

**IN THE HIGH COURT AT CALCUTTA
CRIMINAL MISCELLANEOUS JURISDICTION
APPELLATE SIDE**

Present:

The Hon'ble Justice Tirthankar Ghosh

C.R.M. (R) 58 OF 2026

***Sujit Bose*
-Versus-
Directorate of Enforcement**

For the Petitioner :

Dr. Abhishek Manu Singhvi, Sr. Adv.
Mr. Sabyasachi Banerjee, Sr. Adv.
Mr. Kuldeep Rai, Adv.
Mr. Dhananjay Kumar, Adv.
Mr. Mihir Joshi, Adv.
Mr. Aditya Singh Chauhan, Adv.
Ms. Nahid Ahmed, Adv.
Ms. Pragya Banerjee, Adv.
Ms. Aishwariya Mishra, Adv.

For the Enforcement Directorate :

Mr. S. V. Raju, Ld. ASG,
Mr. Dhiraj Trivedi, Ld. ASG,
Mr. Zoheb Hossain, Sr. Adv.
Mr. Adil Rashid, Adv.
Mr. Samrat Goswami, Adv.
Ms. Snigdha Ghosh, Adv.
Ms. Aparna Sarkar, Adv.
Mr. Aaryan Bansal, Adv.
Mr. Shivam Singh, Adv.

Reserved On :

25.09.2026

Judgement On :

13.10.2026

Tirthankar Ghosh, J. :

The present bail application has been preferred under Section 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023, read with Section 45 of the PMLA, in connection with ECIR/KLZO-II/15/2023 dated 11.05.2023 pending before

the Learned Chief Judge, City Sessions Court, Calcutta wherein the Learned Court was pleased to reject the prayer for bail of the petitioner.

Submissions on behalf of the petitioner

Dr. Singhvi, Learned Senior Advocate appearing for the petitioner submits that the petitioner Sujit Bose was a former Minister of the Government of West Bengal and former Vice-Chairman of South Dum Dum Municipality.

The investigation in the present case originated from an order dated 21.04.2023 passed by this Hon'ble High Court in WPA 9979 of 2022 directing the CBI to register a predicate FIR in relation to the municipal recruitment scam. Pursuant thereto, the CBI registered RC 0102023A0005 dated 22.04.2023 against Ayan Sil, M/s ABS Infozone and unknown public servants; the petitioner was not named in the FIR. Enforcement Directorate also registered ECIR/KL/ZO-II/15/2023 on 11.05.2023, a copy of which has never been supplied to the petitioner.

CBI investigated the predicate offence for nearly three years, during which the petitioner was never summoned, interrogated, searched or arrested. In its main charge-sheet dated 30.06.2024, CBI confined the alleged conspiracy to 29 illegal appointments and named only Ayan Sil and Dr. Panchu Gopal Roy as responsible, while in the first supplementary charge-sheet dated 30.12.2024 it added Jyotishman Chattopadhyay, IAS, and M/s ABS Infozone, without naming the petitioner and without keeping further investigation open. It was only in April 2026 that the ED issued its first summons under Section 50 of the

PMLA to the petitioner. Petitioner approached this Hon'ble High Court in WPA 9942 of 2026 and appeared pursuant to the Court's direction on 01.05.2026, cooperated in the recording of his statement, appeared again pursuant to a further summons on 11.05.2026 and was thereafter arrested. The petitioner neither absconded nor evaded investigation.

There is nearly three-year delay in taking any coercive step against the petitioner, despite registration of the ECIR on 11.05.2023 which itself undermines any claim of necessity to arrest. If the ED genuinely apprehended flight risk, tampering or a need for custodial interrogation it would not have remained inactive for such a prolonged period. Further, the ED's coercive action commenced only after the CBI had effectively closed the predicate investigation without naming the petitioner. The fact that the petitioner was arrested only at a belated stage and remained available throughout demonstrates no urgency or genuine necessity for custodial detention.

NECESSITY TO ARREST MUST BE SEPARATELY SHOWN: The existence of power to arrest under Section 19 of the PMLA is distinct from the necessity to exercise that power, as held in *Arvind Kejriwal v. Directorate of Enforcement*, (2025) 2 SCC 248, (paragraphs 88 and 89). The doctrine of need and necessity to arrest permeates Section 19 and the exercise of such power must satisfy proportionality and rest on cogent material rather than mere suspicion. The principle that arrest is not automatic and that contemporaneous necessity must independently be demonstrated is also recognised in *Arnesh Kumar v.*

State of Bihar, (2014) 8 SCC 273, (paragraph 10) and Pankaj Bansal v. Union of India, (2024) 7 SCC 576, (paragraph 16). In the present case, the prosecution falls short of such standard as the case is entirely documentary, all relevant records are already in the ED's custody, nothing remains to be recovered, no proceeds of crime have been traced to or quantified against the petitioner, and the ED itself took no coercive step for nearly three years after recording the ECIR. Its own conduct, therefore, demonstrates that no genuine custodial necessity existed.

GLARING CONTRADICTIONS RENDERING THE GROUNDS OF ARREST PERVERSE: The CBI, after completing its investigation into the predicate offence, confined the alleged conspiracy to 29 illegal appointments, whereas the ED's grounds of arrest assert that the petitioner recommended 150 candidates. The ED cannot, in the absence of any independent material, enlarge a conspiracy which the primary investigating agency itself confined to a substantially narrower set of appointments. Significantly, the CBI did not name the petitioner as an accused, but attributed responsibility to Dr. Panchu Gopal Roy, the then Chairman of South Dum Dum Municipality, Jyotishman Chattopadhyay, IAS, and Ayan Sil. The petitioner, though Vice-Chairman, was never charged by the CBI, and the investigation was closed without naming him. Further, Government Notification No. 348-MC/O/C-9/2007 dated 14.06.2007 shows that the Vice-Chairman was not even a member of the relevant Selection Committee.

The grounds of arrest also suppress the fact that the CBI completed its investigation without implicating the petitioner and seek to recast ordinary, recorded and tax-disclosed transactions as proceeds of crime. These include restaurant and hospitality cash turnover, acquisition of flats at 127/1 Canal Street, a 16.67% shareholding in Swabhumi/Saltee subsequently gifted to his children, remuneration from Radiant-City Carrier, and Rs.17.10 lakh described as brokerage. None of these transactions is shown to have any direct nexus with any candidate or illegal appointment, and not a single rupee has been traced from any candidate to the petitioner. The grounds of arrest, therefore, rest on contradictions, suppression and inference rather than a demonstrated financial trail, rendering them prima facie perverse.

NON-APPLICATION OF MIND: GROUNDS OF ARREST AND REASONS TO

BELIEVE VERBATIM IDENTICAL: The “reasons to believe” incorporated under Section 19(1) of the PMLA and the “grounds of arrest” communicated to the arrested person perform distinct statutory functions and, though they may overlap factually, cannot be mechanically identical. In the present case, both the documents were prepared on 11.05.2026 and are verbatim the same, which, according to the petitioner, demonstrates absence of any independent application of mind by the arresting officer. A valid “reason to believe” must reflect a conscious satisfaction founded on the material before the officer and cannot amount to a mere reproduction of allegations. The distinction between the two documents, and the vice of identical recitals are indicative of non-application of mind, is supported by Arvind Kejriwal, (supra) (paragraphs 30–

31) and Pankaj Bansal (supra), (paragraphs 32–33).

SECTION 45 IS NOT AN ABSOLUTE BAR: The twin conditions under Section 45 of the PMLA are mandatory, but they do not operate as an absolute embargo on the grant of bail. As held in *Manish Sisodia v. Directorate of Enforcement*, (2024) 12 SCC 660 (paragraphs 52, 53 and 56). The principle that bail is the rule and jail the exception continues to apply in relation to PMLA proceedings. The statutory threshold under Section 45 arises only after the prosecution establishes the foundational facts, namely, the existence of a scheduled offence, the derivation of proceeds of crime therefrom, and the accused's dealing with such proceeds. [*Vijay Madanlal Choudhary v. Union of India*, (2023) 12 SCC 1, paragraph 237.] In the present case, the predicate investigation was concluded without naming the petitioner, no proceeds of crime have been traced to him, and no specific laundering transaction has been identified against him. The petitioner, therefore, contends that the threshold for invoking the rigour of Section 45 is itself not satisfied.

The impugned Order No. 22 dated 21.05.2026 proceeds substantially on the gravity of the alleged economic offence without recording a prima facie finding on these foundational requirements. Independently, the ordinary triple test also favours the petitioner, he is a 63-year-old lifelong resident of Kolkata with deep local roots; the evidence is predominantly documentary and already in the ED's custody; he presently holds no public office; nothing remains to be recovered; and his continued custody serves no investigative purpose. As recognised in *P. Chidambaram v. Directorate of Enforcement*, (2020) 13 SCC

791, (paragraph 23) gravity alone cannot justify continued incarceration where flight risk, tampering and custodial necessity are not made out.

List of Judgments relied upon by the Petitioner: *Arvind Kejriwal v. Directorate of Enforcement*, (2025) 2 SCC 248; *Arnesh Kumar v. State of Bihar* and *Another*, (2014) 8 SCC 273; *Pankaj Bansal v. Union of India* and *Others*, (2024) 7 SCC 576; *Manish Sisodia v. Directorate of Enforcement*, (2024) 12 SCC 660; *Vijay Madanlal Choudhary and Others, v. Union of India and Others*, (2023) 12 SCC 1; *P. Chidambaram v. Directorate of Enforcement*, (2020) 13 SCC 791; *V. Senthil Balaji v. State Represented by Deputy Director and Others*, (2024) 3 SCC 51; *Santosh v. State of Maharashtra*, (2017) 9 SCC 714; *Radhika Agarwal v. Union of India* and *Others*, 2025 INSC 272.

Submissions on behalf of the Enforcement Directorate

Mr. Raju, Learned Additional Solicitor General appearing for the Enforcement Directorate, submitted that the petitioner is involved in the offence of money-laundering by possessing and projecting proceeds of crime through his personal accounts and entities controlled by him, within the meaning of Section 2(1)(u) read with Section 3 of the PMLA. According to the Directorate, investigation has revealed multiple laundering fronts involving proceeds of crime of about Rs.20.40 crore, with further investigation still continuing. It was also emphasized that the petitioner occupied several influential public positions between 2009 to 2026, including Vice-Chairman of South Dum Dum Municipality, Member of the Board of Administrators, MLA, Legislative Party Secretary and Minister of State (Independent Charge), Fire and Emergency Services.

The Directorate further relied on documents and digital devices seized from the premises of Ayan Sil during searches conducted on 19.03.2023, which allegedly contained details of 412 candidates considered for municipal recruitment and coded references to politically exposed persons. On comparison of the seized data with municipal recruitment records, the Directorate claims that several candidates recommended by the petitioner were actually appointed in South Dum Dum Municipality. According to the counter-affidavit and the first supplementary prosecution complaint, as many as 340 underserving candidates allegedly referred by the petitioner were ultimately appointed, which, according to the Directorate, establishes his active role in the recruitment process.

Ayan Sil further stated that municipal recruitments, including those in South Dum Dum Municipality, were carried out illegally, with money being collected from candidates after selection and shared with municipal office-bearers. In South Dum Dum Municipality, more than 30 appointment letters were allegedly issued without examination, preparation of a valid panel or approval of the District Level Selection Committee, with backdated documentation and sanction/procurement records allegedly obtained through bribery. The Directorate relies on these circumstances, together with the references attributed to the petitioner, to contend that the irregular appointments were facilitated at his instance.

STATEMENT, SEARCH AND SEIZURE EVIDENCE OF NITAI DUTTA : The Enforcement Directorate relied upon the search conducted on 05.10.2023 at the premises of Nitai Dutta, the then Vice-Chairman of South Dum Dum Municipality, during which digital devices containing various Excel sheets were seized. One such file, titled “Sujit Bose.xlsx”, contained the names of 40 candidates, with the recommending authority against each entry recorded as “Shri Sujit Bose”. According to the Directorate, comparison of this data with the list maintained by Ayan Sil and the appointment records of South Dum Dum Municipality showed that these candidates formed part of the larger set of candidates allegedly referred by the petitioner and subsequently appointed. Nitai Dutta, when confronted with the file, stated that it contained details of candidates who had applied for various posts on the specific recommendation of the petitioner and distinctly recalled that certain candidates, including Ashok Kumar Majumdar, Gaurav Singho, Sudip Singho and Arun Mandal, were in fact appointed.

The Directorate further relied upon Nitai Dutta’s statement to demonstrate his proximity to the petitioner. Nitai Dutta stated that he had worked as the petitioner’s political agent and that, on the petitioner’s recommendation, he was appointed as Executive Assistant in the West Bengal Legislative Assembly in 2017 and continued to assist the petitioner in his official work until 2022. He further stated that his wife, Sikha Dutta, was appointed as a peon in Kamarhati Municipality and his elder brother, Gopinath Dutta, was appointed as a peon in South Dum Dum Municipality. According to the Directorate,

digital records seized from Ayan Sil's premises also showed Gopinath Dutta as one of the candidates recommended by the petitioner, thereby corroborating both Nitai Dutta's proximity to the petitioner and the petitioner's alleged role in the recruitment process.

STATEMENT OF PANCHU GOPAL ROY, CHAIRMAN, SOUTH DUM DUM MUNICIPALITY: In his statement recorded under Section 50 of the PMLA, Panchu Gopal Roy, the then Chairman of South Dum Dum Municipality, stated that although he was initially unwilling to outsource the recruitment process, he ultimately acquiesced because the petitioner, then Vice-Chairman, along with his loyal councilors, exercised substantial influence over the affairs of the Municipality, including recruitment. He further stated that, despite being part of the Interview Board, he relied upon the petitioner and Jyotishman Chattopadhyay for final marks and evaluation of candidates, and that the institutional safeguards intended to ensure a fair recruitment process were rendered ineffective because of the influence allegedly exercised by the petitioner and his loyal councilors.

ACQUISITION OF FLATS BY THE PETITIONER FROM GANPATI DEVELOPERS FOR INADEQUATE CONSIDERATION: According to the Enforcement Directorate, upon completion of construction in 2016, the petitioner paid a further sum of Rs.30 lakh in December 2018 towards four floors in the Ganpati Developers project, after having earlier paid an advance of Rs.16 lakh. Possession of the premises was thereafter handed over

to the petitioner and his family. However, the balance consideration of Rs.1,11,99,182 admittedly remained unpaid, with the result that the flats were never registered in the petitioner's name despite his family allegedly continuing in occupation and possession.

The Directorate seeks to infer a quid pro quo from the fact that Pradip Singho and members of his family, namely his wife, brother and cousin, as well as Alok Kumar Majumdar, the landowner of the project, were employed in South Dum Dum Municipality. It further relies upon digital records recovered from Ayan Sil's premises to contend that each of these appointments was made on the specific recommendation of the petitioner, thereby linking the favourable real-estate arrangement with the petitioner's alleged role in municipal recruitment.

SUPPRESSION IN ELECTION AFFIDAVIT: In the affidavit filed by the petitioner in respect of the West Bengal Legislative Assembly Election, 2021, he allegedly suppressed his and his spouse's investment in Ganpati Developers. According to the Directorate, it was only after the Enforcement Directorate disclosed this investment in its rejoinder filed in response to the reply of M/s Chinese Cuisine Restaurant in OA No. 351 of 2025 that the petitioner chose to disclose the investment in his subsequent election affidavit. The Directorate relies upon this subsequent disclosure to contend that the earlier omission was deliberate and calculated.

INFUSION OF UNACCOUNTED CASH THROUGH HOSPITALITY BUSINESS OWNED AND CONTROLLED BY THE PETITIONER AND HIS FAMILY : Considering the petitioner's alleged involvement in illegal appointments, the Enforcement Directorate examined his bank accounts, as well as those of his family members and family-controlled entities, for suspicious cash deposits. According to the Directorate, cash deposits aggregating to Rs.8,09,59,210 were found during the period between 2015 and 2023.

The Directorate alleges that these deposits represented layering of proceeds of crime by projecting them as legitimate restaurant receipts through Chinese Cuisine Restaurant, Bengal Dhaba and The Bar and Lounge, the later being operated under Specialty Dhaba LLP, an entity allegedly owned and controlled by the petitioner's children.

SHAM SHAREHOLDING TRANSFER AND FICTITIOUS UNSECURED LOANS AS DEVICES TO LAYER AND LAUNDER PROCEEDS OF CRIME :

- (a)** In the financial year 2017-18, the petitioner, Sujit Bose, acquired 16.67% shareholding in Swabhumi E-Projects Private Limited and Salty Valley Private Limited through dilution of shares held by the existing shareholders. The shares were issued to him at face value without any determination of their intrinsic worth. Statements recorded under Section 50 of the PMLA reveal contradictions in the quantum of investment. One of the shareholders, Gopal Chandra Poddar, claimed that he had invested Rs.90 lakh to

acquire a 16.67% shareholding, while another shareholder, Uttam Shah, claimed that the petitioner had invested Rs.2 crore for acquiring a similar shareholding.

- (b)** In the financial year 2018-19, the petitioner transferred his entire 16.67% shareholding in both the aforesaid companies to his children in equal shares of 8.33% each. Significantly, from FY 2020-21, immediately after such transfer, six hitherto unrelated entities, including Anurag Sales Private Limited and Garodia Securities Limited, began extending interest-free unsecured loans to SBPL, cumulatively amounting to over Rs.69 lakh, apart from Rs.3.42 crore already infused by related parties.
- (c)** Shri Deepak Dey, who was actively involved in SBPL's day-to-day affairs, admitted that he had no knowledge of the key managerial personnel of these lending entities. According to the Directorate, this exposed the loans as mere accommodation entries. Search conducted on 28.11.2025 allegedly revealed that none of the six lending companies existed at their registered addresses, supporting the Directorate's case that the loans routed into Swabhumi Projects Private Limited, an entity beneficially controlled by the petitioner's children, were bogus entries used to launder proceeds of crime allegedly generated by the petitioner through scheduled offences.
- (d)** A similar scheme allegedly surfaced in Shri Venkatesh Banquets

Private Limited, wherein the petitioner's children acquired 73.86% shareholding in the financial year 2017-18 from various entities. Upon physical verification, these entities were allegedly found to be non-existent at their registered addresses. A valuation certificate was subsequently procured to ostensibly regularise the purchase from such entities, but according to the Directorate, the same was merely a device to launder illegally derived funds through the petitioner's children. Further scrutiny revealed that from FY 2019-20 onwards, the children progressively extended unsecured loans to Salty Valley Private Limited, aggregating to Rs.2.29 crore by October 2025.

STRUCTURED SALARIES AND REMUNERATION PAID TO THE PETITIONER AND HIS CHILDREN WITHOUT RENDERING CORRESPONDING SERVICES TO CAMOUFLAGE ILLICIT PROCEEDS AS LEGITIMATE INCOME :

- (a)** An agreement dated 01.08.2016, recovered during search at the premises of Sanjay Poddar & Co., revealed that M/s Radiant Enterprises Private Limited entrusted the petitioner, Sujit Bose, with supply and management of manpower, undertaking to pay him Rs.2.50 lakh per month. However, Gautam Dhandania, Managing Director of Radiant Group, admitted that the petitioner never supplied any manpower as envisaged under the agreement and only assisted in resolving labour disputes involving blue-collar staff who were not even on the company's payroll. No addendum

was executed to revise the contractual scope of services despite this departure from the stated consideration.

(b) Significantly, Radiant Enterprises, despite operating for 26 years across multiple States, could not cite a single other instance of engaging a politically exposed person to resolve such disputes. Gautam Dhandania's claim of having approached statutory authorities during 2010-2012 was allegedly found to be unsubstantiated, with no documentary evidence produced. According to the Directorate, these circumstances demonstrate that the payments made to the petitioner were supported by an engineered justification rather than genuine consideration for services rendered, resulting in Rs.60 lakh being paid to him under this arrangement.

(c) The petitioner's son, an actor by profession with no expertise in liaison work, was shown as resolving road permit and accident-related issues for Radiant Enterprises and received Rs.83 lakh under the arrangement. The petitioner's daughter was shown as employed with City Carriers, a five-employee proprietorship without a provident fund code and whose principal client was Radiant Enterprises itself. She allegedly received Rs.1.07 crore from the concern, even though the roles attributed to her were found to be inconsistent with City Carriers' actual business operations.

- (d)** Further scrutiny allegedly revealed that Rs.17.10 lakh was credited to the petitioner's daughter towards purported brokerage for a property transaction. According to the Directorate, this claim is belied by the agreement itself, which nowhere records her involvement, and by the absence of any minutes, correspondence or calculation supporting the payment. Similarly, invoices worth Rs.1,35,59,322 raised by the proprietorship concern of the petitioner's son for vaguely described construction and consultancy services were allegedly unsupported by corresponding balance-sheet entries or purchase invoices.
- (e)** Thus, according to the Directorate, structured and regular payments running into crores were channeled to the petitioner and his children under the guise of salaries, brokerage and consultancy without any commensurate services having been rendered, in order to project proceeds of crime allegedly generated through illegal municipal recruitments as legitimate income.

In view of the aforesaid materials against the petitioner, it has been submitted by the ED that the twin conditions stipulated under Section 45 of the PMLA, 2002 are squarely attracted. The statements of Ayan Sil, Nitai Dutta and Panchu Gopal Roy, read with the materials seized during investigation containing lists of candidates allegedly recommended by the petitioner, a substantial number of whom were in fact recruited in South Dum Dum Municipality, are relied upon to establish that the petitioner committed the

scheduled offence by corruptly and illegally influencing municipal recruitment for pecuniary gain. Thereafter, the acquisition of flats at allegedly grossly inadequate consideration from recruitment beneficiaries, infusion of unaccounted cash through hospitality establishments, sham shareholding transfers coupled with fictitious unsecured loans, and structured payments made to the petitioner and his children without corresponding services are relied upon to demonstrate that the proceeds allegedly generated from such criminal activity were systematically layered and projected as untainted. In these circumstances, according to the Directorate, the material on record do disclose reasonable grounds for believing that the petitioner is guilty of the offence of money-laundering.

Furthermore, given the petitioner's continuing political stature and the demonstrated ability of his associates and beneficiaries to influence testimony even during investigation, there exists a real likelihood of tampering with evidence and influencing witnesses, many of whom remain professionally or financially dependent upon him, if he is enlarged on bail. The petitioner has thus failed to discharge the burden cast upon him under Section 45 of the PMLA, 2002. Accordingly, the present bail application, being devoid of merit, deserves to be dismissed.

List of Judgements relied upon by the Enforcement Directorate: *Vijay Madanlal Choudhary and Others vs. Union of India and Others*, 2022 SCC OnLine SC 929; *Union of India through the Assistant Director vs. Kanhaiya*

Prasad, 2025 SCC OnLine SC 306; Tarun Kumar vs. Assistant Director, Directorate of Enforcement, 2023 SCC OnLine SC 1486; Gautam Kundu vs. Directorate of Enforcement, (2015) 16 SCC 1; Ram Niwas Surjakhera alias Ram Niwas vs. Directorate of Enforcement, CRM-M-55190-2025; Pavana Dibbur vs. Directorate of Enforcement, 2023 SCC OnLine SC 1586; Directorate of Enforcement vs. Aditya Tripathi, 2023 SCC OnLine SC 619; Dr. Manik Bhattacharaya vs. Ramesh Malik & Ors., 2022 SCC OnLine SC 1465; Vijayraj Surana vs. Assistant Director, Enforcement Directorate, 2024 SCC OnLine Mad 8404; Enforcement Directorate vs. Ashok Anand, CrI. R.C. No. 1262 of 2024; Y. Balaji vs. Karthik Desari and Another, 2023 SCC OnLine SC 645 Directorate of Enforcement vs. Padmanabhan Kishore, 2022 SCC OnLine SC 1490; Aswini Kumar Ghose and Another vs. Arabinda Bose and Another, (1952) 2 SCC 237; Hardeep Singh vs. State of Punjab, (2014) 2 SCR 1; Doypack Systems (P) Ltd. vs. Union of India and Other, (1988) 2 SCC 299.

REBUTTAL ON BEHALF OF THE PETITIONER

The pending writ petition, WPA 120109 of 2026, challenging the legality of the petitioner's arrest under Section 19 of the PMLA and the consequential remands, operates in a field distinct from the present bail application. A bail application proceeds on the assumption that the arrest is valid and considers whether continued detention pending trial is justified, whereas the writ petition asserts that the arrest itself is illegal and void ab initio. The independence of these remedies is recognised in Arvind Kejriwal (supra)

(paragraphs 48–52) and therefore the pendency of the writ petition constitutes no impediment to the grant of bail. In answer to the Directorate, the petitioner principally contends that there is no live predicate offence attributable to him, no proceeds of crime have been traced or quantified against him, Section 45 is a regulated threshold and not an absolute embargo, and the arrest itself is unsustainable in law.

Although the twin conditions under Section 45 of the PMLA are mandatory, they do not create an absolute prohibition against bail. *Manish Sisodia v. Directorate of Enforcement*, (2024) 12 SCC 660, (paragraphs 52, 53 and 56) reiterates that bail remains the rule even in PMLA proceedings and that prolonged pre-trial incarceration, particularly where trial is not in sight, attracts Article 21. Section 45 does not require a presumption of guilt but only a broad assessment of whether reasonable grounds exist for believing that the accused is not guilty. The Directorate's reliance upon the gravity of the offence is also insufficient by itself, having regard to *Manish Sisodia* (supra) (paragraph 50) and *P. Chidambaram v. Directorate of Enforcement* (supra) (paragraph 23) particularly where the triple test concerning flight risk, tampering and repetition of the offence is otherwise satisfied.

The fact that money-laundering is an independent offence does not permit the Directorate to dispense with the statutory foundation of a scheduled offence and identifiable proceeds of crime. The CBI's charge-sheet and supplementary charge-sheet conspicuously exclude the petitioner, and the predicate investigation was concluded without making a case against him. The

independence of an ECIR is procedural and cannot supply the substantive requirement of criminal activity relating to a scheduled offence and proceeds derived therefrom, as explained in Vijay Madanlal Choudhary, (supra) (paragraphs 106, 109 and 237).

Expansive allegations cannot substitute the missing foundational facts. Vijay Madanlal, (supra) requires proceeds of crime to arise from criminal activity relating to a scheduled offence and prohibits proceeding merely on an assumption that property is tainted. The Directorate's allegation concerning candidates recommended by the petitioner rests substantially upon third-party Excel sheets maintained by Ayan Sil/Nitai Dutta rather than any independent recruitment record fixing the petitioner with the offence. Further, as Vice-Chairman, the petitioner was not a member of the relevant Selection Committee under Government Notification No. 348-MC/O/C-9/2007 dated 14.06.2007. His tenure as Vice-Chairman also covered only part of the period during which the allegedly tainted recruitments are said to have occurred.

The Directorate has not traced a single rupee arising from any illegal appointment into the petitioner's hands. The cash deposits in the restaurant and LLP accounts are stated to represent receipts of running hospitality businesses, and no nexus has been shown between any particular deposit and any recruitment-related payment or kickback. Treating ordinary business turnover as proceeds of crime merely by assumption is contrary to Vijay Madanlal (Supra). Further, the presumption under Section 24 can arise only

after the foundational facts are first prima facie established; in their absence, the statutory burden cannot be shifted to the petitioner.

The description of economic offences as a 'class apart' cannot dispense with examination of the actual evidence or justify indefinite pre-trial incarceration. Where there is no demonstrated financial trail connecting the accused with proceeds of crime, seriousness alone cannot convert under trial detention into anticipatory punishment. The later decisions in *Manish Sisodia v. Directorate of Enforcement*, (2024) 12 SCC 660, and *P. Chidambaram v. Directorate of Enforcement*, (2020) 13 SCC 791, require gravity to be considered along with the quality of evidence, the triple test and the realistic prospect of commencement of trial.

The admissibility of statements recorded under Section 50 of the PMLA is distinct from their sufficiency to satisfy the bail threshold. The statements relied upon come from co-accused or interested persons, including Ayan Sil, Nitai Dutta, Panchu Gopal Roy, Gautam Dhanania and Ranjit Chowdhury, and must therefore be assessed on broad probabilities and in the context of corroborative material. In particular, Nitai Dutta is stated to have evaded three summonses and to have made the statement heavily relied upon by the Directorate only on 22.06.2026, shortly before the reply opposing bail, which, according to the petitioner, materially affects its prima facie weight.

The petitioner's failure separately to challenge every remand order does not render the legality of the arrest irrelevant at the bail stage. An arrest

contrary to Section 19(1) of the PMLA directly bears upon the legality of custody, as recognised in *Pankaj Bansal v. Union of India*, (2024) 7 SCC 576, (paragraph 16). Here, the grounds of arrest and reasons to believe are alleged to be verbatim identical, indicating absence of independent application of mind contrary to *Arvind Kejriwal* (supra) and *V. Senthil Balaji v. State*, (2024) 3 SCC 51.

The Directorate's own chronology undermines its plea that the timing of arrest is immaterial merely because money-laundering is a continuing offence. The ECIR was recorded on 11.05.2023, whereas the searches principally relied upon were conducted only in October–November 2025 and the petitioner was arrested on 11.05.2026. If the petitioner could remain at liberty for nearly three years without any identified instance of interference with the investigation, the prolonged delay itself militates against any subsequent claim of sudden custodial necessity or apprehension of tampering. The fact that arrest may form part of an investigation does not make arrest automatic. Section 19(1) of the PMLA requires the authorised officer to independently form and record reasons to believe founded upon material in his possession. *Arvind Kejriwal* (supra) (paragraphs 74–76) also emphasizes necessity considerations analogous to those underlying Section 41 CrPC, including prevention of further offences, prevention of tampering or inducement, and securing the accused's presence. None of these considerations, according to the petitioner, is borne out from the present record.

The apprehension that the petitioner is influential and may tamper with witnesses must be founded on tangible material and cannot remain rhetorical. The petitioner lost the 2026 Assembly election and presently holds no public office, materially weakening the premise of continuing official influence. More importantly, during nearly three years at liberty between 2023 and 2026, the Directorate points to no instance of actual witness intimidation or tampering. Any residual concern can, in any event, be adequately addressed through conditions such as surrender of passport, prohibition on contacting witnesses and periodic reporting.

The allegation of non-cooperation is equally insufficient. An accused cannot be compelled to incriminate himself, and evasive or exculpatory answers do not, by themselves, constitute non-cooperation justifying arrest, having regard to Pankaj Bansal (supra) and Santosh v. State of Maharashtra, (2017) 9 SCC 714 (paragraph 6). The petitioner appeared before the Directorate on 01.05.2026 and again on 11.05.2026 and his statement was recorded. The adjournments sought in April 2026 during the election campaign were also placed before and regulated by this Hon'ble Court in WPA 9942 of 2026 and therefore amounted to lawful recourse rather than obstruction.

The Directorate's figure of approximately Rs.15.65 crore as alleged proceeds of crime is principally constituted by attached or frozen assets spread across family members and corporate entities, much of which is claimed to predate or be independently explainable by restaurant and real-

estate businesses. Not a single rupee forming the alleged headline amount is stated to have been seized from the petitioner personally. The amounts of Rs.3,59,62,300 in cash, Rs.1,61,60,078 in jewellery and Rs.10,44,47,400 in property were subjected to attachment or freezing proceedings and were not recovered from his possession. The cash physically seized from a family-linked entity was Rs.15 lakh from M/s Specialty Dhaba LLP, while a separate Rs.3 crore was seized from M/s Radiant Enterprises Private Limited, a third-party logistics company. Likewise, the Ganpati Developers transaction is described by the Directorate itself as one in which substantial sale consideration of Rs.1,11,99,182 remains unpaid and the flats remain unregistered; according to the petitioner, an outstanding civil liability of this nature cannot, without a demonstrated criminal nexus, be equated with acquisition of laundered proceeds.

Radhika Agarwal v. Union of India, 2025 INSC 272 judgment recognizes that judicial scrutiny of an arrest is warranted where there is manifest arbitrariness, gross violation or non-compliance with statutory safeguards. The petitioner contends that verbatim identical reasons to believe and grounds of arrest, coupled with the absence of any separately recorded necessity for arrest, constitute precisely such statutory non-compliance. The said authority, therefore, supports judicial scrutiny of the arrest rather than insulating the action of the Enforcement Directorate from review.

ANALYSIS

I have taken into account the submissions advanced by the Learned Senior Advocates appearing for the petitioner as well as the Learned Additional Solicitor General appearing on behalf of the Enforcement Directorate. Dr. Singhvi, Learned Senior Advocate appearing for the petitioner emphasized on the following points:

- i.** The petitioner was never named in the predicate FIR, charge-sheet or supplementary charge-sheet, despite nearly three years of CBI investigation.
- ii.** The petitioner cooperated with Enforcement Directorate whenever summoned and was arrested only in May 2026, nearly three years after registration of ECIR.
- iii.** The unexplained delay in arrest itself negates any genuine requirement for custodial interrogation, apprehension of flight risk or possibility of tampering
- iv.** Power to arrest under Section 19 of PMLA is distinct from the necessity to arrest, which must independently satisfy the requirement of proportionality.
- v.** The ED cannot enlarge the CBI's case of 29 illegal appointments into

an allegation concerning 150 candidates without independent cogent material.

- vi.** The petitioner, as Vice-Chairman, was not even a member of the relevant Selection Committee under the applicable Government Notification.
- vii.** The grounds of arrest seek to characterise ordinary disclosed business and property transactions as proceeds of crime without tracing any recruitment money against petitioner.
- viii.** The 'grounds of arrest' and 'reasons to believe' are verbatim identical, thereby prima facie demonstrating absence of independent application of mind under Section 19(1) of PLMA.
- ix.** Section 45 of the PMLA is stringent but not an absolute embargo on bail, particularly where the foundational facts connecting the petitioner with proceeds of crime are absent.
- x.** The ordinary triple test also favours the petitioner since he is locally rooted, the evidence is documentary and there is nothing to be recovered and there is no risk of tampering with the emphasis.

On the other hand the main emphasis on behalf of the Enforcement Directorate were as follows:

- a)** The petitioner is alleged to have laundered proceeds of crime

through his personal accounts, family members and controlled entities, with the presently identified quantum stated to be approximately Rs.20.40 crore.

- b)** Petitioner occupied influential public positions for several years, including Vice-Chairman of South Dum Dum Municipality, MLA and Minister of State, which the Directorate collected materials to explain his alleged influence over municipal recruitment.
- c)** Digital records seized from Ayan Sil referred to details of candidates recommended by politically exposed persons, including a substantial number attributed to the petitioner and subsequently appointed in South Dum Dum Municipality.
- d)** Ayan Sil's statements under Section 50 of the PMLA allegedly establish that illegal municipal recruitments were carried out on recommendations received from the petitioner and other politically exposed persons.
- e)** The Excel sheet titled "Sujit Bose.xlsx", seized from Nitai Dutta, independently corroborates the petitioner's role for underserving candidates against whom Shri Sujit Bose was shown as the recommending authority.
- f)** Nitai Dutta's admitted political and professional proximity to the petitioner, coupled with appointments secured by members of his

family, is corroborative evidence of the petitioner's influence in the recruitment.

- g)** Panchu Gopal Roy, the then Chairman of South Dum Dum Municipality, allegedly stated that the petitioner exercised substantial control over recruitment and relied upon the petitioner and Jyotishman Chattopadhyay for final evaluation of candidates.
- h)** Ganpati Developers transaction is relied upon as evidence of quid- pro quo, since the petitioner and his family allegedly obtained possession for four floors despite substantial unpaid consideration and the persons connected with the project secured municipal appointments on his recommendation.
- i)** Non-disclosure of the Ganpati Developers investment in the petitioner's 2021 Election affidavit has been relied upon as evidence of deliberate concealment.
- j)** Cash deposits aggregating to approximately Rs. 8.09 crore in accounts of the petitioner, his family and family-controlled hospitality entities are alleged to represent proceeds of crime layered as legitimate restaurant receipts.
- k)** Petitioner's acquisition and subsequent transfer of shareholdings to his children followed by unsecured loans from non-existent

entities, is a device for layering and laundering proceeds of crime.

- l)** Similar shareholding and unsecured-loan transactions involving entities controlled by the petitioner's children are alleged to reflect the systematic routing of illegal funds through corporate structures.
- m)** Payments made to the petitioner by Radiant Enterprises are alleged to be disproportionate to or unsupported by the services actually rendered and are relied upon as disguise legitimate income.
- n)** Payments made to the petitioner's children under the heads of salary, liaison work, brokerage, consultancy and construction services are likewise alleged to lack corresponding commercial justification.
- o)** The combined material which includes Section 50 statements, seized digital records, recruitment data, property transactions, cash deposits, shareholding arrangements and structured payments-establishes both generation and laundering of proceeds of crime.
- p)** Further investigation has revealed from the office of the ADSR 45 certified title deeds of immovable properties which are under

investigation.

- q) Petitioner is influential and attached to beneficiaries which create a real likelihood of witnesses being influenced or tampering at this stage when the investigation has unearthed substantial materials both relating to undeserving candidates recommended by the petitioner in respect of which no investigation was carried out by the CBI and to that effect under Section 66(2) of the PMLA, 2002 there has been sharing of information. CBI is also carrying out further investigation after informing/seeking permission from the Jurisdictional Special Court.
- r) Enforcement Directorate is also carrying out investigation in respect of the laundered proceeds which particularly relate to the immovable assets which have surfaced in the month of August-September 2026.

Considering the above issues although the main emphasis is made by the petitioner in respect of his arrest in a case which was registered by the Enforcement Directorate three years after the ECIR was registered and his continued detention in justification of such detention in custody after the supplementary prosecution complaint was filed before the jurisdictional Special Court, observing as follows:

“15. Further investigation pending in the case: Further role of other suspects is being investigated, and investigation is continuing to collect further evidence and identify other entities/persons involved in offence of

money laundering and to further identify proceeds of crime. However investigation in respect of arrestee qua Sh. Sujit Bose is complete.”

Yet, I find that there is some force in the submission of Enforcement Directorate in view of the issue relating to justification of custody as during the period of August to September 2026, while the petitioner was in custody in course of investigation itself, immovable assets belonging to the petitioner and his family members which number about 45 (by way of certified copies of the deeds having been obtained from the office of the Additional District Sub-Registrars) could be traced. Registered valuers have been engaged to estimate the market value of such properties and the report is awaiting. Additionally, information has been shared with the Central Bureau of Investigation under Section 66(2) of the PMLA, 2002 in respect of number of undeserving candidates being recommended by the petitioner for being employed in the municipality. Other sources of funds have also surfaced in course of such investigation by examining the material witnesses. The Central Bureau of Investigation has also commenced further investigation after informing the Learned Special Court pursuant to receipt of information by the Enforcement Directorate. A vital stage of the investigation is in progress.

Relying upon the paragraphs 20 and 21 of the judgment of ***Union of India -versus- Kanhaiya Prasad*** reported in **2025 SCC OnLine SC 306** wherein it has been observed:

“20. The High Court has utterly failed to consider the mandatory requirements of Section 45 and to record its satisfaction whether any reasonable ground existed for believing that the respondent was not guilty of the alleged offence, and that he was not likely to commit any offence while on bail. Merely because the prosecution complaint had been filed and the cognizance was taken by the court that itself would not be the ground or consideration to release the respondent on bail, when the mandatory requirements as contemplated in Section 45 have not been complied with.

21. As well settled, the offence of money laundering is not an ordinary offence. The PMLA has been enacted to deal with the subject of money laundering activities having transnational impact on financial systems including sovereignty and integrity of the countries. The offence of money laundering has been regarded as an aggravated form of crime world over and the offenders involved in the activity connected with the Proceeds of Crime are treated as a separate class from ordinary criminals. Any casual or cursory approach by the Courts while considering the bail application of the offender involved in the offence of money laundering and granting him bail by passing cryptic orders without considering the seriousness of the crime and without considering the rigours of Section 45, cannot be vindicated.”

In view of the above, I am of the opinion that the petitioner has failed to overcome the rigors of Section 45 PMLA Act, as such the prayer for bail of the petitioner at this stage is rejected.

Accordingly, **CRM (R) 58 of 2026 is dismissed.**

Pending applications, if any, stands disposed of.

All parties shall act on the server copy of this judgment duly downloaded from the official website of this Court.

Urgent photostat certified copy of this judgment, if applied for, be supplied to the parties upon compliance of all requisite formalities.

(Tirthankar Ghosh, J.)