. The provisions of Section 19 of PMLA are reproduced, as under:

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

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

(3) Every person arrested under sub-section (1) shall, within twenty-four hours, be taken to a 1[Special Court or] Judicial Magistrate or a Metropolitan Magistrate, as the case may be, having jurisdiction:

Provided that the period of twenty-four hours shall exclude the time necessary for the journey from the place of arrest to the Special Court or Magistrate’s Court.

19. Similarly, the provisions of Section 45 of the PMLA, reads, as under:

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 a 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 under section 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 fulfilment of conditions under section 19 and subject to the conditions enshrined under this section.

20. Highlighting the above provisions, learned counsel for the applicants has argued that in the present case, the statutory mandate of Section 19 of the PMLA, has not been complied with and as such, the arrest is vitiated on account of the said fact.

21. As per the documents, available on the record, the Assistant Director, Directorate of Enforcement, had issued summons, bearing No. ECIR/SHSZO/04/2019-522 and 523, on 29th August, 2023, directing applicants-

Jagdeep and Krishan Kumar, to appear before him, 'forthwith'. On the same day, these notices were received by applicants-Rajdeep and Krishan Kumar. Thereafter, the statements of applicants-Rajdeep and Krishan Kumar were recorded under Sections 50 of PMLA, on 29th August, 2023. The said statements were duly signed by applicants-Rajdeep and Krishan Kumar. Thereafter, the grounds of arrest were served upon them on 30th August, 2023. Applicants-Rajdeep and Krishan Kumar not only put their signatures over the same, but, they have also written "read and understood". Thereafter, they were arrested on 30th August, 2023.

22. Not only this, the Assistant Director, Directorate of Enforcement, has also recorded the reasons to believe, which were produced for approval before his senior. The reasons to believe contained the brief details of the scheduled offences, material collected during the course of investigation, the investigation conducted so far, under the provisions of PMLA, the details about the proceeds of crime and the role of the accused persons, in the offence of money laundering. The role alleged against

applicants-Rajdeep and Krishan Kumar has been mentioned in paras 5.1 and 5.2 of the proceedings, on the basis of which, the reasons to believe have been recorded, upon which, the Deputy Director, Directorate of Enforcement, has recorded the following approval:

“After careful consideration of facts and material mentioned in the above note, it is found that there are sufficient reasons to believe that Rajdeep, Krishan Kumar and Arvind Rajta are guilty of offences punishable under PMLA. Therefore, the action u/s 19 of PMLA to arrest the above three persons is approved.”

23. After going through the above documents, it cannot be said that the mandatory provisions of Section 19 of PMLA have not been complied with, by the ED, in the present case.

24. If the facts and circumstances of the present case are seen in the light of the decision of the Hon'ble Supreme Court in case titled as **Ram Kishor Arora versus Directorate of Enforcement**, reported in **2023 SCC OnLine SC 1682**, neither the violation of Article 22 (1) of the Constitution of India is *prima facie* proved, nor, the provisions of Section 19 of the PMLA are found to have

been violated. The relevant paras-20 to 24 of the said judgment, are reproduced, as under:

“20. Again, a three-judge bench in Durga Pada Ghosh v. State of West Bengal⁹ while considering the scheme of Article 22 of the Constitution held as under:—

“8. The scheme underlying Article 22 of the Constitution highlights the importance attached in our constitutional set-up to the personal freedom of an individual. Sub-articles (1) and (2) refer to the protection against arrest and detention of a person under the ordinary law. Persons arrested or detained under a law providing for preventive detention are dealt with in sub-articles (4) to (7). Sub-article (5) says that when a person is detained in pursuance of an order under a law providing for preventive detention the grounds on which the order is made have to be communicated to the person concerned as soon as may be and he has to be afforded earliest opportunity to represent against the order. The object of communicating the grounds is to enable the detenu to make his representation against the order. The words “as soon as may be” in the context must imply anxious care on the part of the authority concerned to perform its duty in this respect as early as practicable without avoidable delay.”

21. In view of the above, the expression “as soon as may be” contained in Section 19 of PMLA is required to be construed as- “as early as possible without avoidable delay” or “within reasonably convenient” or “reasonably requisite” period of time. Since by way of safeguard a duty is cast upon the concerned officer to forward a copy of the order along with the material in his possession to the

Adjudicating Authority immediately after the arrest of the person, and to take the person arrested to the concerned court within 24 hours of the arrest, in our opinion, the reasonably convenient or reasonably requisite time to inform the arrestee about the grounds of his arrest would be twenty-four hours of the arrest.

22. In *Vijay Madanlal Choudhary* (supra), it has been categorically held that so long as the person has been informed about the grounds of his arrest, that is sufficient compliance of mandate of Article 22(1) of the Constitution. It is also observed that the arrested person before being produced before the Special Court within twenty-four hours or for that purposes of remand on each occasion, the Court is free to look into the relevant records made available by the Authority about the involvement of the arrested person in the offence of money-laundering. Therefore, in our opinion the person asserted, if he is informed or made aware orally about the grounds of arrest at the time of his arrest and is furnished a written communication about the grounds of arrest as soon as may be i.e as early as possible and within reasonably convenient and requisite time of twenty-four hours of his arrest, that would be sufficient compliance of not only Section 19 of PMLA but also of Article 22(1) of the Constitution of India.

23. As discernible from the judgment in *Pankaj Bansal Case* also noticing the inconsistent practice being followed by the officers arresting the persons under Section 19 of PMLA, directed to furnish the grounds of arrest in writing as a matter of course, "henceforth", meaning thereby from the date of the pronouncement of the judgment. The very use of the word "henceforth" implied that the said requirement of furnishing grounds of arrest in writing to the arrested person as soon as after his arrest was not the mandatory or obligatory till the date of the said judgment. The submission of the learned Senior Counsel Mr. Singhvi for the

Appellant that the said judgment was required to be given effect retrospectively cannot be accepted when the judgment itself states that it would be necessary "henceforth" that a copy of such written grounds of arrest is furnished to the arrested person as a matter of course and without exception. Hence non furnishing of grounds of arrest in writing till the date of pronouncement of judgment in Pankaj Bansal case could neither be held to be illegal nor the action of the concerned officer in not furnishing the same in writing could be faulted with. As such, the action of informing the person arrested about the grounds of his arrest is a sufficient compliance of Section 19 of PMLA as also Article 22(1) of the [Constitution of India](#), as held in Vijay Madanlal (supra).

24. In so far as the facts of the present case are concerned, it is not disputed that the appellant was handed over the document containing grounds of arrest when he was arrested, and he also put his signature below the said grounds of arrest, after making an endorsement that "I have been informed and have also read the above-mentioned grounds of arrest." The appellant in the rejoinder filed by him has neither disputed the said endorsement nor his signature below the said endorsement. The only contention raised by the learned Senior Counsel, Mr. Singhvi is that he was not furnished a copy of the document containing the grounds of arrest at the time of arrest. Since the appellant was indisputably informed about the grounds of arrest and he having also put his signature and the endorsement on the said document of having been informed, we hold that there was due compliance of the provisions contained in Section 19 of PMLA and his arrest could neither be said to be violative of the said provision nor of Article 22(1) of the [Constitution of India](#)."

25. So far as the arguments of the learned counsel appearing for the applicants, that only the applicants have been arrested, in the present case, whereas, the other persons, against whom the allegations have been levelled, have not been arrested, are concerned, considering the stand of the ED that the investigation is still going on, no benefit could be derived from the said fact, as such, the said argument of the learned counsel appearing for the applicants, is of no help to the case of the applicants.

26. In the present case, the twin conditions, as enumerated in Section 45 of the PMLA, cannot be said to be existing in favour of the applicants, as, at this stage, there are no reasonable grounds for believing that the accused (applicants) are not guilty of such offence and it cannot be said that in case, they are ordered to be released on bail, they are not likely to commit any offence.

27. Considering all these facts, the applicants are not able to make out a case for grant of bail, at this stage. Consequently, the bail applications are dismissed.

28. Any of the observations, made hereinabove, shall not be taken as an expression of opinion on the

merits of the case and the learned trial Court shall decide the matter uninfluenced by any of the observations made hereinabove.

High Court of H.P.

29. Record be returned to the quarter concerned.

(Virender Singh)
Judge

May 31, 2024
(rajni)

High Court of HP