

18.09.2020

Present:- Sh. Brijesh Kumar Singh, Ld. Senior P.P for CBI.

Accused No. 1 Sh. Ashutosh Verma in person with Ld. Counsels Sh. P.K. Dubey, Ms. Smriti Sinha, Mr. Shri Singh, Mr. Gautam Khazanchi, Mr. Shiv Chopra, Mr. Anurag Andley, Mr. Gaganjyot Singh, Ms. Smriti Ramchandran, Sh. Prince Kumar and Ms. Pinky Dubey.

Accused No. 2 Sh. Suresh Nanda (through VC from UAE) with Ld. Sr. Advocate Sh. Ramesh Gupta along with Sh. Sandeep Kapoor and Alok Sharma, Advocates.

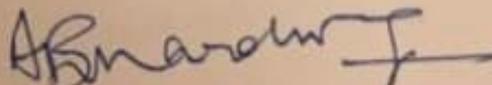
Accused No. 3 Sh. Bipin Shah in person with Ld. Counsels Sh. Anindya Malhotra and Sh. Shaurya Lamba.

(Through VC using Cisco Webex App.)

Sh. P.K. Dubey, Learned counsel for Accused No. 1 Shri Ashutosh Verma submits that in the previous order sheet, page 2 para 2 , reference to Section 161 be read as Section 162 Cr.P.C.

Next, Ld. Counsel referred to the evidence of PW-37 Sh. Rajinder Kashyap. Ld. Counsel read from second paragraph, 2nd page of his examination-in-chief dated 05.05.2017 where he had stated that the property at Paragaon was purchased from the money given by Sh. Ashutosh Verma. Ld. Counsel submitted that to discredit this witness, he is referring to Exhibit PW-37/D1 which is the reply filed by this witness before Adjudicating Authority under PML Act on 31.10.2014 where he has sworn affidavit that this property belongs to him and therefore should not be attached.

Ld. Counsel submitted that this witness has been saying different things at different places and that too on oath and is untrustworthy without any credit and of impeached character.


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Ld. Counsel referred to Paragraph 3, Page 2 of the evidence of this witness where he has deposed that the negotiations of the property at Morgim, Goa had taken place between Sh. Ashutosh Verma and Sh. Shyam Sunder, famous property dealer of Goa. The witness has deposed that an Agreement to Purchase was executed between him and Sh. Shyam Sunder. Ld. Counsel submitted that Sh. Shyam Sunder could not have entered into Agreement to Sell for the sale of property of some other person. He submitted that prosecution has not examined Sh. Shyam Sunder to prove that Sh. Ashutosh Verma had negotiated for the purchase of Morgim property with him.

Ld. Counsel submitted that this witness has stated that his General Manager (Finance) Sh. Jawahar Gautam had received money from Sh. Ashutosh Verma for paying to Pradeep Sahni, whereas PW-19 stated that he had received the money from Nikhil Nanda.

Ld. Counsel referred to cross-examination of this witness, Page 7 where he denied having ever been called by Adjudicating Authority under PMLA. He denied having received summons from Adjudicating Authority, PMLA. However, when he was shown certified copy of written submissions filed before Adjudicating Authority under PMLA, he admitted his signature and stated that these written submissions might have been filed on his behalf that is why the written submissions were exhibited as Exhibit PW-37/D1. He admitted that he has stated in Exhibit PW-37/D1 that property bearing Survey No. 7/55, measuring 2100 sq. meters at Village Para, Goa belonged to him. He was confronted that his statement under Section 161 Cr.P.C., Exhibit PW-37/D2, where he had not stated that since he was not in a position to afford property at Morgim, he offered this property to Sh. Ashutosh Verma.

Next, Ld. Counsel referred to the evidence of PW-24 Sh. Deepak Chawla. He was confronted that his statement under Section 161 Cr. P.C., recorded on 27.09.2010, which was exhibited as Exhibit PW-24/D1. He deposed

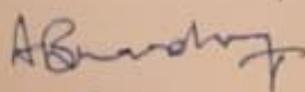
that he was told by CBI Officers, what was to be stated by him before the Learned Magistrate while recording his statement under Section 164 Cr.P.C. He deposed that he came to know a lot of new facts when he was going to CBI Office which were not in his knowledge earlier and he disclosed those facts after coming to know from CBI in his deposition before Learned Magistrate.

Ld. Counsel pointed out that the witness also deposed in his cross-examination that he was pressurized by CBI and his statement under Section 164 Cr.P.C. was written under pressure from CBI. The witness was re-examined by Ld. Sr. PP for CBI and deposed that Ld. Magistrate had enquired from him whether he was giving his statement voluntarily, but he had responded affirmatively and had denied that he was pressurized by CBI. He deposed that he made a mistake and did not tell the Magistrate about the pressure of CBI, but the pressure was of such a nature that he was continuously told that in case he does not toe the line, he will also be made an accused.

Ld. Counsel submitted that re-examination was not to the deposition of the witness that he had made statement before Learned Magistrate under pressure and on coming to know new facts from CBI.

Next, Ld. Counsel referred to the evidence of PW-26 Sh. Amit Saxena. Ld. Counsel read the earlier two statements of this witness recorded under Section 161 Cr.P.C. dated 28.09.2010 and 26.11.2010, which were not filed with the chargesheet and were therefore concealed and were brought on record by the orders of the Court under Section 207 Cr.P.C. and were exhibited as Exhibit PW-26/D1 and Exhibit PW-26/D2.

Ld. Counsel submitted that in the Court, this witness tried to make Sh. Deepak Chawla, *scapegoat* as investor of Nitya Resorts Pvt. Ltd. The witness admitted that his first statement was wrong and that made his testimony untrustworthy and sliable to be discredited.


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Ld. Counsel submitted that plea of guilt cannot be returned on the evidence of such untrustworthy witness. He submitted that Albert, who was looking after the property and Mukesh were important witnesses but not examined by CBI.

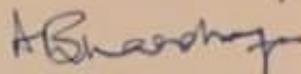
Ld. Counsel submitted that on the next date he will address further arguments on cross-examination of this witness, evidence of Nikhil Nanda and partly the evidence of Investigating Officer.

Now, put up the matter on **Wednesday i.e. 23.09.2020 at 2:15 PM.**

Let a copy of this order be sent by WhatsApp to the learned Senior PP for CBI, all the accused and their learned counsels.

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(ARUN BHARDWAJ)
Special Judge (P.C. Act)(CBI-05)
Rouse Avenue District Court,
New Delhi/18.09.2020

**ED vs. Anand Kumar Kapoor
Ct. Case No. 45/19**

18.09.2020

Present: Mohd. Faraz, Ld. Special PP for ED.

**Sh. Harish Kumar Sharma, Ld. Counsel for Accused Sh. Anand
Kumar Kapoor.**

(Through VC using Cisco WebEx app)

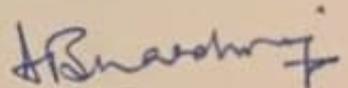
**The case is at the stage of Prosecution Evidence, therefore can
be taken up only on reopening of the courts.**

Be listed on 27.10.2020 for Prosecution Evidence.

**Let a copy of this order be sent by WhatsApp to Ld. Special PP
for ED, the accused as well as his learned counsel.**

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**Arun Bhardwaj
Special Judge (PC Act) (CBI-5)
Rouse Avenue District Court
New Delhi/18.09.2020**

CBI Vs. Rajesh Kumar
CC No 56/2019

18.09.2020

Present: Sh. B.K. Singh, Ld. Sr. PP for CBI.

Accused Sh. Rajesh Kumar in person with Ld. Counsel Sh. B.C. Mishra.

(Through VC using Cisco Webex App.)

This case has been received by transfer by the orders of Ld. District & Sessions Judge-cum-Special Judge, (PC Act)(CBI), RADC, New Delhi.

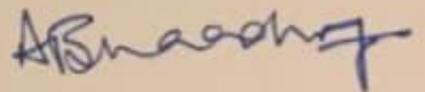
The case is at the stage of final arguments.

List for final arguments now on **07.10.2020** at **10:00 am**. Copies if already applied for be also provided to the Id counsel for the accused.

Let a copy of this order be sent by WhatsApp to Ld. Sr. PP for CBI, all the accused persons and their learned counsels.

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(ARUN BHARDWAJ)
Special Judge (P.C. Act)(CBI-05)
Rouse Avenue District Court,
New Delhi/18.09.2020

CBI Vs. Prithvi Raj Meena @ P.R. Meena & Others
CC No. 173/2019

18.09.2020

Present: Sh. Brijesh Kumar Singh, Ld. Sr. PP for CBI.

Accused No. 1 Sh. Prithvi Raj Meena in person along with Ld. Counsel
Sh. Lalit Valecha

Accused No. 2 Sh. Deepak Aggarwal with Ld. Counsel Sh. P.K.
Sharma.

Accused No. 3 Parul Garg with Ld. Counsels Sh. Hemant Shah and
Sh. Deokant Tripathi

(Through VC using Cisco Webex App.)

This case has been received by transfer by the orders of Ld. District &
Sessions Judge-cum-Special Judge, (PC Act)(CBI), RADC, New Delhi.

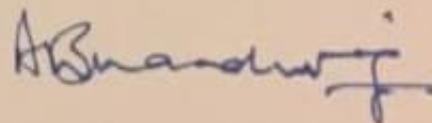
The case is at the stage of final arguments.

List for final arguments now on **23.09.2020** at **10:00 am**. In the
meanwhile soft copies as available be provided by the ahalmad to the learned
counsels for the parties.

Let a copy of this order be sent by WhatsApp to Ld. Sr. PP for CBI, all
the accused persons and their learned counsels.

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(ARUN BHARDWAJ)
Special Judge (P.C. Act)(CBI-05)
Rouse Avenue District Court,
New Delhi/18.09.2020

ED vs. M/s. Bhushan Power & Steel Ltd. & Ors.
Ct. Case No.1/2020

18.09.2020

Present: Sh. Nitesh Rana, Ld. Special PP for ED.
All the accused with their Learned Counsels.

(Through VC using Cisco Webex App.)

Arguments on bail applications concluded. Orders shall be passed during the course of the day and copies shall be sent to Ld. Special PP for ED, accused and their Ld. Counsels by whatsapp.


(ARUN BHARDWAJ)
Special Judge (P.C. Act)(CBI-05)
Rouse Avenue District Court,
New Delhi/18.09.2020

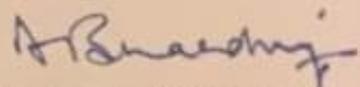
Present: Sh. Nitesh Rana, Ld. Special PP for ED.
Dr. Anurag Aggarwal Id counsel for the accused.

At this stage, on the request of Dr. Anurag Aggarwal, further submissions have been heard. Certain citations relied upon by him also filed.


(ARUN BHARDWAJ)
Special Judge (P.C. Act)(CBI-05)
Rouse Avenue District Court,
New Delhi/18.09.2020

Present: Sh. Nitesh Rana, Ld. Special PP for ED.
Mr. Vijay Aggarwal Id counsel for the accused.

On the request of Sh. Vijay Aggarwal, further arguments have been addressed and he has filed judgments relied on by him.


(ARUN BHARDWAJ)

Special Judge (P.C. Act)(CBI-05)
Rouse Avenue District Court,
New Delhi/18.09.2020

Present : None.

Vide separate order , all the applications for bail are allowed.

Copy of order be sent by whatsapp to Ld. Special PP for ED,
accused and their Ld. Counsels.

Put up the matter on 20.10.2020 at 10:00 AM for arguments on
charge.

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(ARUN BHARDWAJ)
Special Judge (P.C. Act)(CBI-05)
Rouse Avenue District Court,
New Delhi/18.09.2020

**IN THE COURT OF SH.ARUN BHARDWAJ: LD.SPECIAL JUDGE-05, CBI (PC ACT):
ROUSE AVENUE DISTRICT COURT COMPLEX: NEW DELHI**

Ct.Case No. 01/2020

ED Vs M/s Bhushan Power Pvt. Ltd. & ors.

ORDER ON BAIL APPLICATIONS:-

18.09.2020

1. This order shall decide applications for bail filed under Section 437 Cr.P.C by accused no.3 to accused no.25.
2. The detailed replies have been filed by the Directorate of Enforcement to each bail application. The bail applications have been filed by different Ld. Counsels representing different accused, but in sum and substance, the common grounds taken by the accused are:-
 - i) The main accused i.e. accused no.2 Sh.Sanjay Singhal has been already enlarged on bail.
 - ii) The accused have co-operated during investigation.
 - iii) They were not arrested and chargesheet was filed without arresting them.
 - iv) This Court has issued summons to the accused for appearance in the Court and on receiving the same, all the accused have appeared and submitted themselves to the jurisdiction of this Court.
 - v) Investigations qua the accused are complete and complaint has been filed.

Ct.Case No. 01/2020

ED Vs M/s Bhushan Power Pvt. Ltd. & ors.

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- vi) No useful purpose would be achieved by sending the accused to judicial custody as no recovery has to be got effected from them.
- vii) There is no flight risk as accused have deposited their passports in the Court on the directions of the Court and they have been directed not to leave the country without the permission of the Court.
- viii) There is no reason shown on record that they are likely to influence the witnesses or tamper with the evidence.
- ix) They have relied on various judgments of the Hon'ble Delhi High Court and the Hon'ble Supreme Court. The primary judgment being "**Court on its own Motion Vs CBI**, 109 (2003) DLT 494 " to submit that as they were not arrested during investigation, now, after filing of complaint and being summoned to appear, they be released on bail.

3. In the complaint, role assigned to each accused is as under:-

Role assigned to accused no.3 Sh.Ravi Prakash Goyal is that he was the director of BPSL during the relevant period. He coordinated with Sh. Ritesh Kapoor & Sh. Alkesh Sharma and issued instructions for dealings in cash which was generated on account of issuance of fake invoices by certain suppliers in favour of BPSL. He was assisting Sh. Sanjay Singal and used to pass on his instructions to Sh. Alkesh Sharma & others for generation of proceeds of crime in cash and further laundering of the same through Sh. Raj Kumar Kedia. He was the director of both BPSL as well as M/s. Atma Ram House Investment Private Limited (AHIPL) which were used for diversion of loan funds from BPSL to the tune of Rs. 136.92 Crore purportedly as loan. An amount of Rs. 74.25 Crore was used for acquisition of property at 53, Jor Bagh, New Delhi and another amount of

Rs. 11.20 Crore has been traced to another property at 5, Tolstoy Marg, New Delhi. Being the director of both the companies, he was having active knowledge of the factual position regarding the loan funds being diverted from BPSL to AHIPL and further laundering of the same by way of investment in immovable properties by AHIPL which were then used for obtaining loan through another group company which loan amount was then invested as equity in BPSL. Sh. Ravi Prakash Goyal is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 read with Section 70 *ibidas* he was directly or indirectly indulging in and was actually involved in all or 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.

Role assigned to accused no.4 Sh. R.K.Gupta is that he was the company secretary of BPSL and was also looking after the secretarial compliance work of the other group companies of Sh. Sanjay Singal which were used for routing (layering) of funds diverted from BPSL. He was the one who was issuing instructions for placement of the diverted funds into equity of the group companies. He was coordinating with S. Alkesh Sharma for diversion of loan funds from BPSL through a web of shell companies being operated by different entry operators and was actively involved in placement of said funds in the group companies as equity/loan which were then ultimately parked as equity in BPSL or were used for acquisition of immovable properties in India and abroad. He was managing the secretarial compliance of the group companies which were being used as vehicles of money-laundering by Sh. Sanjay Singal. He along with Sh. Ravi Prakash Goyal, the then Director BPSL, Sh. Arun Kumar Agarwal, the then Chief Financial Officer, BPSL and Sh. Alkesh Sharma, the then President (Accounts & Finance) formed the core group assisting Sh. Sanjay Singal in diversion of funds from BPSL and its

subsequent layering and placement as equity in BPSL projecting the same as genuine fresh equity infusion. Sh. R. K. Gupta is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 read with Section 70 *ibidas* he was directly or indirectly indulging in and was actually involved in all or 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.

Role assigned to accused no.5 Sh. Arun Kumar Agarwal is that he was the Chief Financial Officer (CFO) of BPSL. As CFO, he was responsible for obtaining loans from banks. He was instrumental in devising the modus operandi of diverting funds from BPSL and its subsequent placement as equity in BPSL itself through a web of shell entities. He was instrumental in dressing up the books of accounts of BPSL to improve its debt equity ratio. On the basis of said artificially improved Debt Equity ratio, he would induce the banks to sanction more loan funds which were again placed in the cycle of diversion and placement. He along with Sh. Ravi Praksh Goyal, the then Director BPSL, Sh. R. K. Gupta, the then Company Secretary, BPSL and Sh. Alkesh Sharma, the then President (Accounts & Finance) formed the core group assisting Sh. Sanjay Singal in diversion of funds from BPSL and its subsequent layering and placement as equity in BPSL projecting the same as genuine fresh equity infusion. Sh. Arun Kumar Agarwal is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 read with Section 70 *ibid* as he was directly or indirectly indulging in and was actually involved in all or 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.

Role assigned to accused no.6 Sh. Alkesh Sharma is that he was the President (Accounts & Finance) of BPSL, stationed at Kolkata. He was the key person involved in execution of the whole scheme of money-laundering employed by Sh. Sanjay Singal for siphoning of bank loan funds from BPSL, its placement and layering through various entities and integration into mainstream through equity investments and creation of assets in India and abroad. He was coordinating with Sh. Ritesh Kapoor in issuance of fake invoices in favour of BPSL and corresponding bank transfers to the said entities. He was coordinating in receipt of cash amount from these parties through Sh. Ritesh Kapoor and further disbursement of the said cash amount through Sh. Raj Kumar Kedia and other entry operators. He was also involved in transferring various amounts from bank accounts of BPSL to the entities identified by different entry operators whom he had approached for providing accommodation entries to BPSL and its group companies. He was coordinating with the other employees of BPSL like Sh. Arun Kumar Agarwal, Sh. R. K. Gupta and different entry operators for the amounts transferred from BPSL and its subsequent receipt in the accounts of group companies and/or BPSL. He was the one who was keeping track of the proceeds of crime as it travelled from BPSL to Entry Operators and then back to group companies. He along with Sh. Ravi Praksh Goyal, the then Director BPSL, Sh. R. K. Gupta, the then Company Secretary, BPSL and Sh. Arun Kumar Agarwal, the then Chief Financial Officer formed the core group assisting Sh. Sanjay Singal in diversion of funds from BPSL and its subsequent layering and placement as equity in BPSL projecting the same as genuine fresh equity infusion. Sh. Alkesh Sharma is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 read with Section 70 *ibid* as he was directly or indirectly indulging in and was actually involved in all or 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.

Role assigned to accused no.7 Sh. Ritesh Kapoor is that BPSL had received invoices from various parties showing sale of goods without any actual movement of goods using services of one Sh. Ritesh Kapoor to identify and coordinate with such parties. Admittedly, Sh. Ritesh Kapoor approached all these parties through their directors/ partners/ proprietors/ authorized persons with the above proposal as he was working as a broker dealing in iron & steel and had developed contacts with some of these persons during the course of their business dealings. These persons not only agreed to help him but also introduced other persons known to them who were willing to be a party to this modus operandi. Sh. Ritesh Kapoor offered monetary incentives to these persons to lure them to provide a vehicle for carrying out siphoning of the funds. These persons were willing accomplices, who for their own selfish ends, had joined hands with BPSL as it also involved artificial increase in their own turnover thus leading them to negotiate with their bankers to lend more funds to themselves in addition to the monetary incentives. As per the modus operandi devised by BPSL and executed by Sh. Ritesh Kapoor, BPSL used to transfer funds via RTGS to these parties as advances for purchase of capital goods. These parties were instructed to issue invoices in the name of BPSL, Orissa showing sale of goods being manufactured or traded by them in the normal course of their business. These invoices were sent by courier either to Orissa plant of BPSL or its office located at Kolkata. There was no actual movement of goods from these parties to BPSL. Sh. Ram Naresh Yadav, Director BPSL had categorically denied having received any goods from these parties at the Orissa plant of BPSL. Sh. Ritesh Kapoor had also coordinated in arranging fake transportation documents for the said transactions. After receipt of funds in their bank

accounts, these parties used to transfer equivalent amount in cash, to BPSL through Sh. Ritesh Kapoor, who admittedly used to maintain an account of the same. He was the one coordinating with all the purported suppliers who had issued fake invoices thus enabling Sanjay Singal to siphon off loan funds from BPSL which were routed back to him in the form of cash. These cash transactions were also being handled by Sh. Ritesh Kapoor who was the link between the fake suppliers on the one hand and Sh. Alkesh Sharma of the BPSL on the other hand. Thus, he was the main person involved in generation of and knowingly assisted in acquisition of Proceeds of Crime namely funds siphoned from BPSL against non-existent supplies and its conversion into cash which was further laundered by Sh. Sanjay Singal and provided a platform to facilitate money laundering. Sh. Ritesh Kapoor is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in knowingly assisting, knowingly a party and actually involved in all or 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.

Role assigned to accused no.8 Sh.Preet Singh Chauhan is that he was the Director of M/s. Preet Machines Private Limited, which had issued fake invoices in favour of BPSL showing supply of capital goods whereas admittedly there was no actual movement of goods. These invoices were raised without any actual physical movement of goods and these transactions were done as per the terms settled by Sh. Ritesh Kapoor, since he acted as a broker between and BPSL and Preet Machines Private Limited. He used to receive payment from BPSL against these invoices through banking channels which was duly reflected in the account statements and in lieu of the said payments received through bank, he used to pay cash after deducting the agreed amount of CVD and sales

tax. This cash amount was paid through angadiyas on the instruction of Sh. Ritesh Kapoor. He had carried such transactions to the tune of Rs. 125.39 Crore leading to siphoning and laundering of equivalent amount. Thus, he was involved in generation of and knowingly assisted in acquisition of Proceeds of Crime namely funds siphoned from BPSL against non-existent supplies and its conversion into cash which was further laundered by Sh. Sanjay Singal and provided a platform to facilitate money laundering. Sh. Preet Singh Chauhan is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in knowingly assisting, knowingly a party and was actually involved in all or 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.

Role assigned to accused no.9 Sh. Nitin Agarwal is that he was the Director of M/s. Anil Steels Private Limited and also authorized person of M/s. Passive Infra Projects Private Limited. Apayment of Rs. 16,73,00,000 had been made by M/s. Bhushan Power & Steel Ltd. (BPSL) to M/s. Anil Steels Pvt. Ltd. (ASPL) during the time period of 1.04.2014 to 31.03.2015 and that these payments were made in respect of bills raised by ASPL for transport of fabricated steel structures to BPSL. It was categorically admitted by him that all these bills totaling to Rs. 16,73,00,000 were issued without actual transport of any goods. The entire coordination between ASPL and BPSL in respect of these forged bills and related documents was handled solely by him and Sh. Ritesh Kapoor. Admittedly, he also looked after all finance related matters of M/s. Passive Infra Projects Pvt. Ltd(PIPPL) in which his brother was the director; A payment of Rs. 38,40,05,286 in total has been made by BPSL to PIPPL during the time period of 01.10.2013 to 31.03.2015 in respect of bills raised by PIPPL for transport of fabricated steel structures to BPSL. It was also admitted by him that all these bills totaling to Rs. 38,40,05,286 were issued without

Ct.Case No. 01/2020

actual transport of any goods; that entire operations regarding issuance of these bills was coordinated by him in tandem with Sh. Ritesh Kapoor. He had returned cash amount to Sh. Ritesh Kapoor without recording the same in the books of accounts. He also admitted that transport documents were arranged by Sh. Ritesh Kapoor and sometimes by their regular transporters. Sh. Varun Agagrwal in his statement dated 26.08.2019 also admitted that payment of Rs. 38,40,05,286 in total has been made by BPSL to PIPPL during the time period of 01.10.2013 to 31.03.2015; that all the above bills totaling to Rs. 38,40,05,286 were issued without actual transport of any goods and that the entire coordination between PIPPL and BPSL in respect of these forged bills and related documents was handled solely by his brother Sh. Nitin Agrawal and Sh. Ritesh Kapoor; that his elder brother Sh. Nitin Agrawal had issued instructions to Sh. Ritesh Karmakar (the Director looking after the manufacturing operations in the plant) to issue invoices in favor of M/s. Bhushan Power & Steel Limited; that Sh. Nitin Agarwal, used to pass instructions directly to Sh. Ritesh Karmakar in this regard. As such, Sh. Nitin Agarwal had carried such transactions to the tune of Rs. 55.13Crore leading to siphoning and laundering of equivalent amount. Thus, he was involved in generation of and knowingly assisted in acquisition of Proceeds of Crime namely funds siphoned from BPSL against non-existent supplies and its conversion into cash which was further laundered by Sh. Sanjay Singaland provided a platform to facilitate money laundering. Sh Nitin Agarwalis guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in knowingly assisting, knowingly a party and and was actually involved in all or 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.

Role assigned to accused no.10 Sh. Rajesh Bansal is that he was the Director of M/s. Srishti Metal Pvt. Ltd. (SMPL). A payment of Rs.

13,65,71,685 in total had been made to BPSL by SMPL during the time period of 09.10.2013 to 07.03.2015 in respect of bills raised by SMPL for sale of fabricated steel structures such as crane structures parts to BPSL. All these bills totaling to Rs. 13,65,71,685 were issued without actual transport of any goods and all these bills were forged. Entire coordination between SMPL and BPSL in respect of these forged bills and related documents was handled solely by Sh. Rajesh Bansal and Sh. Ritesh Kapoor. SMPL raised forged bills for supply of goods to BPSL Orissa Plant and payments used to be credited in company's account by way of RTGS and Sh. Ritesh Kapoor used to inform about the same and invoices were issued thereafter for SMPL showing sale and transport of goods to BPSL. Admittedly the amount received in SMPL bank account was returned to BPSL either in cash or through RTGS to suppliers, which had been arranged by Sh. Ritesh Kapoor to provide invoices of raw materials to cover the sales being shown to be made to BPSL. Admittedly around Rs. 13 crores have been paid back to BSPL either in cash or through third parties by way of RTGS. The transport documents both in respect of goods supplied by suppliers to SMPL and SMPL to BPSL were arranged by Sh. Ritesh Kapoor and the same were forged as no movement of goods took place. He never interacted with any person on behalf of BPSL apart from Sh. Ritesh Kapoor. He had carried such transactions to the tune of Rs. 13.66Crore leading to siphoning and laundering of equivalent amount. Thus, he was involved in generation of and knowingly assisted in acquisition of Proceeds of Crime namely funds siphoned from BPSL against non-existent supplies and its conversion into cash which was further laundered by Sh. Sanjay Singal and provided a platform to facilitate money laundering. Sh. Rajesh Bansal is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in knowingly assisting, knowingly a party and was actually involved in all or any process or activity connected with the

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proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming it as untainted property.

Role assigned to accused no.11 Sh.Himanshu Prafulchandra is that He was the Director of M/s. Varia Engineering Works Pvt. Ltd. (VEWPL), engaged in manufacturing of rolling mill machinery and stainless steel coil. A payment of Rs. 30-32 crores in total had been made by BPSL to VEWPL during the years 2012-13 in respect of bills raised by VEWPL for transport of fabricated foundation base plates and gear box to BPSL's Orrisa Plant. Admittedly, all these bills were forged and were issued without any actual transport of goods. The coordination between VEWPL and BPSL in respect of these forged bills and related documents was handled by him in tandem with Sh. Ritesh Kapoor. He had carried such transactions to the tune of Rs. 32Crore leading to siphoning and laundering of equivalent amount. Thus, he was involved in generation of and knowingly assisted in acquisition of Proceeds of Crime namely funds siphoned from BPSL against non-existent supplies and its conversion into cash which was further laundered by Sh. Sanjay Singal and provided a platform to facilitate money laundering. Sh. Himanshu Praful chandra is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in knowingly assisting, knowingly a party and was actually involved in all or 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.

Role assigned to accused no.12 Sh.Jatinder Pal Singh Chadha is that he was the director in M/s. Mansfield Cable Company Limited, engaged in manufacturing of specialized cables. His company had received payments from M/s. Bhushan Power & Steel Ltd. (BPSL) in respect of forged bills raised by Mansfield Cables Company Limited to BPSL for which no goods

had been supplied. Admittedly these bills were forged and had been raised without any actual movement of goods. He acted in coordination with Sh. Ritesh Kapoor, who acted as a middleman on behalf of BPSL. He used to retain a specific percentage of amount of applicable taxes and duties as his commission in respect of such bills for which no goods were supplied. Thus, he was involved in generation of and knowingly assisted in acquisition of Proceeds of Crime namely funds siphoned from BPSL against non-existent supplies and its conversion into cash which was further laundered by Sh. Sanjay Singal and provided a platform to facilitate money laundering. Sh. Jatinder Pal Singh Chadhais guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in knowingly assisting, knowingly a party and was actually involved in all or 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.

Role assigned to accused no.13 Sh. Raj Kumar Kedia is that he was the main person, a share broker based in Delhi, who helped BPSL in converting (placement and layering) the cash (generated by BPSL through payments made against fake supplies) through various entry operators. Sh. R. K. Kedia had approached different entry operators to convert the ill-gotten gains to legitimate bank deposits by way of Long Term Capital Gains (LTCG). As per the then prevailing Income Tax provisions, income arising out of LTCG was exempted from payment of any Income Tax. To be eligible for LTCG, the assets had to be held by the assessee for more than a specified period (one year in case of Shares). Sh. R. K. Kedia would cause to purchase shares of companies, commonly known as penny stock companies, at a very low price either through the stock exchange or through preferential allotment in the name of Sh. Sanjay Singal, Smt. Aarti Singal, Sh. Aniket Singal and Sanjay Singal (HUF),

collectively referred to as 'Singals'. The payment for such shares was made through licit channels but the same was paid back by the operators in cash after keeping a small amount as deposit. Acting in concert with other operators, Sh. R. K. Kedia would cause artificial increase in prices of the said company by way of synchronized trading over the period of one year. Once the mandatory holding period for holding the said shares was over and the prices had been artificially jacked up, shares held were sold through the stock exchanges. These shares were then sold at much higher prices through the brokers to the parties masquerading as buyers, whereas actually these parties were also controlled by the entry operators themselves. These parties would make the payment for these shares through normal banking channels to the bank accounts of Singals and Singals would return the cash. The amount so credited in their bank accounts was transferred by Singals to BPSL as promoter's equity (Share Capital plus Share Premium). Thus, Sh. Raj Kumar Kedia was instrumental in laundering the proceeds of crime i.e. the funds diverted from BPSL as payments against fake purchases, which were then received back in cash. It was he, who had knowingly assisted Sh. Sanjay Singal in placement and integration of the said cash amount into the bank accounts of the Singals and further projection of the same as Long Term capital Gains which was used and invested (the said amount of Rs. 695.14 Crore) into BPSL. Thus, he facilitated the process of laundering by providing and coordinating with various players involved in the whole gambit of money laundering. Sh. Raj Kumar Kedia is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in, knowingly assisting, knowingly a party and actually involved in all or 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.

Role assigned to accused no.14 Sh. Shirish Chandrakant Shah is that he is an entry operator who was introduced to Sh. R.K. Kedia by one Sh. Narendra Shah of Mumbai. Sh. R. K. Kedia was a stock broker and an entry operator based in Delhi who approached him to do some work related to Long Term Capital Gains (For generating Tax Free Income). Sh. Raj Kumar Kedia requested him to generate long term capital gains for and on behalf of his clients. The shares of M/s. Prraneta Industries Ltd.(PIL), an entity controlled by him, were sold on BOLT (Stock Exchange online Trading System) and/or allotted inter-alia to Sh. Sanjay Singal, Smt. Arti Singal, Sh. Aniket Singal and Sanjay Singal (HUF) under preferential allotment of Equity shares. The said shares were kept unsold by the Singals for one year as per legal requirements and in the meanwhile he manipulated the price of the shares of these companies by jacking up the same using synchronized trading using companies controlled by him and other operators. After the expiry of one year holding period, the Singals sold the shares on BOLT and he purchased the said shares on BOLT through companies controlled by himself and other operators. In this manner, the Singals booked long term capital gains in their names in the years 2009-10 and 2010-11. The sale proceeds of these shares sold by them were transferred to them through their brokers namely Sh. Raj Kumar Kedia and SMC Global Ltd. and in lieu of these sale proceeds, the Singals had given equivalent amount either in cash or through RTGS entries in companies controlled by him. In the year 2011, Sh. Raj Kumar Kedia once again approached him for providing one time accommodation entries to some companies. Sh. R.K. Kedia transferred an amount of Rs. 83 crore as RTGS to his various Pvt. Ltd. companies and he gave back the entire amount in various Bhushan Group companies. Admittedly, the entire inward money came from Bhushan Power & Steel Limited and the money went back to Vision Steel Ltd., Diyajyoti Steel Ltd., Jasmine Steel Trading Ltd. and Marsh Steel Trading Ltd. The companies in which money

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came were controlled by him and were having dummy directors who had agreed to become directors for the namesake for money. These dummy directors had no knowledge of the activities done by the companies and they used to sign all bank documents and others documents as per his instructions. An amount of Rs. 83,00,00,000/- was received from Bhushan Power and Steel Ltd. which was transferred to group companies i.e. Vision Steel Ltd., Diyajyoti Steel Ltd., Jasmine Steel Trading Ltd. and Marsh Steel Trading Ltd. through the companies controlled by him. Thus, Sh. Shirish Chandrakant Shah was instrumental in laundering the proceeds of crime i.e. the funds diverted from BPSL as payments against fake purchases, which were then received back in cash, into the accounts of Singals as artificially generated LTCG. It was he, who had knowingly assisted Sh. Sanjay Singal in placement and integration of the said cash amount into the bank accounts of the Singals who projected the same as Long Term capital Gains and invested the said amount into BPSL. Thus he facilitated the process of laundering by providing a platform for the entire gambit of money laundering for a monetary consideration. Sh. Shirish Chandrakant Shah is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in, knowingly assisting, knowingly a party and actually involved in all or 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.

Role assigned to accused no.15 Sh.Vikash Chowdhary is that he is an entry operator engaged in providing accommodation entries to different entities. Sh. Alkesh Sharma approached him in the year 2011-12 for providing accommodation entries to M/s. Bhushan Power & Steel Ltd. (BPSL). Sh. Vikash Chowdhary would receive money by way of RTGS into companies under his control and from them RTGS transfers of

corresponding amount was sent into group companies of BPSL i.e. Diyajyoti, Marsh, Vision & Jasmine and others as share application money. Admittedly most of the money which was received in his companies was from BPSL for which he would charge a commission. As per document submitted till date he had provided accommodation entries of around Rs. 223.71 crores into BPSL, mostly through proper banking channels and also a small portion in cash. The money which had been sent to group companies of BPSL has been shown as share application money in their books and these shares were still lying as investments in their books. Thus, Sh. Vikash Chowdhary was instrumental in laundering the proceeds of crime i.e. the funds diverted from BPSL to group companies of BPSL. It was he, who had knowingly assisted Sh. Sanjay Singal in placement and integration of the said amount into the bank accounts/books of accounts of the group companies who projected the same as equity investments and further used the said amount for making investment into BPSL or for creation of assets in India and abroad. Thus he facilitated the process of laundering by providing a platform for the entire gambit of money laundering. Sh. Vikash Chowdhary is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in, knowingly assisting, knowingly a party and actually involved in all or 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.

Role assigned to accused no.16 Sh.Himanshu Verma is that he is an entry operator engaged in providing accommodation entries to different entities. In 2011, he was approached to provide some entries for share purchase of promoter companies of M/s. Bhushan Power & Steel Ltd. (BPSL). He would receive money by way of RTGS into his companies and from these RTGS transfers of corresponding amount was sent into

promoter companies of BPSL i.e. Diyajyoti, Marsh, Vision & Jasmine as share application money for a commission. Later on, Sh. Alkesh Sharma of BPSL started coordinating with him for providing entries and transfer of money through RTGS/cash. An amount of Rs. 88,40,00,000/- was transferred to five companies M/s Vision Steel Limited, M/s Diyajyoti Steel Limited, M/s Jasmine Steel Trading Limited, M/s Marsh Steel Trading Limited, Rail Track India Ltd. related to M/s. Bhushan Power & Steel Ltd. (BPSL) through a number of shell companies under his control. The funds which were transferred to these five companies were projected as investment in shares of these five companies in his books and the funds which were received in his shell companies were shown as sale of shares to companies sending the funds. These funds received in his shell companies were routed through other shell companies under his control for layering them and then these funds were ultimately transferred to five companies of BPSL as named above.

No actual sale or purchase of shares took place and there is no documentary evidence to prove that any actual sale or purchase of shares took place against receipt and transfer of these funds. Merely for accounting purposes, receiving and sending of these funds were shown as shares sale and purchase money. Most of the shell companies were having common directors which were dummy directors and were his employees. It was he, who had helped Sh. Sanjay Singal in placement and integration of the said amount into the bank accounts/books of accounts of the group companies who projected the same as equity investments and further used the said amount for making investment into BPSL or for creation of assets in India and abroad. Thus he facilitated the process of laundering by providing a platform for the entire gambit of money laundering. Sh. Himanshu Verma is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly

or indirectly indulging in, knowingly assisting, knowingly a party and actually involved in all or 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.

Role assigned to accused no.17 Sh.Praveen Kumar is that Sh. Alkesh Sharma, had approached him with a proposal for providing accommodation entries to BPSL. He received funds from BPSL into companies under his control by way of RTGS and he rotated these funds transfer entries among his companies and ultimately transferred it back to BPSL again by way of RTGS transfers. An amount of Rs. 54,11,19,500 had been received mostly from BPSL into his companies and he provided details of Rs. 15,93,00,000 that had been rotated and routed back into BPSL and its related entities viz Shivalik view Steel Trading Ltd., Vintage Steel Pvt. Ltd., Rockland Steel Trading Pvt. Ltd., Nova Iron Steel Ltd., Titanic Steel Industries Pvt. Ltd., Decor Investment & Finance Ltd., Ever-growing Iron and Finvest Ltd., BIC Investments Pvt. Ltd. The companies in which he had received funds were all shell companies and no actual work was carried out in these companies. He did not account for any entries in the books either of funds received in his companies or of funds given by his companies as he had not maintained any books of accounts. He used to charge commission, which he used to deduct beforehand when transferring money from his companies to BPSL. In most of these companies, he was a director alongwith dummy directors known to him. It was he, who had knowingly assisted Sh. Sanjay Singal in placement and integration of the said amount into the bank accounts/books of accounts of the group companies who projected the same as equity investments and further used the said amount for making investment into BPSL or for creation of assets in India and abroad. Thus, he facilitated the process of laundering by providing a platform for the entire gambit of money

laundering. Sh. Praveen Kumar is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in, knowingly assisting, knowingly a party and actually involved in all or 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.

Role assigned to accused no.18 Sh.Praveen Kumar Jain is that he is an entry operator who was introduced to Sh. Raj Kumar Kedia by Sh. Shrish Chandrakant Shah of Mumbai in 2007-08. He admitted that Sh. Raj Kumar Kedia was a stock broker and an entry operator based in Delhi, who approached him to do some work related to providing of share application entries to M/s. Bhushan Power & Steel Ltd. (BPSL). BPSL would make RTGS payments to certain companies known to him and from these companies money was transferred to him in cash through angadiayas and in return of which share application money was transferred by way of RTGS and cheques to promoter companies of BPSL namely M/s Jasmine Steel Trading Ltd, M/s Marsh Steel Trading Ltd., M/s Diyajyoti Steel Ltd and M/s Vision Steel Ltd from his companies. As per instructions of Sh. Raj Kumar Kedia, he would rotate the money so received from BPSL, either partly in cash or partly in form of payments made as share application money or entirely as share application money for which he got commission from Sh. Raj Kumar Kedia. He admitted that in this way, he had rotated and paid Rs. 46,00,00,000 by way of share application money and around 5 crores in cash.

It was he, who had knowingly assisted Sh. Sanjay Singal in placement and integration of the said amount into the bank accounts/books of accounts of the group companies who projected the same as equity investments and further used the said amount for making investment into BPSL or for creation of assets in India and abroad. Thus, he facilitated the

process of laundering by providing a platform for the entire gambit of money laundering. Sh. Praveen Kumar Jain is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in, knowingly assisting, knowingly a party and actually involved in all or 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.

Role assigned to accused no.19 Sh. Anil Kumar Khemka is that he is an entry operator who controlled approx. 70 to 80 companies most of which are engaged in providing adjustment entries. The directors in these companies are namesake directors only who had agreed to become director in consideration of varying amounts paid by him. He had done a business of about Rs. 180 crore with BPSL group. He was approached by Sh. Amit Jain, Chartered Accountant, r/o B-13, Swasthya Vihar, New Delhi with the proposal for providing adjustment entries for BPSL group. Admittedly, he did not had any direct contact with any employee or director of BPSL for the purpose of providing these adjustment entries and he used to charge a commission of about 0.1% on the transaction amount which was paid in cash to him. Mostly he used to receive RTGS transfers in the companies controlled by him and the same were transferred to BPSL group companies after routing the same through the companies controlled by him. In this manner, he had provided RTGS entries to M/s Vision Steel Limited, M/s Jasmine Steel Trading Limited, Diyajyoti Steel Limited., Marsh Steel Trading Limited, Adhunik Investment Private Limited and BSN Enterprises Private Limited through his various companies. The Chart submitted by him vide his statement dated 14.01.2020 details the routing adopted for layering of funds through different entities before being transferred to the above companies. He had received an amount of Rs. 182.80 crores from BPSL through above companies and Rs. 187.35

crores have been transferred to the Group companies of BPSL through the companies controlled by me. It was he, who had knowingly assisted Sh. Sanjay Singal in placement and integration of the said amount into the bank accounts/books of accounts of the group companies who projected the same as equity investments and further used the said amount for making investment into BPSL or for creation of assets in India and abroad. Thus, he facilitated the process of laundering by providing a platform for the entire gambit of money laundering. Sh. Anil Kumar Khemka is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in, knowingly assisting, knowingly a party and actually involved in all or 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.

Role assigned to accused no.20 Sh. Abhay Chand Bardia is that he admitted that in the year 2010-11, he came in contact with one Sh. Alkesh Sharma an employee of M/s. Bhushan Power & Steel Ltd. (BPSL); that as per the scheme proposed by him (Alkesh), he (Abhay) was to receive money by way of RTGS transactions into companies under his control and from these companies RTGS transfers of corresponding amount were made into group companies of BPSL; that the money received from BPSL was shown as advances in their books and was later squared off by showing it as share transfer money. An amount of Rs. 51,75,00,000 was received from M/s. Bhushan Power & Steel Ltd. (BPSL) into companies under his control which was layered and further transferred to group companies of BPSL. However a total amount of Rs. 72,60,00,000 was transferred to Group companies of BPSL through companies under his control. The balance amount of Rs. 20,85,00,000 was received in cash through Sh. Alkesh Sharma, from BPSL which was adjusted and further transferred by way of RTGS entries through companies under his control

to group companies of BPSL; that the money which was received from BPSL into his companies was shown as advances and later squared off by showing it as share transfer money; that shares of Divyajyoti Steel Ltd., Vision Steel Ltd., Jasmine Steel Trading Ltd, Marsh Steel Trading Ltd were transferred to his companies against the money which he routed into BPSL and these shares were shown to have been transferred to BPSL to square off the advances entries in their books. Admittedly, he did not have any documentary evidence showing actual transfer of these shares to BPSL. It was he, who had knowingly assisted Sh. Sanjay Singal in placement and integration of the said amount into the bank accounts/books of accounts of the group companies who projected the same as equity investments and further used the said amount for making investment into BPSL or for creation of assets in India and abroad. Thus, he facilitated the process of laundering by providing a platform for the entire gambit of money laundering. Sh. Abhay Chand Bardia is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in, knowingly assisting, knowingly a party and actually involved in all or 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.

Role assigned to accused no.21 Sh. Suresh Gupta is that he is an entry operator who knew Sh. Raj Kumar Kedia as a stock broker and an entry operator based in Delhi. Sh. Raj Kumar Kedia approached him to provide some loan entries to M/s. Bhushan Power & Steel Ltd. (BPSL). BPSL would transfer corresponding loan amount through Cheques or RTGS to shell companies controlled by him or his associates, from these companies RTGS transfers were made to his firm M/s. Sino Credits and Leasing Ltd. and he would further transfer this amount by way of RTGS to BPSL. All these transactions were made through proper banking channels

without involvement of any cash and in this way funds were rotated and infused back into BPSL as loans given by his company M/s. Sino Credits and Leasing Ltd. Around Rs. 25 crores have been rotated and provided back to BPSL in this way. Out of this outstanding loan amount in his books, some portion had been repaid back by BPSL to his company i.e. M/s. Sino Credits and Leasing Ltd. to square off outstanding loan entries in books, however the same has again been rotated and provided back to BPSL through banking channels as explained above. Funds received in his companies namely M/s. Sino Credits and Leasing Ltd., M/s. Central Gums & Chemicals Ltd and M/s. AGM Holdings Ltd. were routed through companies controlled by him and his known persons. Admittedly funds were layered through shell companies so that it could be shown as genuine transactions for various purposes in the books of BPSL and so that the repayments to BPSL are not directly linked with the loans given by BPSL; that out of total sum of Rs. 25 crores received from BPSL, Rs. 8.5 crores was routed through these companies as mentioned above and remaining amount was repaid directly to BPSL as loan repayments. It was he, who had knowingly assisted Sh. Sanjay Singal in placement and integration of the said amount into the bank accounts/books of accounts of the group companies who projected the same as equity investments and further used the said amount for making investment into BPSL or for creation of assets in India and abroad. Thus, he facilitated the process of laundering by providing a platform for the entire gambit of money laundering, Sh. Suresh Gupta is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in, knowingly assisting, knowingly a party and actually involved in all or 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.

Role assigned to accused no.22 Sh.B.D.Agarwal is that he is an entry operator who was introduced to Sh. Alkesh Sharma by Sh. Sunil Parekh, an entry operator based in Kolkata for providing accommodation entries to BPSL. BPSL would make cheque/RTGS transfers into companies under his control and he would rotate these funds transfer entries among his companies and ultimately transfer it back to BPSL and its group companies mostly through RTGS/cheque and sometimes given in cash also. Admittedly from the year 2009 to 2012, funds to the tune of Rs. 43 crores have been received from BPSL into his companies and Rs. 32.03 crores have been rotated and routed back into BPSL and its group companies through banking channels viz RTGS. Accounting of these funds received from BPSL in his companies has been shown as shares sales money and funds that have been transferred to BPSL and its group companies have been shown as investment against shares of BPSL and its group companies. However, these shares of BPSL and its group companies which have been allotted to his companies were only as per books and no actual transfer of shares took place. It was only for the accounting purposes that funds transfers were shown as share investments and share sales money for which he charged 0.10% of the transaction amount as his commission. It was he, who had knowingly assisted Sh. Sanjay Singal in placement and integration of the said amount into the bank accounts/books of accounts of the group companies who projected the same as equity investments and further used the said amount for making investment into BPSL or for creation of assets in India and abroad. Thus, he facilitated the process of laundering by providing a platform for the entire gambit of money laundering. Sh. B. D. Agarwal is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in, knowingly assisting, knowingly a party and actually involved in all or any process or activity connected with the proceeds of crime including its concealment,

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possession, acquisition or use and projecting or claiming it as untainted property.

Role assigned to accused no.23 Sh. Praveen Kumar Agarwal is that He is an entry operator and Sh. Sunil Parekh and Sh. Anirudh Mishra, both entry operators based in Kolkata approached him for providing accommodation entries into companies of M/s. Bhushan Power & Steel Ltd. (BPSL). He used to receive money into companies under his control, by way of RTGS and cheques from M/s. Bhushan Power & Steel Ltd. and after layering these funds through intercompany transfers, he used to send these funds into companies namely Diya Jyoti Steel Ltd., Jasmine Steel Trading Ltd., Marsh Steel Trading Ltd., Vision Steel Ltd., Gwarja Merchants Pvt. Ltd., Bhushan Power & Steel Ltd., Peekay Vanijya Pvt. Ltd., Intime Reality Pvt. Ltd., Titanic Steel Industries, Shivalikview Steel Trading, Marval Finvest Pvt. Ltd., Globe Soya Products Ltd., Solgan Infotech Pvt. Ltd. The money received from BPSL was shown as share transfer money and the money which was sent through his companies into BPSL and its entities had been shown as investments in shares. He had no documentary evidence to prove that actual share transfers had taken place and only for accounting purposes these entries have been shown as share transfer money and no actual transfer of shares had taken place. He had infused funds to the tune of Rs. 137.60 crores into BPSL and its related entities and he had received funds to the tune Rs. 111.10 crores into his companies from BPSL and remaining balance of Rs. 26.50 crores had been received from companies of Sh. Sunil Parekh which are yet to be traced. He had received Rs. 13,70,000 as his commission on above transactions at the rate of 0.1% of the transaction amount. The directors of the companies which were used for rotating money were his paid employees and all these companies were shell companies used only for providing of accommodation entries and no actual work was carried out in

them. It was he, who had knowingly assisted Sh. Sanjay Singal in placement and integration of the said amount into the bank accounts/books of accounts of the group companies who projected the same as equity investments and further used the said amount for making investment into BPSL or for creation of assets in India and abroad. Thus, he facilitated the process of laundering by providing a platform for the entire gambit of money laundering. Sh. Parveen Kumar Agarwal is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in, knowingly assisting, knowingly a party and actually involved in all or 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.

Role assigned to accused no.24 Sh.Jagdish Prasad Purohit is that he is an entry operator who knew Sh. R.K. Kedia since 1995 as a stock broker and an entry operator based in Delhi. Around 2010-11, Sh. R.K. Kedia approached him to do some work related to Long Term Capital Gains (For generating Tax Free Income) as Sh. R.K. Kedia knew that he was going to issue preferential shares of his company M/s. Blue Circle Services Ltd. (BCSL). Besides this company, Sh. R.K. Kedia also bought shares of another company belonging to him i.e. M/s. Unisys Software and Holdings Industries Ltd. (USHIL) for generating Long Term Capital Gains (LTCG) for his clients. BCSL allotted preferential shares to Sh. Sanjay Singal, Smt. Arti Singal, Sh. Aniket Singal and Sanjay Singal (HUF), collectively referred to as the Singals for which corresponding RTGS payments were made to BCSL. These shares were held by them for minimum 12 months, as per minimum lock in period for successful booking of LTCG and during this period, prices of these shares were raised artificially through trading done by Sh. Jagdish Prasad Purohit and other operators prevailing in the market. These shares were then bought

by companies under control of operators known to him on BOLT and in this way the sale proceeds of these shares sold by them were transferred directly into the accounts of the Singals viz Sh. Sanjay Singal, Smt. Arti Singal, Sh. Aniket Singal and Sanjay Singal (HUF). At the time of purchase, an equivalent amount in cash, for which RTGS transactions were made towards purchase of shares, was transferred to Sh. Alkesh Sharma on the instructions of Sh. R. K. Kedia and at the time of selling of shares by Singals, equivalent amount in cash or through cheques in favour of his companies, of the sale proceeds was provided to buyers of shares, as per instructions given to Sh. Alkesh Sharma, by him. In this way he had generated LTCG of around Rs. 200 crores on investments of Rs. 2,85,00,000 by Singals in BCSL and approximately Rs. 4-5 crores in USHIL. BPSL had paid an amount of Rs. 95 Crore to nine companies controlled by him on various dates and in lieu of that he had shown transfers of shares of various companies to BPSL in the year 2012 & 2014. All these transactions were shown only to square off the credit balance of BPSL in the books of these nine companies and no actual transfer of shares took place. All the companies, whose shares have been shown to be sold to BPSL were all shell companies controlled by other entry operators or himself. He admitted that approximately Rs. 200 crores was the total sale consideration in lieu of which an amount of Rs. 95 crores was transferred to the nine companies controlled by him as detailed above and the balance amount was paid in cash, which was handed over to the representatives of buyers by Sh. Alkesh Sharma as per the instructions given by Sh. R.K. Kedia in consultation with himself. Thus, Sh. Jagdish Prasad Purohit was instrumental in laundering the proceeds of crime i.e. the funds diverted from BPSL as payments against fake purchases, which were then received back in cash, into the accounts of Singals as artificially generated LTCG. It was he, who had knowingly assisted Sh. Sanjay Singal in placement and integration of the said cash

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amount into the bank accounts of the Singals who projected the same as Long Term capital Gains and invested the said amount into BPSL. Thus, he facilitated the process of laundering by providing a platform for the entire gambit of money laundering. Sh. Jagdish Prasad Purohit is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in, knowingly assisting, knowingly a party and actually involved in all or 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.

Role assigned to accused no. 25 Sh. Krishan Khadaria is that he is an entry operator who was approached by SH. Raj Kumar Kedia for generating Tax free income in the form of long term capital gains through artificially jacking up the prices of shares. He issued preferential shares to the Singals and the money received for the said shares was paid to different entities as per the directions of Sh. Raj Kumar Kedia for onward return of funds to Sh. Sanjay Singal, Sanjay Singal HUF, Smt. Aarti Singal and Sh. Aniket Singal. Sh. Raj Kumar Kedia had also approached him for providing accommodation entries into companies of M/s. Bhushan Power & Steel Ltd. (BPSL). He used to receive money into companies under his control, by way of RTGS and cheques from M/s. Bhushan Power & Steel Ltd. and after layering these funds through intercompany transfers, he used to send these funds into companies namely Diya Jyoti Steel Ltd., Jasmine Steel Trading Ltd., Marsh Steel Trading Ltd., Vision Steel Ltd., and Aromitic Steel Pvt Ltd. He had infused funds to the tune of Rs. 40.91 crores into group companies of BPSL. It was he, who had knowingly assisted Sh. Sanjay Singal in placement and integration of the said amount into the bank accounts/books of accounts of the group companies who projected the same as equity investments and further used the said amount for making investment into BPSL or for creation of assets in India

and abroad. Thus, he facilitated the process of laundering by providing a platform for the entire gambit of money laundering. Sh. Krishan Khadaria is guilty of offence of money laundering as defined in Section 3 of the PMLA, 2002 as he was directly or indirectly indulging in, knowingly assisting, knowingly a party and actually involved in all or 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.

4. The Ld SPP for the complainant has relied on CrI.Appeal No.321/2018 titled "Pankaj Jain Vs UOI & Ors. where it is held that it is not obligatory on the part of the Court to accept bail bond under Section 88 of Cr.P.C and release the accused. Even if the accused was not arrested during investigation, Section 88 of Cr.P.C does not confer any right on any person who is present in the Court to be enlarged on bail on furnishing the bond. Rather, it is the power given to the Court to facilitate his appearance when situation so demands.
5. The other ground of objection is that the PMLA has been amended w.e.f 19.04.2018 and makes bail conditions applicable uniformly to all the offences under PMLA and conditions mentioned for bail have been re-introduced. Reliance is also placed on State of Gujarat Vs Mohan Lal J. Porwal AIR 1987 SC 1321 to submit that economic offences constitute a class apart and need to be vested with a different approach in the matter of bail.
6. For opposing the bail, Ld.Spl.PP for ED submitted that the judgments of the Hon'ble High Court in case of Shivender Singh and Upender Rai holding that twin conditions of Section 45 have not revived on amendment of the Act have been challenged before Hon'ble Supreme Court and the orders have been stayed by the Hon'ble Supreme Court.

7. In rebuttal, reliance is placed on Dilip Singh Mann Vs Niranjan Singh, Assistant Director, Department of Enforcement, Government of India C.R.M.No.M-28490/2015 decided on 01.10.2015, Arun Sharma Vs UOI & Ors. Crl. Writ Petition No.971/2016 dated 22.07.2016 of the Hon'ble High Court of Punjab & Haryana. Reliance is also placed on Crl.Writ Petition No.984/2016 titled as P.D.Agro Vs Department of Enforcement dated 25.07.2016 decided by the Hon'ble High Court of Punjab & Haryana and SLP Crl. 5978/2016 dated 12.08.2016 where the challenge to the judgment of Hon'ble Punjab & Haryana High Court in the case of Arun Sharma (supra) was rejected and SLP was dismissed holding that there is no ground to interfere.
8. This Court has carefully considered the submissions made by Ld. Counsels for the accused and Ld.Spl.PP for ED and perused the complaint.
9. In the case of Nikesh Tarachand Shah Vs UOI 2018 (11) SCC 1, Sameer Bhujpal Vs Assistant Director, Directorate of Enforcement B.A. No.286/2018 a judgment of Hon'ble Bombay High Court decided on 06.06.2018, Dr. Vinod Bhandari Vs Assistant Director, Directorate of Enforcement Crl.M.C.No.34201/2018 decided by Hon'ble Madhya Pradesh High Court on 29.08.2018 and Upender Rai Vs Directorate of Enforcement Bail Application No.249/2019 dated 09.07.2019, DoE vs Gagan Dhawan,Crl Rev Pet No. 1071/2018 dated 06.08.2019 by the Hon'ble Delhi High Court, it has been held that the twin conditions applicable for bail under Section 45 of PML Act are unconstitutional/with the amendment of the Act, these conditions have not revived. The order in the case of Upender Rai (supra) have been challenged before the Hon'ble

Supreme Court and the directions are that the order shall be stayed if the accused is not released on bail.

10. However, In this case it is not relevant to deal with twin conditions of Section 45 of PML Act in as much as the accused were not arrested during investigation in this case and complaint was filed without arresting them and they have appeared on receiving of summons from this Court. In case of Dilip Singh Mann (supra) in para 5 it has been held as under:-

“Having given our thoughtful consideration to the submissions we are satisfied that no purpose shall be served by putting the petitioners in judicial custody pending trial in statutory complaint. We say for the reasons that-

- (i)
- (ii)
- (iii)
- (iv)
- (v) It further appears that rigors of Section 45(1)(ii) of the Act would be attracted only while considering the bail plea of accused who has been arrested by ED under Section 19 of the Act.

11. In case of Arun Sharma (supra) , the Hon’ble High Court has held “We have no hesitation in concurring with the above view already taken by the Co-ordinate Division Bench of this Court in Dilip Singh Mann Vs Enforcement Directorate that rigors of Section 45(1)(ii) of PML Act would be attracted only while considering the application of an accused for release of bail or his own bond if he has been arrested by the authorized officer under Section 19 of PML Act before taking cognizance. As submitted by Sh. Vijay Aggarwal, Ld.counsel for Accused no.3, 4 and 5, the SLP against this order has been dismissed by the Hon’ble Supreme Court on 12.08.2016.

12. The Hon'ble Delhi High Court way back in the year 2003, in the case of Court on its own Motion Vs CBI reported in DLT 109 (2003) 494 has given following directions to Criminal Courts in sub para (v) and para 26 of the judgment as under:-

“ The Court shall on appearance of an accused in non-bailable offence who has neither been arrested by the police/Investigating Agency during investigation nor produced in custody as envisaged in Section 170 of Cr.P.C call upon the accused to move a bail application if the accused does not move it on his own and release him on bail as the circumstance of his having not been arrested during investigation or not being produced in custody is itself sufficient to entitle him to be released on bail. Reason is simple. If a person has been at large and free for several years and has not been even arrested during investigation, to send him to jail by refusing bail suddenly, merely because charge-sheet has been filed is against the basic principles governing grant or refusal of bail.

13. The judgment relied on by Ld. Spl.PP for ED in the case of Pankaj Jain (supra) is not applicable to the facts of this case as all the accused on receiving summons have appeared and applied bail submitting to the jurisdiction of the Court. They have not simply submitted bonds insisting on bail as if this Court has no discretion.

14. So far as flight risk is concerned, all the passports are with the Court and directions have been given to the accused not to leave the country without permission of the Court. Regarding the apprehension of influencing the witnesses, it is only an apprehension without there being any concrete material for giving serious consideration to this apprehension. Moreover, law enforcing agencies are always at liberty to take steps in the event of any such development coming to their notice , in accordance with law. The chargesheet/complaint has been filed and all the evidence which is documentary in nature has been collected and filed with the complaint

before the Court. The complaint is likely to take long time for disposal and the accused cannot be kept in judicial custody till then.

15. Considering the entirety of circumstances, this Court is of the opinion that ends of justice require that all the accused be granted bail subject to their furnishing personal bonds and surety bonds for a sum of Rs.1 Lakh each.
16. All the accused have already submitted their personal bonds and surety bonds pursuant to interim bail granted to them. All those bonds shall remain in force till the opening of Courts. Thereafter, all the accused shall appear with their sureties before the Court for confirmation of their bonds in terms of this order. The bail is subject to the conditions that no accused shall leave the country without permission of the Court and shall not try to influence any witnesses or tamper with the evidence.
17. All the bail applications are allowed in terms of this order.

ARUN
BHARDWAJ

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ARUN BHARDWAJ
Date: 2020.09.18
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(ARUN BHARDWAJ)
Special Judge, CBI-05 (PC Act),
RADC, New Delhi/ 18.09.2020