



2026:DHC:4856



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

Date of pronouncement: 29.05.2026

+ BAIL APPLN. 3796/2025

WAHIDUR RAHMAN

.....Petitioner

Through: Mr. Adit S. Pujari, Mr. A. Nowfal, Mr. Shaikh Saipan Dastgir, Mr. Manvendra Singh Sekhawat, Ms. Prerna Mukherjee, Mr. Mohd. Arif and Mr. Mansoor Ali, Advocates.

versus

DIRECTORATE OF ENFORCEMENT

.....Respondent

Through: Mr. Vivek Gurnani, Panel Counsel with Mr. Pranjal Tripathi and Mr. Chinmay Anand Panigrahi, Advocates for Mr. Zoheb Hossain, Special Counsel.

HON'BLE MR. JUSTICE ANUP JAIRAM BHAMBHANI

J U D G M E N T

ANUP JAIRAM BHAMBHANI J.

By way of the present petition filed under section 483 of the Bharatiya Nagarik Suraksha Sanhita 2023, the petitioner seeks regular bail in ECIR/STF/17/2022 dated 21.09.2022 registered under section 120-B of the Indian Penal Code 1860 ('IPC') and sections 17/18/18-B/20/38/39 of the Unlawful Activities (Prevention) Act 1967



(‘UAPA’). The petitioner has been arraigned as accused No. 30 in the 7th Supplementary Prosecution Complaint dated 01.05.2025 (‘7th SPC’) that came to be filed in the subject ECIR *inter-alia* under sections 44/45 of the Prevention of Money-laundering Act 2002 (‘PMLA’) for the commission of offences under sections 3/4/70 of the PMLA.

2. Notice on the present petition was issued *vidé* order dated 14.10.2025.
3. Pursuant thereto counter-affidavit under cover of Index dated 24.11.2025 has been filed on behalf of respondent, Enforcement Directorate (‘ED’).
4. Nominal Roll dated 18.02.2026 has been received from the concerned Jail Superintendent.
5. In support of their submissions, the petitioner and respondent have filed Written Submission dated 18.02.2026 and Note dated 19.03.2026, respectively.
6. The court has heard Mr. Adit S. Pujari, learned counsel appearing on behalf of the petitioner; and Mr. Zoheb Hossain, learned Special Counsel and Mr. Vivek Gurnani, learned Panel Counsel appearing on behalf of the ED.

BRIEF BACKGROUND

7. The subject ECIR was registered on the basis of FIR bearing No. RC-14/2022/NIA/DLI dated 13.04.2022 registered under sections 120-B/153-A IPC and sections 17/18/18-B/20/22-B/38/39 UAPA by the National Investigation Agency, Delhi, which narrated that the Central Government had received credible information that the office bearers and members of the Popular Front of India (‘PFI’) were conspiring and



raising funds, both internationally and domestically, for engaging and supporting terrorist activities across States in India.

8. Thereafter, *vide* Gazette Notification dated 27.09.2022 issued by the Ministry of Home Affairs, Government of India, PFI and its associates or affiliates or front organisations were declared as an “unlawful association” in terms of the UAPA. The aforesaid notification was further confirmed by order dated 21.03.2023 passed under section 4(3) of the UAPA by the learned UAPA Tribunal.
9. Investigation conducted by the ED in the case is stated to have revealed that the Social Democratic Party of India (‘SDPI’) established in 2009, was operating under the control of PFI; and that SDPI had functioned as a front for laundering proceeds of crime, as well as for furthering PFI’s political objectives; and that the functional linkage between the two organisations was *inter-alia* confirmed by SDPI’s National President, Moideen Kutty K @ MK Faizy, in his statement recorded under section 50 of the PMLA.
10. It is the case of ED that the petitioner herein is closely connected to both SDPI and PFI; and that he was engaged as a Physical Education trainer with PFI, which position is also stated to have been confirmed by the petitioner in his statement recorded under section 50 of the PMLA. It is alleged that the petitioner was actively involved in the ‘layering’ of proceeds of crime by projecting them as legitimate donations.
11. In the above backdrop, the petitioner has been named in the 7th SPC and was arrested by ED on 20.03.2025 and has been lodged in judicial custody ever since.



SUBMISSIONS ON BEHALF OF THE PETITIONER

12. Mr. Pujari, learned counsel appearing for the petitioner has made the following principal arguments in support of the petitioner's case:
- 12.1. That the respondent-agency registered the subject ECIR back in 2022 and the petitioner has come to be named for the *first time only in the 7th SPC* and has been arraigned as accused No. 30;
- 12.2. That even though the allegations against the petitioner pertain to layering and concealment of 'proceeds of crime' through direct and conduit transactions into SDPI's bank accounts, ED has failed to show how the alleged proceeds of crime are a result of commission of any scheduled offence. It is submitted that it is important to note that the alleged transactions by the petitioner, the last of which is alleged to have been made on 14.08.2022, are *prior in time* to PFI (and its affiliate organisations) being declared an 'unlawful association' and being banned;
- 12.3. That even if the prosecution case against the petitioner is taken at its face value, the aggregate of financial transactions against him pertain to a total sum of Rs. 3.15 lacs, which sum falls way below the monetary threshold of Rs. 1 crore contained in the proviso to section 45 PMLA;
- 12.4. That in support of his argument, learned counsel has drawn attention to para 122 of judgment dated 16.02.2026 passed by a Co-ordinate Bench of this court in BAIL APPLN. 3620/2025, whereby co-accused Moideen Kutty K @ MK Faizy was admitted to regular bail :



“122. The only allegations are that the funds have been collected in the accounts of PFI/SDPI from unknown sources, which are being shown as legitimate donations to be used for commission of illegal and unauthorized activities which are the scheduled offences. **There is prima facie no evidence that the funds being received are generated from commission of any scheduled offence.** The money being received from unknown sources may be getting utilized for various activities, but that per se does not make the donations, money, etc. as the proceeds of crime under the scheme of PMLA. **The offence committed by the collection of funds, may be an offence under any law including the scheduled offence, but cannot be termed as proceeds of crime under Section 3 of PMLA.**”

(emphasis supplied)

- 12.5. That while on the one hand ED has arraigned the petitioner as an accused in the matter, on the other hand, Rajik Mohammad Anifa and Mohd. Rila *i.e.*, the persons into whose bank accounts the petitioner allegedly facilitated the transfer of certain sums of money in order to layer PFI and SDPI’s fundings, have *only* been arraigned as witnesses;
- 12.6. That unlike co-accused Moideen Kutty K @ MK Faizy, who has been arraigned as accused No. 28 in the 7th SPC and who was an office bearer with both PFI and SDPI, even as per ED the petitioner’s only association with PFI is alleged to have been as a Physical Education trainer who “*used to demonstrate Karate/Mix Martial Arts moves in PFI gatherings/meetings*”;
- 12.7. That the 07 prosecution complaints together cite about 250 prosecution witnesses and nearly 600 pieces of documentary evidence, and evidently, trial in the matter will take a long time



to conclude since the matter is still pending at the stage of arguments on charge; and

- 12.8. That in the meantime, the petitioner has spent *over 01 year in judicial custody* as an undertrial, whereas 08 of the other co-accused persons have been admitted to regular bail by the learned Sessions Court and Co-ordinate Benches of this court.
13. In the circumstances, it has been argued that the additional twin conditions of bail are answered in the petitioner's favour, and the petitioner deserves to be enlarged on regular bail pending trial.

SUBMISSIONS ON BEHALF OF ED

14. Mr. Hossain and Mr. Gurnani, learned counsel appearing for ED have opposed the grant of regular bail to the petitioner on the following principal grounds:
- 14.1. That the petitioner has admitted in his statement under section 50 of the PMLA that he was engaged as a Physical Education trainer with PFI and used to demonstrate Karate/Mix Martial Arts at PFI events. He also has an e-mail ID – *wahidpfi777@gmail.com* – which shows his close linkage with that banned organization;
- 14.2. That forensic extraction of the petitioner's phone records has revealed contacts that are labelled as "PFI", "SDPI" and "PFI SDPI", which therefore link him to both the said entities;
- 14.3. That in fact, the petitioner was even part of the protests against PFI's ban in 2022 and was arrested for having thrown a petrol bomb during such protests. This shows that the petitioner was



closely associated with PFI up until the organisation was banned in 2022 for being involved in terrorist activities and promoting communal disharmony;

- 14.4. That between October 2010 and March 2025, SDPI's bank accounts received total proceeds of crime of Rs. 32,94,43,117/-, of which amount Rs. 22,40,10,105/- was deposited in cash, which indicates a deliberate strategy to obscure the source of funds;
- 14.5. That PFI has used SDPI as a conduit to launder illicit funds and the petitioner has played a pivotal role in that activity by depositing cash in his and other people's bank accounts, before transferring the same to the bank accounts of SDPI, projecting the proceeds as legitimate donations;
- 14.6. That the petitioner has engaged in layering of transactions to obliterate the money trail, so that SDPI could deny receipt of funds from PFI. While most of the cash deposits were shown as donations of less than Rs.2000/- by various individual donors, investigation into the matter has revealed that such donors were non-existent and fake. The summary of the transactions undertaken by the petitioner has been described by ED as follows:
 - 14.6.1. On 30.07.2018 the petitioner made a cash deposit and a bank transfer of Rs. 50,000/- each into the bank account of Rajik Mohammad Anifa, which amounts were then immediately transferred into SDPI's bank account maintained at the Punjab National Bank. Cash deposit



slip dated 30.07.2018 evidencing the above transaction, containing the petitioner's signature has been obtained from the concerned bank. The deposit slip and the signature contained therein have also been admitted by the petitioner in his statement dated 20.03.2025 recorded under section 50 of the PMLA;

- 14.6.2. In his statement recorded under section 50 of the PMLA regarding the aforesaid transactions, Rajik Mohammad Anifa has stated that he did not recall making any such donations to SDPI and in fact did not know why the petitioner herein had transferred such amounts into his bank account;
- 14.6.3. On the very same date, the petitioner deposited Rs. 1,00,000/- in cash into Mohd. Rila's bank account maintained at Axis Bank, which money was again transferred into SDPI's bank account. Deposit slip dated 30.07.2018 relating to the deposit made has been obtained from the concerned bank and has been admitted by the petitioner in his statement dated 20.03.2025 recorded under section 50 of the PMLA;
- 14.6.4. With reference to the above transaction, Mohd. Rila has stated in his statement recorded under section 50 of the PMLA that he had transferred the amount of Rs. 1 lac into SDPI's bank account at the instance of the petitioner herein;



- 14.6.5. Just a day prior to that, on 29.07.2018, the petitioner had directly transferred a sum of Rs. 1,00,000/- from his own bank account to SDPI's bank account and on the very next day *i.e.*, 30.07.2018, he deposited Rs. 1,50,000/- in cash into his own bank account maintained at Axis Bank. When asked pointed questions under section 17 of the PMLA, in his statement dated 20.03.2025, the petitioner denied having ever donated any money to SDPI; and also stated that someone had given him cash, whose name he does not remember, and it was at that person's instance that he transferred the sum of Rs. 1 lac to SDPI's bank account; and
- 14.6.6. On 14.08.2022, the petitioner transferred Rs. 15,000/- into SDPI's bank account from his bank account maintained at Karur Vysya Bank.
- 14.7. That in the context of the above transactions, ED has pointed-out that though the petitioner has undertaken high-value transactions, it is important to highlight that it is the petitioner's own position that his annual income was Rs. 1 lac only.
- 14.8. That insofar as co-accused Moideen Kutty K @ MK Faizy having been admitted to regular bail is concerned, ED has argued that the petitioner cannot seek parity with the co-accused, since the petitioner's role is distinct from that co-accused, especially given that MK Faizy remained a member of PFI only till 2018 whereas the petitioner's association with the organization continued *at least* till the organization was banned in 2022.



15. Premised on the above submissions, ED has argued that the petitioner falls foul of the additional twin conditions of bail as engrafted in section 45 of the PMLA; and therefore the petitioner does not deserve to be granted regular bail.

DISCUSSION & CONCLUSIONS

16. This court has given its thoughtful consideration to the rival submissions advanced on behalf of the petitioner and ED, and has considered the material placed on record, including the complaint, the statements recorded under sections 17 and 50 of the PMLA, and the documents cited in support thereof. At this stage, it bears reiteration that the court is not required to conduct a meticulous examination of the evidence on record but only needs to assess whether the statutory parameters for grant of bail, in particular under section 45 of the PMLA, stand satisfied.
17. Insofar as the petitioner's association with PFI and SDPI is concerned, this court is of the opinion, that having regard to ED's own case that the petitioner was engaged as a Physical Education trainer with PFI, the mere existence of an email ID bearing the acronym "PFI" or of phone contacts saved as "PFI", "SDPI" and "PFI SDPI" cannot, by themselves, be treated as incriminating circumstances sufficient to deny bail to the petitioner. When a person is admittedly associated with an organisation in a professional or functional capacity, it is neither unusual nor inherently suspicious that he would maintain email identifiers or contact entries reflecting the name of that association; and such factors, without corroborative material linking them to specific acts of money-laundering, cannot be accorded decisive weight at the stage of bail.



18. This court is also of the view that the timing and manner in which the petitioner's name has surfaced in the enforcement proceedings is a relevant consideration. The ECIR in question is dated 21.09.2022 and is founded upon an FIR of 13.04.2022; yet the petitioner finds mention *for the first time* only in the 7th Supplementary Prosecution Complaint dated 01.05.2025, where he has been arrayed as accused No. 30. On the face of it, this sequence suggests that the petitioner was not perceived, during the earlier phases of investigation and prosecution complaints, as occupying any central or commanding role in the affairs of PFI or SDPI, since, had his role been of such pivotal significance, it is reasonable to expect that it would have come to light and been articulated much earlier in the course of the proceedings.
19. In the opinion of this court, equally significant is the relative magnitude of the financial link sought to be established between the petitioner and the alleged proceeds of crime. According to ED's own showing, SDPI's bank accounts received an aggregate amount of Rs. 32.94 crores between October 2010 and March 2025, out of which Rs. 22.40 crores was deposited in cash; yet *only a sum of Rs. 3.15 lacs* has been traced to transactions routed through the petitioner's accounts or at his instance. Even if, for the present purposes, these transactions are assumed to be proved in the manner alleged by ED, the proportion of Rs. 3.15 lacs *vis-à-vis* Rs. 32.94 crores is so minuscule that this court is of the view that the petitioner cannot, on that basis alone, be characterised as a significant or serious agent of the alleged money-laundering operations of PFI/SDPI.



20. Further, this court is of the opinion that the scheme of section 45 of the PMLA, as modified by the proviso inserted therein, cannot be ignored while assessing the rigour of the “twin conditions” in the present case. The proviso *inter-alia* contemplates a monetary threshold of Rs. 1,00,00,000/- and if the involvement of an accused in the offence of money laundering is below that threshold, the rigours of the additional twin conditions get watered-down. In the present case, the amount attributed to the petitioner, even on ED’s own reckoning, is only Rs. 3.15 lacs, which falls far below that threshold. Without undertaking an elaborate exegesis of that provision at this stage, this court is of the view, that when the alleged involvement of an accused is confined to a quantum substantially below the statutory threshold, it would be incongruous to subject him to the same degree of rigour as may apply to persons alleged to have laundered, or to be in possession of, amounts equal to or exceeding that threshold; and that this factor militates in favour of a more liberal approach in the matter of bail.
21. The court is also conscious of the observations made by a Co-ordinate Bench while granting regular bail to co-accused Moideen Kutty K @ MK Faizy, particularly the observation that there was no material to show that the said co-accused had dealt with “proceeds of crime” within the meaning of section 3 of the PMLA. If the inflows into SDPI’s accounts have, at least at this stage, not been demonstrated to constitute proceeds of crime, then *ex-facie* the sums allegedly transferred by the petitioner to SDPI cannot readily be labelled as proceeds of crime either. As correctly argued on behalf of the petitioner, since ED has not *prima-facie* demonstrated how the funds in questions are derived from any



identified scheduled offence, which is a *sine-qua-non* for invoking the offence of money laundering under sections 3 and 4 of the PMLA, that aspect cannot be divorced from consideration while dealing with the petitioner's bail plea.

22. As regards the allegation that the petitioner participated in protests organised by PFI against the ban imposed on that organisation, and that he was allegedly involved in an incident of throwing a petrol bomb, this court is of the opinion that those allegations, even if taken at their face value, *pertain to a period prior* to PFI being declared an “unlawful association”. Participation in protest activities in that temporal context, however unseemly the form of protest may be alleged to have been, cannot at this stage, be treated as a determinative factor for denying bail in a PMLA prosecution, particularly when the primary focus of the allegation is on the financial transactions alleged to have been undertaken by the petitioner.
23. The allegation that the petitioner engaged in obliterating the money trail by arranging cash deposits of less than Rs. 2,000/- from allegedly fake or non-existent donors, so as to obfuscate the true source of funds, is undoubtedly a serious one. However, this court is of the view, that such an allegation, resting as it presently does on investigative analysis and inferences, must ultimately be established through admissible evidence during trial. At the pre-trial stage, it would not be appropriate to pre-judge the evidentiary worth of such material so as to foreclose the petitioner's liberty, particularly when other factors point towards a more tempered approach.



24. The dimension of protracted incarceration also weighs with this court. The petitioner has been in judicial custody since 20.03.2025, *i.e.*, for more than 01 year and 02 months as of now, while the case is admittedly still pending at the stage of arguments on charge, and the prosecution itself has cited about 250 witnesses and in excess of 600 documents to be produced in evidence in all 07 complaints. It is therefore evident, that the trial is likely to extend over a considerable length of time, and to keep the petitioner incarcerated as an undertrial for an indeterminate period in such circumstances, would not comport with the fundamental principles governing personal liberty, especially when his individual role, as presently discernible, appears limited both in time and in quantum.
25. Taking an overall view of the matter, and without expressing any final opinion on the merits of the case, this court is of the opinion that the petitioner has been able to make-out a case for grant of regular bail, even when tested on the touchstone of section 45 of the PMLA. The nature of the role attributed to the petitioner; the relatively small quantum of transactions linked to him in the context of the overall alleged proceeds of crime; the delay in him being arrayed as an accused; the parity of reasoning emerging from the order granting bail to co-accused MK Faizy; and the length of his pre-trial incarceration, all converge to persuade this court that the continued detention of the petitioner is not warranted.
26. Accordingly, the petitioner – **Wahidur Rahman Jainullabudeen @ Wahidur Rahman @ J. Wahid s/o Jainullabudeen** – is admitted to



regular bail in ECIR/STF/17/2022, pending trial, *subject to* the following conditions:

- 26.1. The petitioner shall furnish a personal bond in the sum of Rs.50,000/- (Rupees Fifty Thousand Only) with 01 surety in the like amount from a family member, to the satisfaction of the learned trial court;
 - 26.2. The petitioner shall furnish to the Investigating Officer a cellphone number on which the petitioner may be contacted at any time and shall ensure that the number is kept active and switched-on at all times;
 - 26.3. If the petitioner has a passport, he shall surrender the same to the learned trial court and shall not travel out of the country without prior permission of the learned trial court;
 - 26.4. The petitioner shall not contact, nor visit, nor offer any inducement, threat or promise to any of the prosecution witnesses or other persons acquainted with the facts of case. The petitioner shall not tamper with evidence nor otherwise indulge in any act or omission that is unlawful or that would prejudice the proceedings in the pending trial; and
 - 26.5. In case of any change in his residential address/contact details, the petitioner shall promptly inform the Investigating Officer. in writing.
27. Since the petitioner is facing trial and would therefore be appearing before the learned trial court from time-to-time, it is not considered necessary to impose a reporting requirement as a condition of regular bail.



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28. It is clarified that any observation made in this judgment is only for the purposes of deciding the present bail petition and shall not be construed as an expression of opinion on the merits of the case at trial.
29. The present petition is disposed-of in the above terms.
30. Pending applications, if any, also stand disposed-of.
31. A copy of this judgment be forwarded to the concerned Jail Superintendent *forthwith* for information and necessary compliance.

ANUP JAIRAM BHAMBHANI, J

MAY 29, 2026/HJ