



**IN THE SUPREME COURT OF INDIA  
CRIMINAL APPELLATE JURISDICTION**

**CRIMINAL APPEAL NO.2726 OF 2023**  
**(Arising out of S.L.P.(CrI.) No.11287 of 2023  
@ Diary No.8971 of 2023)**

**JAI NARAYAN SHARMA** . . . **APPELLANT(S)**

**VS.**

**ASSISTANT DIRECTOR, DIRECTORATE  
OF ENFORCEMENT** . . . **RESPONDENT(S)**

**O R D E R**

Leave granted.

2. Heard the learned senior counsel appearing for the the appellant and the learned Additional Solicitor General appearing for the respondent.

3. The appellant has been arrested on 11<sup>th</sup> December, 2021 in connection with an offence under the Prevention of Money Laundering Act, 2002. 57 witnesses have been cited by the prosecution. As of today, charge has not been framed.

4. It is not in dispute that in the predicate offence, the appellant is not shown as accused. The allegation, as can be seen from the materials placed on record against the appellant, is that he directly indulged and

knowingly assisted Girdhar Singh Sodha, the main accused who was the Chairman of the Navjeevan Credit Cooperative Society Limited to infuse about Rs.8 crores in the form of share capital in the name of Girdhar Singh Sodha's relatives/associates in the Sterling Urban Cooperative Bank Limited. At the relevant time, the appellant was the Vice Chairman of the said bank. The allegation is that the shares were issued in the names of the close relatives/associates of the said main accused without the shareholders themselves signing any form and completing any formalities. The allegation is that the proceeds of the offence in the custody of the main accused were used to infuse a sum of Rs.8 crores in the share capital of the bank of which the appellant was Vice Chairman. Another allegation is that the main accused was allowed to take over the said bank. The third allegation is that the persons who were shown as members/shareholders were not eligible to become members.

5. Considering the role ascribed to the appellant, following are the peculiar facts which persuade us to consider the prayer made by the appellant for grant of bail:

- (a) The appellant is not shown as an accused in the predicate offence;

(b) The only allegation against the appellant is that he allowed the principal accused to invest the proceeds of the crime in the share capital of a bank of which he was the Vice Chairman;

(c) Though it is alleged that close associates/relatives of the main accused were made members and they were not entitled to become members, it is not the case of the prosecution that the share holders are fictitious persons; and

(d) The appellant has undergone incarceration for a period of 1 year and 9 months and there is no possibility of the trial commencing in the near future. Conclusion of trial will take a very long time.

6. Accordingly, in view of the facts of the case, we direct that the appellant shall be produced before the competent Court within a period of one week from today. The competent Court shall enlarge the appellant on bail on appropriate terms and conditions. However, the respondent shall be heard before fixing the terms and conditions.

7. The appeal is accordingly allowed on the above terms.

.....J.  
(ABHAY S.OKA)

.....J.  
(PANKAJ MITHAL)

NEW DELHI;  
September 05, 2023.

ITEM NO.6

COURT NO.7

SECTION II

S U P R E M E C O U R T O F I N D I A  
RECORD OF PROCEEDINGS

SPECIAL LEAVE PETITION (CRIMINAL) Diary No(s). 8971/2023

(Arising out of impugned final judgment and order dated 23-02-2022 in SBCRMBA No. 1528/2022 passed by the High Court of Judicature for Rajasthan, Bench at Jaipur)

JAI NARAYAN SHARMA

Petitioner(s)

VERSUS

ASSISTANT DIRECTOR, DIRECTORATE OF ENFORCEMENT

Respondent(s)

(IA No.77692/2023-CONDONATION OF DELAY IN FILING and IA No.77697/2023-CONDONATION OF DELAY IN REFILEING / CURING THE DEFECTS and IA No.77696/2023-PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES)

Date : 05-09-2023 This petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE ABHAY S. OKA  
HON'BLE MR. JUSTICE PANKAJ MITHAL

For Petitioner(s)

Mr. Siddhartha Dave, Sr. Adv.  
Mr. Saraswata Mohapatra, Adv.  
Mr. Hans Honey Khari, Adv.  
Mr. Anil Sharma, Adv.  
Mr. Prastut Dalvi, Adv.  
Mr. Rhishabh Jetley, AOR

For Respondent(s)

Mr. S.V. Raju, A.S.G.  
Mr. Mukesh Kumar Maroria, AOR  
Mr. Zoheb Hussain, Adv.  
Mr. Annam Venkatesh, Adv.  
Ms. Sairica Raju, Adv.  
Mr. Merusagar Samantaray, Adv.

UPON hearing the counsel the Court made the following  
O R D E R

Delay condoned.

Leave granted.

The appeal is allowed in terms of the signed order.

The appellant shall be produced before the competent Court within a period of one week from today. The competent Court shall enlarge the appellant on bail on appropriate terms and conditions. However, the respondent shall be heard before fixing the terms and conditions.

Pending application also stands disposed of.

(ANITA MALHOTRA)  
AR-CUM-PS

(AVGV RAMU)  
COURT MASTER

(Signed order is placed on the file.)