



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

% *Reserved on: 03rd February, 2026*
Pronounced on: 23rd February, 2026

+ **BAIL APPLN.4035/2025**

BHUPESH ARORA

S/o Sh. Gulshan Arora,
 R/o G-5/35-36, 3rd Floor,
 Sector-11, Rohini, New Delhi.

.....Petitioner

Through: Mr. Vikas Pahwa, Sr. Advocate with
 Mr. Hemant Shah, Mr. Askhay Rana,
 Mr. Saurabh Pal, Mr. Vishal Maan,
 Mr. Ojas Kaushik, Ms. Aishwarya
 Shahi, Mr. Saurabh Rajput,
 Mr. Ashutosh Kumar Tiwari,
 Ms. Namisha Jain, Ms. Shreya
 Chauhan and Ms. Aamani Golay,
 Advocates

versus

DIRECTORATE OF ENFORCEMENT

Through its Director,
 Pravartan Bhawan, Dr. APJ Abdul Kalam Road,
 New Delhi.

.....Respondent

Through: Mr. Zoheb Hossain, Special Counsel
 for DoE with Mr. Vivek Gurnani,
 Panel Counsel, Mr. Kartik Sabharwal
 and Mr. Pranjal Tripathi, Advocates

CORAM:

HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

J U D G M E N T

NEENA BANSAL KRISHNA, J.



1. First Bail Application under Section 482 of the Code of Criminal Procedure, 1973 (*hereinafter referred to as "Cr.P.C"*) read with Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (*hereinafter referred to as "BNSS"*) has been filed on behalf of the **Applicant, Bhupesh Arora** seeking **Regular Bail** in **ECIR/HYZO/46/2022** dated **14.10.2022**, registered by the Directorate of Enforcement ("*ED*"), registered in Hyderabad Zonal Office under Sections 3/4 of Prevention of Money Laundering Act, 2002 (*hereinafter referred to as "PMLA"*).
2. A Complaint was filed against the Applicant on 27.08.2025 in Delhi and the investigations are complete. The Applicant states that he was arrested on 11.07.2025, in terms of Section 19 of PMLA and since then, he is in Judicial Custody.
3. The Applicant explains that he was in the business of providing gift cards to various Organizations and individual clients, through his Company in the name and style of ***Freebie Solution Pvt. Ltd.*** In the year 2022, he along with his family, shifted to Dubai and started Hospitality business therein.
4. On 26.02.2024, **FIR No.24/2024** under Section 420 and 120B of the Indian Penal Code, 1860 (*hereinafter referred to as "IPC"*) was registered against unknown persons at P.S. Cyber Crime Central, Faridabad. Since the Applicant was living in Dubai, the Prosecution Agency issued a LOC in order to secure the presence of the Applicant. The High Court of Punjab and Haryana kept the LOC in abeyance from 23.05.2025 to 25.07.2025. The Applicant was arrested in said FIR and was granted Bail *vide* Order dated 09.07.2025.



5. The Petitioner was arrested by Delhi Police in connection with **FIR No.14/2023** and **17/2024** registered at P.S. Cyber P.S. Central, Delhi. He was enlarged on Bail *vide* Orders dated 10.07.2025.

6. Another **ECIR/GWZO-II/9/2022** dated 12.04.2022 registered by the ED, Guwahati (Assam), considering the FIR No.3/2021 dated 08.10.2021 as the predicate offence under Section 420 read with 120B IPC. On 04.03.2024 ED, Guwahati filed the Prosecution Complaint bearing PMLA-SC No.1/2021 before the Special Judge (PMLA), Dimapur, Nagaland in ECIR No. GWZO-II/9/2022 dated 12.04.2022 against the Petitioner and other co-accused. In response to the summons, the Petitioner appeared before Ld. Special Judge, Nagaland through his counsel on 25.05.2024. The Ld. Special Judge issued Nonailable Warrants (“*NBWs*”) against him, on 13.12.2024. The Order was challenged before High Court of Guwahati and the operation of NBWs was stayed.

7. Furthermore, on an Application of ED, the Petitioner was declared a Fugitive Economic Offender (“*FEO*”) on 22.01.2025 by the Ld. Special Judge (PMLA), Dimapur, Nagaland. The Order was challenged before the Guwahati High Court and the Order was quashed on 07.05.2025.

8. ***The brief background of facts in which the present case has arisen are explained by the Applicant in his Bail Application.***

9. It is stated that one **Mohd. Ghouse Pasha** had given a written Complaint of alleged fraud of Rs.1.16 lakh by unknown persons running an investment app named ‘*LOXAM*’ claiming it to be related to a reputed French MNC Group of the same name, offering unrealistically high returns on investments, against which Cyber Crime P.S., Hyderabad registered FIR No.1352/2022 dated 26.07.2022 for the offences under Section 66C, 66D of



the IT Act, 2000 and Section 419 and 420 IPC. The Chargesheet arraigning 50 accused persons and 10 persons as absconding, was filed in the trial Court. *The present Petitioner was neither summoned in the said matter or was he chargesheeted nor shown as absconding.*

10. In the Chargesheet under the Scheduled offence, it was alleged that money to the tune of Rs.1.16 lakh was fraudulently transferred to the fraudster through Paytm and Razor payment gateways, to virtual accounts. It was further alleged that the said money had been settled into the virtual Account maintained with my ePocket Payments gateway and that the said virtual Account belonged to ***'Xindai Technologies Private Limited'***.

11. The Xindai had enlisted 29 bank virtual bank Accounts and one physical Account. On the analysis of these Accounts, it was stated that an amount of Rs.152.62 Crores payin took place in all the virtual Accounts and Rs.18.85 Crores payout took place, in the physical Account.

12. It was further alleged that money from 29 virtual Account were transferred to 38 physical Accounts, with the major portion of money being transferred to M/s Ranjan Moneycorp. One *Anurag Aggarwal* during his interrogation, disclosed that *Pankaj Wadhwa* had approached him to arrange Current Accounts of money changers who can give the cash in liquid on commission basis, for his clients *Varun Arora* and *Bhupesh Arora*, the Applicant.

13. The ***specific role of the Applicant in the Chargesheet of Hyderabad Police*** was that he was named as a client of *Pankaj Wadhwa* (A-20), in his conversation with *Anurag Aggarwal* (LW-2). The Applicant asserted that the Statement of LW2 merely suggested that A-20 was seeking Current Accounts of money changers, for converting money into cash/forex for the



Applicant and another person, Varun Arora. There is no allegation that the Applicant directly interacted with LW-2, arranged the money changers, or handed the bank Account details of Ranjan Moneycorp Pvt. Ltd. and KDS Forex Pvt. Ltd., which was subsequently provided by LW-2's contact.

14. *Pertinently, the Applicant was neither ever summoned in the scheduled offence nor was he ever chargesheeted in those proceedings.*

15. The present PMLA Complaint was registered as ECIR/HYZO/46/2022 dated 14.10.2022 under Section 3 read with Section 4 PMLA.

16. On 08.07.2025, the ED filed an Application before the Ld. Special Judge, Rouse Avenue Court, seeking permission to interrogate the Applicant in connection with the said ECIR, which was allowed *vide* Order dated 11.07.2025.

17. Pursuant thereto, summons were issued to the Applicant for appearance before the ED on 11.07.2025. The Applicant was produced from Judicial Custody and was interrogated by the Investigating Agency. On 11.07.2025, *the Applicant was arrested in the present ECIR*, and the "reasons to believe" along with "grounds of arrest" were duly supplied to him. On the Application of the ED, he was remanded to Police Custody for five days, i.e., up to 16.07.2025.

18. During Police Custody, he was extensively interrogated, and his statements under Section 50 of the PMLA were recorded on 11.07.2025, 12.07.2025, 13.07.2025, 14.07.2025, and 15.07.2025. The Applicant extended full cooperation during the investigation. Upon completion of interrogation, he was remanded to Judicial Custody.



19. The Applicant asserts that purported “*grounds of arrest*” were absolutely cryptic, mechanical and did not satisfy the ingredients of Section 19 of PMLA. He cooperated fully during the investigations and did not evade the process of law. He is not likely to tamper with the evidence as no digital devices, properties or other assets belonging to the Applicant, have been seized. There is no likelihood of flight risk, as he is a law abiding citizen with deep roots in the community. The allegations do not indicate any imminent threat to the investigation or to public safety, that would warrant continued custodial detention.

20. The Applicant claims that during his detention, he was forced to make self-incriminatory statements under Section 50 of PMLA under threat, coercion and duress, which he unequivocally retracted.

21. On 27.08.2025 Prosecution Complaint under Section 45 of PMLA was filed before the Ld. Trial Court. *The Applicant moved Bail Application No.236/2025 for Regular Bail, but his Application was dismissed on 20.09.2025 by the Ld. Special Judge.*

22. The Applicant has sought **Bail on the grounds** that his arrest and detention *was illegal*. While he was arrested, none of the safeguards provided under Section 19 of PMLA were followed. Reliance is placed on *V. Senthil Balaji vs. State represented by Deputy Director and Ors.*, (2024) 3 SCC 51, wherein it was observed that it is the bounden duty of the Magistrate at the time of remand, to see that the compliance of Section 19 of PMLA is made and the failure would entitle the accused to get released.

23. Furthermore, the entire case of ED is based on assumptions and no material whatsoever, is available with the ED to demonstrate that the Petitioner is guilty of the offence of Money Laundering. The requirement



and safeguards of Section 19 of PMLA are at a much higher pedestal in as much as there has to be a finding recorded by the Arresting Officer that he is 'guilty of money laundering' on the basis of 'reasons and materials'.

24. Reliance is placed on Arvind Kejriwal vs. Directorate of Enforcement (2025) 2 SCC 248, wherein it was held that the necessity of arrest is necessary factor to be considered by an Officer before a person is arrested.

25. In the case of Vijay Madanlal Choudhary vs. Union of India, (2023) 12 SCC 1 and Pankaj Bansal vs. Union of India, (2024) 7 SCC 576. Where such compliance is not made and the arrest is not premised on *reason to believe* and *grounds of arrest*, the arrest would be rendered illegal in terms of the observations made in the case of Vihaan Kumar vs. State of Haryana & Anr., 2025 SCC OnLine SC 269.

26. It is further contended that the entire case is premised on Chinese investment fraud involving *Xindia Technologies* and its transaction; not even a single transaction is connected to the Petitioner. It is claimed that the allegations against the Applicant are hollow, unsubstantiated and vexatious which do not corroborate with any material relied by the Prosecution.

27. According to the Prosecution, **Rohit Vij** was the main person behind controlling the affairs of *Ranjan Moneycorp and KDS Forex*. His statements had been recorded multiple times under Section 50 PMLA. In all these statements, he did not name the Applicant. He did not even say that he knew or ever met the Applicant, thereby demolishing the entire case of the Prosecution in as much as per the case of the ED, Rohit Vij was the person who was facilitating the transactions to route the money, from KDS and Ranjan Moneycorp. If the Applicant is not named, there is no reason or



material to show how he is connected to the alleged transaction, which form the complete basis of the case of the ED.

28. Likewise, **Anurag Agarwal** whose Statement was recorded on multiple occasions under Section 50 of PMLA, while disclosing the entire gamut of events, *did not name the Applicant anywhere*. When asked specifically about Ranjan Moneycorp and KDS Forex, he stated that these Companies were used to convert RTGS into cash and were being run by *Mr. Rohit and Mr. Navneeth Kaushik*, whom he had met twice. His statement makes it clear that he was working for *Pankaj @ Sunny Wadhwa* and had no association with the Applicant.

29. **Anurag Agarwal** for the first time, named the Applicant on 11.03.2025 i.e. after almost three years from his earlier statements, which gives rise to a concern in the manner of which such Statements were being recorded. He, however, when confronted with statement of *Pankaj Wadhwa* regarding his relationship with the Applicant, he stated that he knew the Applicant through Pankaj Wadhwa and had met him in the office of Pankaj Wadhwa, in Rohini. He had noticed that the Applicant used to give directions to Pankaj Wadhwa, though he never had any professional involvement with the Applicant. Suddenly, in his Statement dated 07.07.2025, his version changed completely when he stated that *Pankaj Wadhwa had introduced the Applicant as his employer in August, 2021*.

30. He further stated that the Applicant was the person who was transferring the RTGS through Pankaj Wadhwa. When one of the Bank accounts of Rohit Vij was freezed and payment got halted, the Applicant called him and started enquiring about the payments. In 3-4 instances, where token for payment was not processed by Rohit Vij in time, then Bhupesh



Arora directly called him and started enquiring why the payment got delayed. When Pankaj Wadhwa was not available for 7-10 days, the Applicant sent him the tokens and to arrange the persons for foreign currency pickups, from the locations provided by Rohit Vij. He regularly had meetings with the Applicant from July 2021 to January 2022; sometimes in the office of Applicant and sometimes in parties and also handed over foreign currencies to the Applicant.

31. The Applicant states that the manner in which the Applicant has been named after three years of his earlier Statement, wherein he had denied any involvement of the Applicant, clearly makes his Statement unreliable or any basis to keep him in custody.

32. Likewise, the statement of **Pankaj Wadhwa** is contrary to facts and cannot be relied upon. Pankaj Wadhwa was intercepted at the Airport while he was attempting to travel abroad, *but he was never arrested*. His Statements were recorded by the ED on 21.02.2025 and again on 17.07.2025. Pertinently, Lalit Arora, son of Bhupesh Arora, is called by Pankaj Wadhwa as cousin of Bhupesh Arora, the Applicant. From his Statement, it emerged that he was trying to fasten everything on the Applicant through Lalit Arora, for which there were contradictions in his own Statements. He had stated that Anurag Agarwal was introduced to him by the Petitioner, whereas Anurag Agarwal in his statement had stated that he never knew the Applicant, prior to Pankaj Wadhwa.

33. It is claimed to be classic case where two Investigating Agencies for the same set of facts, have been mentioning two totally contrary statements. Before the Hyderabad Agency, he mentioned that he used to work for Varun Arora, but before the ED, he fastened the entire liability on the Applicant.



34. In Bhim Singh vs. State of Haryana, (2003) 1 CC Cases (SC) 23 it was held that if there are two pieces of evidence in regard to the same fact, both uncontroverted and uncorroborated, then the benefit of doubt must be given to the accused.

35. The admitted case of Pankaj Wadhwa is that he is the owner of Company Bulkbazar. The perusal of his Bank statements, show various entries made between all the Companies such as Truvinta, Sark Enroll and other various payments made to Lalit Arora, who suspiciously received money/ salaries from various entities which had cross transactions with Bulkbazar, which is admittedly an entity owned by Pankaj Wadhwa in which the Applicant has no role to play. The entire web of transactions with the Companies, have been falsely attributed to the Applicant.

36. Reference is made to Sanjay Jain vs. Enforcement Directorate, 2024 SCC OnLine Del 1656, wherein it was held that the proceedings under Section 50 PMLA may be judicial proceedings for the limited person mentioned therein, but a confession made by an Accused is a statement under Section 50 PMLA, is not a judicial confession nor is there any provision in the PMLA like Section 15 TADA or Section 18 MACOCA which specifically makes the confession of a co-accused admissible against the other accused under certain eventualities.

37. In Surinder Kumar Khanna vs. DRI, (2018) 8 SCC 271 the Supreme Court held that the quality and effect of the confession of a co-accused, needs to be considered in order to receive assurance to the conclusion of guilt which the judicial mind is about to reach, on said other evidence. Reliance is also placed on Deepak Bhai Patel vs. State, (2019) 16 SCC 547.



38. It is further contended that the main person in conversion of Forex is **Sahil Bajaj**, who does not named the Applicant at all. Similarly, **Vikas Kumar, Chartered Accountant of the Applicant** was examined by ED as a witness, but he also does not state that the Applicant is in any way connected with the entities namely Truvinta, Melanic, Sark Enroll.

39. **Thakur Dayapal Singh (A-19) Director of Sark Enrol** in his Statement, also nowhere stated that the Applicant was in any way involved with the Sark Enrol. He further stated that the transactions pertaining to *M/s Ranjan Money Corp* were made by Pankaj Wadhwa and did not attribute any role to the Applicant. He also stated that he was introduced to the Applicant for the first time in May, 2022 by Pankaj Wadhwa; he had transactions with Pankaj Wadhwa, Truvinta, Melanic and Ranjan Money Corp. since 2021, which is much prior to the date when he met the Applicant. No incrimination in any manner, can be pointed out of the Applicant herein. The entire Prosecution evidence of connecting the Applicant with these Companies, is demolished in its entirety.

40. It is further stated that **Mr. Mohit Kotnal, Director and shareholder of Melanic Solutions Pvt. Ltd.** was examined by ED on 21.08.2025, wherein he had provided his personal Banking details to one of his friend, to carry a *mobile related business* and his present Company had a certain limit of transactions. Perusal of Bank Accounts, Opening Form of M/s Melanic Solutions Pvt. Ltd. clearly depict that the Form bears signatures of Mohit Kotnala and his wife. His Statement does not attribute any role to the Applicant, in the alleged RTGS to cash business.

41. The ED further submitted that the *Applicant was a 90% shareholder in M/s Analytiq Business Ventures Pvt. Ltd.* But the Applicant had



surrendered the shares, as is evident and corroborated by List of Directors from MCA. The other two Directors, namely, **Vivek Kumar Jha** and **Akshay Dhawan** of M/s Analytiq Business Ventures Pvt. Ltd. were never examined by ED. None of the witnesses examined ever in their Statements, stated that the Applicant was handed money transactions from RTGS to cash business.

42. The allegations of picking up cash, has been attributed to Lalit Arora, when in his question he stated that he was in Dubai from April 2022 to January, 2025 and was getting a salary of around 1300 Dirham, while working in Dubai. The record and documents of *M/s Freebie Pvt. Ltd. (family business of the Applicant)* were furnished to the Investigating Agency including ITRs, Tally data, Statement of sale purchase, working profit and details of fund utilization and were found to be genuine and *bona fide*.

43. **Akash Garg, Director of Level Next Ideas** in his Statement, stated that he was a namesake Director and all the operations were controlled by the *Applicant Akshay and Vivek*, is unreliable. In fact, he also said that he has no connection with M/s Freebies Solutions, except for purchasing of Gift Cards.

44. Likewise, statement of **Shailesh Poddar (A-32)** who had stated that there were screenshots of the chats available in his pen drive, which he would try to locate, but there is no explanation as to why these chats stored in the pen drive, were given to Pankaj Wadhwa. The IP address is the weakest piece of evidence to connect the Petitioner with the entities, particularly because there is no authenticity of such IP addresses and it is not known as to where such IP addresses were obtained from and who had provided them and when. The Certificate under Section 65B of Evidence



Act (now under Section 63 BSA), is not there, making them inadmissible. Only 14 out of 181 IP Addresses are common, which are also of different period and time. There is no *prima facie* case to establish whether the said IP Addresses pertain to Delhi or any other place. Hence, the place of origin being common, has to be rejected.

45. Moreover, all these Statements were based on leading questions and the extracts are common as if they were cut, copy, paste Statements, which are not reliable.

46. It is further asserted that **the role of the Applicant** is confined to the physical Account held by Xindai, whereas not even a single Rupee has been received or credited. The allegations with respect to alleged Rs.311 Crores does not find any role of the Applicant, even if assumed to be true for the sake of arguments. None of the alleged cheated amount stated in the stated in the scheduled offence, was reflected to be received by the physical Account of Xindai Technologies. None of the cheated amount from 24.01.2022 to 23.05.2022, is reflected in the physical account of Xindai. The Statement of Account would reflect that no funds were ever received from the virtual account into the My epocket virtual account of M/s Xindai Technologies.

47. The ED has relied on a *Chart* to show the flow of alleged proceeds of crime and had defined the *modus operandi* adopted for RTGS to cash transaction as:

- a. Direct transfer of funds from virtual accounts of Xindai to KDS and Forex and from the funds;*
- b. From where the funds were transferred into the mule accounts.*



48. It is asserted that the Chart relied upon be ED, contradicts the *modus operandi* stated by ED, as there is no flow of POC from virtual account of Xindai to the physical account, as alleged in the pre-predicate offence. Further, there is no flow of POC from KDS Forex to the mule Accounts.

49. The Chart depicts flow of POC amounting to Rs.17 Crore from 05.03.2022 to 25.03.2022, which is prior to the date of transfer of cheated amount in the predicate offence from the physical account of Xindai to cash free payment Gateway, which further results into 12.8 Crore to Analytiq and Rs.10 Crore to Melanic Solutions, which adds up to Rs.22.8 Crore. This contradiction goes to show that the investigations have been conducted by DoE, in a mechanical and arbitrary manner.

50. The aforesaid facts do not satisfy any of the offences required for the offence of money laundering. It is not a case of ED that the Applicant had projected any proceeds of crime as untainted or generated therefrom. Reference is made to Manish Kothari vs. Enforcement Directorate, 2023 SCC OnLine Del 5921, wherein it was held that he was a Chartered Accountant of Anubrata Mondal. The apparent role of the Applicant was filing of Income Tax Returns. It was observed that it is a settled preposition that at the stage of consideration of Bail even under PMLA, *the Court has only to see preponderance of probability*. Generally speaking, the professional would act on the instructions of his client. However, whether he has gone beyond his professional duty, is something which is required to be seen and examined during the trial.

51. Reliance is also placed on Preeti Chandra vs. ED, (2023) 3 HCC (Del) 1, where this Court observed that mere association with the person or



establishment allegedly involved in money laundering, does not lead to an inference of *mens rea*.

52. *It is contended that the Applicant was not an accused in the scheduled offence, which is the very basis for proceeding against a person under PMLA. In the absence of any scheduled offence, the question of generation of proceeds of crime does not arise and, therefore, subsequent laundering thereof cannot even be alleged. The ED has failed to trace any alleged proceeds of crime. Even comprehensive investigations of ED, could not establish any connection between the Applicant and the proceeds of crime.*

53. The Applicant has referred to *Arnesh Kumar vs. State of Bihar*, (2014) 8 SCC 273, wherein it has been observed that where the imprisonment is up to 7 years, the Accused is entitled to be released.

54. Reliance is also placed on *Ranjitsing Brahamajeetsing Sharma vs. State of Maharashtra*, (2005) 5 SCC 294, wherein while dealing with Section 21(4) of MCOCA which is *pari materia*, it was held that Section 21(4) of MCOCA must be construed reasonably so as to be able to maintain a delicate balance between a Judgment of acquittal and conviction and an Order granting Bail, much before the commencement of trial.

55. In *Mohd. Muslim @ Hussain vs. State (NCT of Delhi)*, 2023 SCC Online SC 352, the Apex Court observed that the conditions which Courts have to be cognizant of, are that there are reasonable grounds for believing that the Accused is not guilty of such offence and he is not likely to commit any offence, while on Bail. This has to be a *prima facie* determination. Similar were the observations made in the case of *Nikesh Tarachand Shah vs. Union of India & Anr.*, (2018) 11 SCC 1.



56. In Gurbaksh Singh Sibbia vs. State of Punjab, (1980) 2 SCC 565, the Constitution Bench of Supreme Court observed that unless pre-trial Bail is preserved, the presumption of innocence secured by centuries of struggle would lose its meaning. The mandate of Section 24 of PMLA is that ED is first bound to prove existence of proceeds of crime for it to be involved in money laundering.

57. In the present case, the ED had failed to prove existence of proceeds of crime and, therefore, the question of involvement in the offence of money laundering does not arise.

58. The Supreme Court in J. Sekar @ Sekar Reddy vs. Directorate of Enforcement, (2022) 7 SCC 370 while quashing a case under PMLA observed that in case of PMLA, the Court cannot proceed on the basis of preponderance of probabilities. The allegations must be proved beyond reasonable doubt; unless the allegations are substantiated by the Authorities and proved against the person in the Court, the person is innocent.

59. Similarly, in Jaffar Hassanfatta & Others vs. Deputy Director & Another, Criminal Revision Application No.926 of 2016, it was held that amended Section 24 shows legislative intent of attachment and confiscation of proceeds of crime by presuming involvement of proceeds of crime in money laundering, irrespective of whether the person concerned is or not charged with the offence of money laundering.

60. Similar are the observations made in Anil Babulal Chokhara vs. Enforcement Directorate, Bail Application No.1581 of 2017.

61. In the end, it is contended that indefinite pre-trial incarceration is disfavoured and it impacts on the defence of the Petitioner.



62. Reliance is placed on Manish Sisodia vs. CBI, 2023 SCC OnLine SC 1393; Prem Prakash vs. Enforcement Directorate, (2024) 9 SCC 787; Sanjay Chandra vs. CBI (2012) 1 SCC 40; Gurbaksh Singh Sibbia, (supra); and Satender Kumar Antil vs. CBI, 2022 SCC OnLine 825.

63. It is further contended that investigation is complete and the Prosecution Complaint has already been filed against the Applicant. Therefore, he cannot be made to languish in custody indefinitely without a trial, as such unwarranted pre-trial custody would outrightly infringe his fundamental right to a speedy trial, as contemplated under Article 21 of the Constitution of India. Reliance is placed on Javed Gulam Nabi Shaikh vs. State of Maharashtra and Another, Criminal Appeal No.2787/2024 decided on 03.07.2024.

64. It is contended that the entire set of evidence/material is documentary in nature and is already before the Court. There is no likelihood of it being tampered under any circumstances. The criminal liability of the Applicant would be determined at the culmination of the trial, which is likely to take long. *Hence, a prayer is, therefore, made for grant of Bail.*

65. The **Respondent, Directorate of Enforcement (“ED”)**, in its **detailed Reply**, explained that in respect of the scheduled offence. ***FIR No.1352/2022 dated 26.07.2022 was registered at P.S. Cyber Crime, Hyderabad under Sections 419/420 IPC***, based on the written Complaint filed by one *Mohd. Ghouse Pasha* for alleged fraud of Rs.1.16 lakhs, by unknown persons running investment apps named *Loxam*.

66. The Chargesheet was filed against 15 persons, by Hyderabad Police. It was concluded that the cheated money was collected in the account of one M/s Xindai Technologies Private Limited, and that the Account was opened



by one *Virender Singh*, on the instructions of a Chinese national, *Mr. Jack* and he gave the internet banking credentials to *Mr. Jack* by using the same mobile number linked to the account of *M/s Xindai Technologies*.

67. Other bank Accounts in the name of *M/s Betench Networks Pvt. Ltd.* were opened by one *Sanjay Yadav*, upon the instructions of a Chinese national, *Mr. Lee @ Li Zhonjau*. 15 other Accounts were opened and the banking credentials were given by *Sanjay Yadav* to one *Mr. Chu Chun Yu*, a Taiwanese national temporarily staying in Mumbai, who further sent the banking credentials and linked SIM cards to *China Town Building, Cambodia*. *Sanjay Yadav and Virender Singh* received *Rs.12 lakhs as commission per Account, from Mr. Lee Zhonjau*.

68. It was further revealed that *Mr. Chu Chun Yu* had come in contact with some Chinese nationals, namely, *Hua Zho, Bai Ge and others* through Telegram App, and had established a company *Hexion in Cambodia* and were running online investment apps/websites, online betting apps, online fraud gaming Apps across the globe, and mostly concentrating on Indians. *Hua Zho and Bei Ge* created the investment App *Loxam*.

69. Money/commission was offered to Indians for opening current Accounts and provide internet banking credentials and registered SIM cards. *Chu Chun Yu* visited India in July, 2022 and stayed in Mumbai. He collected banking kits and related SIM cards and further sent them to Cambodia, on the instructions of *Hua Zho and Bei Ge*.

70. Since *Sections 419/420 IPC* were covered as *scheduled offences*, an **ECIR dated 14.10.2022 was recorded and the investigations were initiated**. During the investigation, statements of various individuals were recorded under Section 50 PMLA; searches were conducted; and bank



Statements of various individuals and entities, were scrutinized. The investigation conducted thus far, revealed that there was a huge network of individuals and entities, which were defrauding the gullible individuals of their money and creating shell Companies, by using credentials of innocent and ignorant young individuals. *Such Companies had been used to launder the defrauded amounts (Proceeds of Crime), thereby jeopardizing their lives.*

71. On the basis of the information and test Statements recorded, it was revealed that the proceeds of crime were generated in the guise of online investment, where the money was transferred from the virtual Accounts of M/s Xindai Technologies Pvt. Ltd. through My ePocket payment gateway, *to around 38 Mule Bank Accounts*, including those of Ranjan Money Co. Pvt. Ltd. and KDS Forex Private Limited, to get them converted into cash and then sent overseas through *hawala*.

72. The **role of the Petitioner** was defined *as being the mastermind and ultimate beneficiary of the large-scale money laundering syndicate and proceeds of crime*. He devised and executed a scheme for routing unaccounted funds generated from commission of scheduled offences. He projected himself as a businessman engaged in trade of gift vouchers, card trading and later ventures, in Dubai. However, enquiries revealed that these activities were merely facade for laundering illicit funds. He was instrumental in incorporating and operating numerous Companies, including M/s Freebie Solutions Pvt. Ltd., M/s Levelnext Ideas Pvt. Ltd., M/s Analytiq Business Ventures Pvt. Ltd., M/s Bestpay Solutions Pvt. Ltd., M/s URPay Solutions Pvt. Ltd., M/s Faithpay Systems Pvt. Ltd., M/s Rewards Mania Pvt. Ltd., M/s Truvinta Solutions Pvt. Ltd., and M/s Melanic Solutions Pvt.



Ltd., along with several proprietorships such as RM Digital Marketing, BT Marketing, Digi India Marketing, Ganapati Traders.

73. While these entities were formally registered in the name of employees, relatives or acquaintances, the actual beneficial ownership and control, always remained with the Applicant. The foundational facts necessary to attract the presumptions under section 24(b) PMLA are:

- a. that there is a scheduled offence and it is not necessary, as per *Pavana Dibbur*, (supra), that a person accused of money laundering, must be accused in the predicate offence.
- b. the proceeds of crime had been derived from the scheduled offence of cheating investors through the LOXAM Application and the Applicant is the recipient of proceeds of crime which ultimately travelled through KDS Forex Pvt. Ltd. and Ranjan Money Co. Pvt. Ltd., in the form of RTGS, which was converted into Forex and withdrawn in cash and handed over to the Applicant and his associates.

74. These facts are supported by the concrete evidence in the form of Bank Statements, statements of Chartered Accountants and other persons connected in the intermediary Companies through whom the POC had travelled, as well as the Statements under Section 50 PMLA of the persons, who had withdrawn and handled the cash. The *mens rea* can be established from the attending circumstances, which was stated thus:

- a. *Money flowing to common Accounts. It is evident, the funds from Xindai which is nothing but POC, is further being transferred to multiple accounts, in those very Accounts entities owned and controlled by Bhupesh Arora were also transferring the funds, thus demonstrating the factum of Inter-connected transactions. The accounts in which Xindai were transferring the POC for layering and aggregation of POC, cannot be*



believed to be genuine and legitimate accounts. For Example, from Xindai the POC were flowing to Account no 980810310000004 and in the same account Analytiq, the entity which is owned and controlled by Bhupesh Arora was also found to be transferring the funds. Similar patterns are adopted by other entities owned and controlled by Bhupesh Arora like Levelnext Ideas Pvt ltd, Faithpay systems Pvt Ltd, URpay Pvt Ltd, in like manner 620 common accounts were found which are placed at Pg. 5-28 of CC.

Further beneficial ownership of Bhupesh Arora over entities such as Analytiq, Melanic, Bestpay, Levelnext is also corroborated from the fact that they were operating through same IP address.

b. POC travelling from Cashfree to entities owned and controlled by Bhupesh Arora. *That POC to tune of Rs 17 crore were flowing from Xindai to Cashfree payment services from where POC to tune of Rs 10 crore was going to Melanic Solution and Rs 12.8 crore were flowing to the Analytical Business ventures Private limited; both the entities are owned and controlled by Bhupesh Arora. Further, this POC was transferred to Freebies solution Pvt Ltd and this entity is family-owned company of Bhupesh Arora.*

c. Conduct of Bhupesh Arora in disowning Analytiq Pvt Ltd *where he is 90% shareholder. In this regard reference may be made to Page 399 of CC containing the Data from MCA explaining the quantum of shareholding in Analytical Business Ventures Private Limited.*

d. Statements *of various persons including CA Vikas Garg, other associates, and dummy directors of shell companies owned and controlled by Bhupesh Arora for laundering the POC. Gist of the same may be refer at Pg. 81-95 of CC.*

e. Criminal antecedents *in the form of similar FIR where applicant has adopted the similar modus operandi. The Faridabad FIR No.24/2024 demonstrating that similar criminal*



activities continued with the help of same associates even when he fled to Dubai in 2024.

f. Involvement found in the predicate offence, as evident from the contents of the Chargesheet.

g. Bhupesh Arora was involved in the process or activities connected with POC is evident from the statement made from Anurag Aggarwal that the foreign currency/cash which is nothing but proceeds of Crime converted by Rohit Vij from RTGS/UTR were on certain occasions directly delivered to Bhupesh Arora by Anurag Agarwal.

75. It is further asserted that Applicant in association with other Accused, namely, Rohit Vij, Navneet Kaushik, Sahil Bajaj, Anurag Aggarwal, Pankaj Wadhwa and others, played important role.

76. He siphoned off part of the proceeds of crime to overseas, where he integrated and layered the proceeds of crime into his hotel business and projected these funds as untainted. Most of the proceeds of crime, were subsequently siphoned off through *hawala* and other illegal means.

77. The ED further asserted that he poses a high flight risk as he had been declared a *Fugitive Economic Offender*, vide Order dated 22.01.2025 by Special Court, Dimapur under Section 12 of Fugitive Economic Offenders Act, 2018. A *Red Corner Notice* dated 14.01.2025 and *open-ended NBWs*, were also issued against him. The *Lookout Notice* dated 21.02.2023 is still active, in the investigation emanating from ECIR by ED, Dimapur Sub Zonal Office. The *NBWs against the Applicant issued under Section 70 Cr.P.C. as applicable as per Section 65 of PMLA*, were issued on 12.07.2024, after he failed to respond to the summons of the Court. Despite



the NBWs, executing the Arrest Warrant proved difficult for many months, because he remained outside India and evaded the arrest.

78. The Applicant filed *Crl. Rev. Pet. No. 3/2025* for setting aside of NBWs. He also filed *Crl, Appeal No. 1/2025* assailing the order declaring him an FEO by the Court. The High Court of Guwahati allowed the Revision Petitions thereby setting aside NBWs and FEO Orders *vide* its judgment dated 29.01.2026.

79. Moreover, the Applicant entered India through an informal/non-regulated immigration channel, i.e., the Nepal Route. He had been absconding and was residing in Dubai, where he has a well-off lifestyle and has purchased multiple assets, for which he has failed to provide any explanation.

80. The evidence shows that he, in order to escape the law enforcement agencies, fled to Dubai along with Family and ABVPL Directors. This is corroborated by the statement of Mr. Pankaj Wadhwa. There were multiple non-compliances with summons issued to him under Section 50(2) PMLA. He had failed to appear before investigation authorities. In the remand case diary of the predicate offence, i.e. FIR No. 1352/2022, he has been shown as absconding.

81. There is strong apprehension that he may dissipate POC which were routed to offshore entities through *hawala* channels, and may attempt to destroy or tamper with the evidence and influence the witnesses. His overall conduct, prior abscondence and stature, shows that *he poses a high flight risk and is likely to abscond once again to once again evade the process of law and abscond to Dubai. He has failed to satisfy the triple test of Bail.*



82. It is then submitted that the Applicant has failed to meet the mandatory *twin conditions* stipulated under Section 45 of PMLA, and his Bail Application has been rightly dismissed by Special Judge, Delhi, *vide* Order dated 20.09.2025, by noting, “*he is the face of the syndicate which involves Chinese nationals who came together to cheat, defraud thousands of individuals of their hard-earned money and use the said money for their nefarious designs to lead a lavish lifestyle.*” Any leniency or indulgence shown to the Applicant would not only defeat the ends of justice, but also embolden others to commit similar offences.

83. It is a case where thousands of individuals have been cheated of their life-long earnings. The predicate Agency also found that Applicant and others, “*were cheating innocent people for the past one year, collecting money through online on the pretext of investment and huge amount transactions have been carried out from the account/payment gateways.*”

84. Reliance is placed on *suo moto* Writ Petition (Crl) No. 3/2025, titled *In Re: Victims of Digital Arrest Related to Forged Documents*, wherein the Apex Court observed orally on 03.11.2025 that, “*It’s shocking that almost Rs.3000 crore have been collected from victims in our country alone. If we ignore it right now and are not able to pass harsh and stringent orders, the problem will magnify. We are determined to deal with it with iron hands.*”

85. It is further submitted that the Petitioner had stated during the course of evidence that the predicate offence, **i.e. FIR No.1352/2022 dated 26.07.2022, has been quashed by the High Court of Telangana, and therefore, the Applicant deserves to be enlarged on Bail.**

86. In this regard, reference is made to the Chargesheet filed in the predicate offence wherein it was stated that Accused had collected personal



information of the victim and had used them to convince them to invest into their Projects and had promised that they would invest in various Companies and would pay handsome amount in return. They assured the investors that they would refund the profit amount including principal amount and compelled them to invest. Believing the same, victims/investors transferred the amounts through links.

87. It is submitted that the learned Prosecutor in the predicate case had opposed the Compromise Petition, which was duly recorded in the Order. Furthermore, bare reading of Section 320 Cr.P.C. makes it clear that offence of cheating under Section 420 IPC can only be compounded at the instance of victims who have been cheated. **In the present case, merely one person could not have compounded the case on behalf of rest of the victims, who had been cheated.**

88. Reliance is placed on B.S. Joshi vs. State of Haryana, (2003) 4 SCC 67, Suraj Singh Gurjar and Anr. vs. State of MP, @ Special Leave Petition (Cr.) No. 2520/2024. It is well settled that FIR can be partially quashed against certain individuals and the same would not amount to the entire criminal case being quashed, as held by the Supreme Court in the case of Lovely Salhotra vs. State, (2018) 12 SCC 391.

89. On the basis of compromise of one person, the entire schedule offence cannot be compounded. Furthermore, the predicate offence has not been wiped out in its entirety, as has been stated by the Supreme Court in the case of Vijay Madanlal Chaudhary, (supra). It must be established before the Court of law that the POC were lawfully acquired, owned and possessed by the concerned person.



90. In the present Schedule case, no such determination has been made because parties have entered into a compromise. *Moreover, ED has shared information under Section 66(2) of PMLA with Telangana Police, Hyderabad vide Letter dated 16.09.2025 and 13.01.2026 wherein a list containing details of as many as 212 victims/complaints has been shared with the State Police.*

91. It is further stated that there are twin conditions for Bail under Section 45 of PMLA, which are required to be satisfied to be entitled to Bail. In the present case, the Applicant has failed to meet the twin conditions. Furthermore, economic offences have deep rooted conspiracies and involve huge amounts of public funds which need to be viewed seriously and considered as grave offences affecting the economy of the country as a whole and thereby, they pose a serious threat to financial health of the country. The economic offences have serious repercussions on the development of the country, as well.

92. Reliance is placed on *Y.S. Jagan Mohan Reddy vs. Central Bureau of Investigation*, (2013) 7 SCC 439; *Nimmagadda Prasad vs. Central Bureau of Investigation*, (2013) 7 SCC 466; *Gautam Kundu vs. Directorate of Enforcement*, (2015) 16 SCC 1; *State of Bihar and Anr. vs. Amit Kumar alias Bachcha Rai*, (2017) 13 SCC 751; *State of Gujarat vs. Mohanlal Jitmalji Porwal and Anr.*, (1987) 2 SCC 364; *Pradeep Nirankarnath Sharma vs. Directorate of Enforcement & Anr.*, 2025 INSC 349.

93. It is further contended that the that the averments of the Applicant in regard to veracity of the statements under Section 50 of PMLA, are required to be rejected as these Statements are admissible in nature and can be relied at the stage of remand or even to reject Bail; for which reliance is placed on



Vijay Madanlal Choudhary & Ors vs. Union of India & Ors., 2022 SCC OnLine SC 929; (Para 422-450), Tarun Kumar vs. Directorate of Enforcement, SLP (Crl.) No. 9431 of 2023 (Para 15), Rohit Tandon vs. Directorate of Enforcement, (2018) 11 SCC 46 (Para 31), Satyendar Kumar Jain vs. Directorate of Enforcement, 2024 INSC 217, Amanatullah Khan vs. Directorate of Enforcement, (Para 30-32) Bail Appl. 795/2024.

94. The Applicant was arrested in this case on 11.07.2025 and is in judicial custody for about 06 months. The Supreme Court in the case of Union of India vs. Kanhaiya Prasad, 2025 SCC OnLine SC 306 had held that *Section 45 PMLA starting with the non-obstante clause has an overriding effect on the general provisions of the Code of Criminal Procedure in case of conflict between them. 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.*

95. In the case of Udhav Singh vs. Directorate of Enforcement, 2025 SCC OnLine SC 357, it was held that a short duration of 07 months does not amount to long incarceration so as to justify the grant of Bail *de hors* satisfaction of Section 45 of PMLA.

96. Similar observations were made by the Karnataka High Court in G T. Dinesh Kumar vs. Directorate of Enforcement, Criminal Petition No. 14793/2023 by relying on the judgement of Kanhaiya, (supra) and Uddhav, (supra) to conclude that period of 127 days cannot qualify as long incarceration. Likewise, Supreme Court in the case of Manish Sisodia vs. CBI, 2023 SCC OnLine SC 1393 and V Senthil Balaji vs. Deputy Director,



Directorate of Enforcement, 2024 SCC OnLine SC 2626 held that the mandatory twin conditions may not strictly apply where there is a long period of incarceration and trial is protracted beyond reasonable time, but in Kanhaiya Prasad, (supra), the custody was more than 07 months. The reliance cannot be, therefore, placed on the case of Manish Sisodia and V Senthil Balaji.

97. It is further contended that money laundering is independent of the investigation conducted by the predicate Agency; it is well settled that a person accused of the offence of money laundering, need not necessarily be accused of a scheduled offence for which reference is made to Vijay Madanlal, (supra) and Pavana Dibbur vs. Directorate of Enforcement, in Criminal Appeal No. 2779/2023.

98. It is then asserted that PMLA clearly confers an independent and expansive power of investigative upon the ED. Plain language of Section 3 of PMLA defines the offence of money laundering and begins with the expression “*whatsoever*”, which denotes that it need not only be the main Accused person, it can have any number of persons, who may directly or indirectly attempt to indulge or knowingly assist or knowingly be a party or actually involved in the process of activity connected with the proceeds of crime.

99. Moreover, *money laundering* is an activity which can happen either as a one time activity or as a process. Multiple people can be involved in the process of money laundering. The language of the Act clearly says that any person who directly or indirectly attempts to indulge, knowingly assist or knowingly become a party, is actually involved in money laundering.



100. *In the end*, it is stated that ED cannot quantify the proceeds of crime over and above the predicate offense or Agency, as mentioned in its Complaint or Chargesheet, was rejected by the Supreme Court in the case of *Satyendra Kumar Jain vs. Directorate of Enforcement*, (2024) 6 SCC 715.

101. There is a discrepancy in the amount of proceeds of crime calculated by the ED and the amount mentioned in the Chargesheet. The alleged disproportionate amount is Rs.1,62,50,294/- as per the FIR, while the ED amount is Rs.4,81,16,435/-.

102. The Apex Court after making a reference to Section 21(1)(u) and Section 3 of PMLA ultimately rejected the Bail by holding Rs.4,81,16,435/- as the total POC, as determined by the ED to be valid. It was observed that Section 3 has a wider reach. The offences as defined, captures every process and activity dealing with the proceeds of crime, directly or indirectly and is not limited to the happening of the final act of integration of tainted property in the formal economy to constitute an act of money laundering.

103. Therefore, the argument that the ED is confined to the facts and figures determined by the predicate Agency, is not binding in the light of formidable evidence including material gathered under Section 50 of PMLA to establish that there are larger sums of money involved and the PMLA *Complaint should proceed irrespective of the figures mentioned in the predicate agencies' case.*

104. *Ld. Counsel for the Applicant, Bhupesh Arora, Senior Advocate Vikas Pahwa* has made multi-fold submissions seeking Bail, essentially reiterating the grounds taken in the Bail Application. **Written Submissions and Compilation of Judgments, have also been filed in support thereof.**



105. It is submitted that the Applicant has been in custody for the past 7 months, and the investigation already stands concluded with the filing of the Prosecution Complaint. Continued incarceration, therefore, serves no investigative purpose, especially considering that the evidence is documentary.

106. Ld. Senior Advocate has further submitted that the Applicant has never had any association with Xindai Technologies or other named entities, which form the fulcrum of the Prosecution's case. His alleged connection is sought to be inferred only on the basis of indirect transactions and Statements of co-accused, without any direct material linking him to the generation, possession, or projection of proceeds of crime.

107. Ld. Senior Advocate has emphasized that the predicate offence forming the substratum of the present ECIR, **has been quashed vide Order dated 22.01.2026 of the Ld. Telangana High Court.** In the absence of a subsisting scheduled offence, the essential jurisdictional foundation for proceedings under the PMLA ceases to exist. It is also submitted that the declaration of the Applicant as a Fugitive Economic Offender, has been set aside by the Gauhati High Court *vide* Order dated 29.01.2026, reinforcing his *bona fides*.

108. The Applicant is stated to be merely a customer of Cashfree Payment Services and not an operator, controller, or beneficiary of any payment gateway or virtual Account allegedly used in the laundering process.

109. It is *lastly* submitted that all material and information gathered by the ED, was shared with the predicate Investigating Agency under Section 66(2) of PMLA; however, no action whatsoever has been taken against the Applicant in the scheduled offence. This, according to the Applicant, clearly



demonstrates the absence of any substantive incriminating material connecting him with the alleged proceeds of crime.

110. The Applicant has never absconded and has always joined the investigation. *Thus, the twin conditions under Section 45 of PMLA stand satisfied and that the Applicant is entitled to be enlarged on Bail.*

111. *Ld. Counsel for the Respondent, Directorate of Enforcement (“ED”), Mr. Zoheb Hossain along with Mr. Vivek Gurnani* have vehemently opposed the Bail Application. Written Submissions and Compilation of Judgments have also been filed in support of the same.

112. It is submitted that the foundational facts necessary to invoke the statutory presumption under *Section 24(b) of PMLA* stand duly established in the present case. The three essential ingredients are satisfied:

- a.** *Existence of a Scheduled Offence:* The scheduled offence arising out of the LOXAM App fraud, is undisputed.
- b.** *Existence of POC:* The POC has been generated from the scheduled offence involving cheating of investors through the LOXAM App.
- c.** *Receipt/Handling of POC by the Applicant:* The POC travelled to KDS Forex Pvt. Ltd. and Ranjan Moneycorp Pvt. Ltd. in the form of RTGS transactions, which were subsequently converted into forex and withdrawn in cash. Such cash/forex was allegedly handed over to the Applicant, Bhupesh Arora and his associates.

113. It is submitted that these facts are supported by cogent material including Bank Statements, Payment Gateway Records, Statements of Chartered Accountants and other intermediary persons, as well as



Statements recorded under Section 50 of PMLA of individuals who handled or withdrew the cash.

114. Ld. Counsel has further submitted that *mens rea* can be inferred from the attendant circumstances, including the following:

- a.** *Funds originating from Xindai (POC)* were transferred to multiple accounts, including accounts into which entities owned and controlled by the Applicant were also transferring funds. This pattern of interlinked transactions demonstrates layering and aggregation. For instance, POC from Xindai flowed into Account No. 980810310000004, which also reflected transfers from Analytiq Business Ventures Pvt. Ltd., an entity allegedly owned and controlled by the Applicant. Similar patterns are stated to exist with entities such as Levelnext Ideas Pvt. Ltd., Faithpay Systems Pvt. Ltd., and URPay Pvt. Ltd., with approximately 620 common accounts identified.
- b.** *Beneficial ownership and control of entities* such as Analytiq, Melanic, Bestpay and Levelnext by the Applicant is corroborated by their operation through common IP addresses.
- c.** *The Flow Chart in the Complaint demonstrates that approximately Rs.17 crores* moved from Xindai to Cashfree Payment Services, out of which Rs.10 crores was transferred to Melanic Solutions Pvt. Ltd. and Rs.12.8 crores to Analytiq Business Ventures Pvt. Ltd., both entities allegedly owned and controlled by the Applicant. Thereafter, funds were transferred to Freebie Solutions Pvt. Ltd., a family-owned company of the Applicant.
- d.** The MCA data reflects that 90% shareholding in Analytiq Business Ventures Pvt. Ltd. is owned by the Applicant.



e. The Applicant is stated to have been involved in other FIRs reflecting a similar *modus operandi*, demonstrating a continuing pattern of activity. Similar activities continued with the assistance of the same associates even after the Applicant shifted to Dubai in 2024.

f. The Chargesheet in the scheduled offence, disclose his involvement in the broader conspiracy. His prior declaration as FEO hampers his *bona fides*.

g. Lastly, as per the statement of Anurag Aggarwal, foreign currency/cash converted by Rohit Vij from RTGS/UTR transactions was, on certain occasions, directly delivered to the Applicant.

115. *This, according to the ED, establishes his active involvement in the process and activity connected with the POC.*

116. Ld. Counsel, by way of an Application, has placed on record the subsequent developments arising from Order dated 16.02.2026 o the Ld. Special Judge (PC Act) (CBI) taking on record the Application for brining additional facts related to 24 new FIRs and the addendum incorporating the said FIRs into ECIR/HYZO/46/2022. It is submitted that it is no longer res integral that multiple FIRs can form part of a single PMLA investigation. An ECIR is merely an internal document of ED as held in Vijay Madanlal Choudhary, (supra).

117. Reliance is also placed on Rajinder Singh Chadha vs. Union of India, W.P. (CrI.) 562/2023, wherein this Court upheld the EDs power to incorporate subsequent FIRs into its investigation without the need to register a fresh ECIR.

118. It is also submitted that the Allahabad High Court in the case of Satinder Singh Bhasin vs. State of U.P. and Anr., CRM W.P. 9232/2025



held that ED is entitled to issue addendums to the ECIR, particularly because the investigation is ongoing and proceeds of crime may emerge from multiple transactions.

119. *Thus, the present Bail Application is liable to be dismissed.*

Submissions heard and record perused.

120. The Applicant herein, seeks grant of regular Bail in ECIR/HYZO/46/2022 dated 14.10.2022, which originates from the Complaint of Mohd. Ghouse Pasha, FIR 1352/2022 dated 26.07.2022 under Sections 419/420 IPC and Section 66(C) and 66(D) of IT Act, registered at P.S. Cyber Crime Hyderabad. The Applicant was arrested on 03.03.2025 and has been in custody since then.

121. The Complainant, Mohd. Ghouse Pasha alleged that he was duped of Rs. 1.16 lakh by unknown persons operating an online investment application styled as “LOXAM”, which falsely claimed association with a reputed foreign entity and promised unrealistic returns. On the basis of the said complaint, FIR No. 1352/2022 dated 26.07.2022 was registered, which constitutes the scheduled offence for offence under PMLA. In the Chargesheet filed in the predicate offence, 15 accused persons were arraigned and 10 shown as absconding; which did not include the Applicant. *Subsequently, ED registered the present ECIR.*

122. During investigation of the scheduled offence, it was alleged that the cheated amount had been routed through payment gateways into certain virtual accounts linked to Xindai Technologies Pvt. Ltd., which was stated to have operated multiple virtual and one physical bank account. These accounts allegedly witnessed pay-ins aggregating to approximately Rs.



152.6 crores, in virtual Accounts and about Rs. 18.54 crores in the physical account during a limited operational period.

123. The Prosecution further alleges that the funds received in the virtual accounts of Xindai, as well as certain other entities such as *Betench Network Pvt. Ltd.*, *Xitamin Multitrade Pvt. Ltd.* and *Skhalita Advanced Technologies Pvt. Ltd.*, were layered and routed to multiple physical and mule accounts, including Delhi-based entities *M/s Ranjan Moneycorp Pvt. Ltd.* and *M/s KDS Forex Pvt. Ltd.* According to the ED, these accounts functioned as conduits for aggregation, layering and transfer of the alleged proceeds of crime (“POC”), ultimately resulting in withdrawal of funds in cash and conversion into foreign currency, with part of the funds allegedly transferred abroad through *hawala* channels. The Prosecution Complaint quantifies the alleged POC routed through Ranjan and KDS at approximately Rs. 311 crores.

124. Insofar as the present **Applicant is concerned, the ED alleges that he was the central figure and ultimate beneficiary of the laundering operation.** He orchestrated a network of shell entities and proxy directors for placement, layering and integration of illicit funds generated from cyber frauds, betting and gaming applications. Several companies, including *M/s Freebie Solutions Pvt. Ltd.*, *M/s Levelnext Ideas Pvt. Ltd.*, *M/s Analytiq Business Ventures Pvt. Ltd.*, *M/s Bestpay Solutions Pvt. Ltd.*, *M/s URPay Solutions Pvt. Ltd.*, *M/s Faithpay Systems Pvt. Ltd.*, *M/s Rewards Mania Pvt. Ltd.*, *M/s Truvinta Solutions Pvt. Ltd.*, *M/s Melanie Solutions Pvt. Ltd.*, and others, alleged to have been incorporated and operated under his control, albeit in the names of employees, relatives and acquaintances. The Applicant knowingly indulged in activities connected with the POC.



125. *It is in the backdrop of these allegations, as set out in the Prosecution Complaint, that the question of the Applicant's entitlement to Bail under Section 45 of PMLA, need to be considered.*

Parameters for grant of Bail:

126. The grant of Bail in offences under the Prevention of Money Laundering Act, 2002 is governed by the stringent twin conditions prescribed under Section 45 of PMLA, which are:

- (i) reasonable grounds to believe accused is not guilty;*
- (ii) accused unlikely to commit offense while on Bail.*

127. The failure to satisfy even one of these conditions would disentitle the accused from the grant of Bail.

128. In the case of *Union of India vs. Kanhaiya Prasad*, 2025 INSC 210 it was held that it was *well settled, these two conditions are mandatory in nature and they need to be complied with before the accused person is released on bail under Section 439 Cr.P.C.*

129. *At the outset, it is also pertinent to observe that at the stage of grant of Bail, the Court need not delve deep into the possibilities of the outcome of the case. As rightly noted by the Ld. Special Judge in the Order dated 20.09.2025, the court is not to determine, at the stage of bail, the guilt of the accused, but to only assess the matter on broad probabilities.*

Status of the Complaint in the Predicate Offence:

130. It is not in dispute that in the predicate offence registered *vide* FIR No. 1352/2022 at P.S. Cyber Crime, Hyderabad, the Applicant was neither named in the FIR nor arrayed as an accused in the Chargesheet, nor shown



as absconding. Admittedly, no coercive steps were taken by the Hyderabad Police against him at any stage.

131. Moreover, since the parties had entered into a compromise, the **FIR in the predicate offence, has already been quashed vide Order dated 22.01.2026 of the High Court of Telangana at Hyderabad, in Crl. Pet. 17330/2025.**

132. Even though it is well-settled that an offence under PMLA is an independent offence, however, the fact that the predicate offence Complaint has been quashed, enures to the benefit of the Applicant.

Role of the Applicant in the present matter:

133. The ED has projected the Applicant as the central mastermind and ultimate beneficiary of the alleged money laundering syndicate, orchestrating a network of shell entities and proxy directors to facilitate placement, layering and integration of proceeds of crime generated from the LOXAM App fraud.

134. However, a careful scrutiny of the material on record, at this stage reveals several aspects that weigh in favour of the Applicant seeking grant of Bail.

135. Firstly, as stated above, the Applicant was neither named in the FIR registered at P.S. Cyber Crime, Hyderabad, nor was he arrayed as an accused or shown as absconding in the Chargesheet filed in the predicate offence. Moreover, the said FIR has also been quashed.

136. Secondly, the primary witnesses whose Statements form the edifice of the ED's case, namely, *Rohit Vij* and *Anurag Aggarwal*, did not name the Applicant in their initial statements recorded over a period of nearly three years. *Anurag Aggarwal* attributed a specific role to the Applicant only in



his Statement dated 11.03.2025, followed by a materially enhanced version on 07.07.2025, i.e., just prior to the arrest of the Applicant.

137. *Rohit Vij*, was identified by the ED as the principal operator of the cash/forex conversion mechanism through Ranjan Moneycorp and KDS Forex, but he also does not name the Applicant in any of his Statements recorded under Section 50 of PMLA. Further, the statement of *Pankaj Wadhwa*, also contains contradictions and inconsistencies. *Thus, prima facie there is a material gap in the chain of evidence sought to be attributed to the Applicant.*

138. *Thirdly*, though 90% shareholding of M/s Analytiq Business Ventures Pvt. Ltd. stood in the name of the Applicant, the other two Directors are Vivek Kumar Jha and Akshay Dhawan. However, these two Directors have admittedly not been examined by the ED. The MCA records also indicate that the Applicant had surrendered his shares. *Whether beneficial ownership was retained by the Applicant, is a matter of trial.*

Proceeds of Crime:

139. The Petitioner has been charged for the offence of money laundering under *Section 3 of PMLA*. It reads as under:

“3. Offence of money-laundering. — Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of offence of money laundering.”

140. The gravamen for commission of the offence of money laundering is *‘proceeds of crime’* which is defined under *Section 2(1)(u) of PMLA* as under:



“(u) “proceeds of crime” means any property derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to a scheduled offence or the value of any such property;”

141. The term “*proceeds of crime*” was extensively explained in the case of *Vijay Madanlal Choudhary vs. Union of India*, (2023) 12 SCC 1 as under:

*“To be proceeds of crime, therefore, the property must be derived or obtained, directly or indirectly, “as a result of” criminal activity relating to a scheduled offence. To put it differently, the vehicle used in commission of scheduled offence may be attached as property in the case (crime) concerned, it may still not be proceeds of crime within the meaning of Section 2(1)(u) of the 2002 Act. Similarly, possession of unaccounted property acquired by legal means may be actionable for tax violation and yet, will not be regarded as proceeds of crime unless the tax legislation concerned prescribes such violation as an offence and such offence is included in the Schedule to the 2002 Act. **For being regarded as proceeds of crime, the property associated with the scheduled offence must have been derived or obtained by a person “as a result of” criminal activity relating to the scheduled offence concerned.** This distinction must be borne in mind while reckoning any property referred to in the scheduled offence as proceeds of crime for the purpose of the 2002 Act. Dealing with proceeds of crime by way of any process or activity constitutes offence of money laundering under Section 3 PMLA.*

*Tersely put, it is only such property which is derived or obtained, directly or indirectly, as a result of criminal activity relating to a scheduled offence that can be regarded as proceeds of crime. The authorities under the 2002 Act cannot resort to action against any person for money laundering on an assumption that the property recovered by them must be proceeds of crime and that a scheduled offence has been committed, unless the same is registered with the jurisdictional police or pending inquiry by way of complaint before the competent forum. **For, the expression “derived or obtained” is indicative of criminal activity relating to a scheduled offence already accomplished.**”*

142. From the aforesaid paragraphs, it is evident that any property being derived or obtained directly or indirectly as a result of criminal activity



which is a scheduled offence, would be termed as *proceeds of crime*, under PMLA. *In other words, for any property to be termed as proceeds of crime, it must be obtained from the commission of a scheduled offence.*

143. In *Pavana Dibbur vs. Enforcement Directorate*, 2023 SCC OnLine SC 1586, it was explained that on plain reading of Section 3, an offence under this Section can be committed *after a scheduled offence is committed*. In case of a person who is unconnected with the scheduled offence, knowingly assists the concealment of proceeds of crime or knowingly assists the use of proceeds of crime, would be guilty under Section 3 of PMLA. It was thus, concluded that it is not necessary that a person against whom the offence under Section 3 of PMLA is alleged, must have been shown as an accused in the scheduled offence. *“The condition precedent for attracting offence Section 3 PMLA are that there must be a scheduled offence and that there must be proceeds of crime in relation to the scheduled offence as defined in Clause (u) of sub-section (1) of Section 3 of the PMLA.”*

144. *In the present case*, the Prosecution has relied upon a figure of approximately Rs. 311 crores as the alleged proceeds of crime routed through M/s Ranjan Moneycorp Pvt. Ltd. and M/s KDS Forex Pvt. Ltd. However, the material placed on record *prima facie* indicates that this figure represents the cumulative gross transactions in certain Accounts over a period of time and not the specific amount directly traceable to the scheduled offence in question. This figure is also a culmination of more than 200 Complaints with allegations of cyber fraud through similar as well as different *modus operandi*.

145. The Complaint in the predicate offence pertains to an alleged cheating of Rs. 1.16 lakhs, which stands compromised. Even assuming that similar



Complaints were clubbed, the ED is required to *prima facie* demonstrate the nexus between the alleged proceeds of crime and the Applicant. As already noted, the Applicant is not named in the FIRs. Moreover, the figure of money arrived at, is by adding the Accounts of all other accused, when there is *prima facie* no case against the Applicant, showing his complicity, except Statements of co-accused persons. There is nothing to show that he is likely to commit the offence in future.

146. *In the light of aforesaid discussion, it is concluded that the parameters of Section 45 of PMLA are satisfied, in the present case.*

Section 66 of PMLA:

147. Another contention was raised by the Ld. Senior Advocate for the Applicant is that the ED *vide* Letters dated 16.09.2025 and 13.01.2026 had shared the information with the Commissioner of Police Telangana Police, despite which the name of the Applicant, has not been included in the Chargesheet in the predicate offence.

148. Section 66 of PMLA provides for disclosure of information. Section 66 is reproduced as under:

“(1) The Director or any other authority specified by him by a general or special order in this behalf may furnish or cause to be furnished to-

(i) any officer, authority or body performing any functions under any law relating to imposition of any tax, duty or cess or to dealings in foreign exchange, or prevention of illicit traffic in the narcotic drugs and psychotropic substances under the Narcotic Drugs and Psychotropic Substances Act, 1985 (61 of 1985); or

(ii) such other officer, authority or body performing functions under any other law as the Central Government may, if in its opinion it is necessary so to do in the public interest, specify, by notification in the Official Gazette, in this behalf, any information received or



obtained by such Director or any other authority, specified by him in the performance of their functions under this Act, as may, in the opinion of the Director or the other authority, so specified by him, be necessary for the purpose of the officer, authority or body specified in clause (i) or clause (ii) to perform his or its functions under that law.

(2) If the Director or other authority specified under sub-section (1) is of the opinion, on the basis of information or material in his possession, that the provisions of any other law for the time being in force are contravened, then the Director or such other authority shall share the information with the concerned agency for necessary action.”

149. This Court in the case of Harish Fabiani and Ors. vs. ED and Ors., WP (Crl.) 408/2022 (Delhi HC) decided on 26.09.2022, observed that an ECIR or a proceeding under the PMLA cannot be triggered merely on that assumption alone, as noticed in Vijay Madanlal Choudhary, (supra). Section 66(2) itself enables disclosure and sharing of information inter se authorities, however mere disclosure does not crystallize a scheduled offence. It is merely an “assumption” till it precipitates as being “registered with the jurisdictional police or pending inquiry by way of Complaint before the competent forum”.

150. Relying on the above principles, Calcutta High Court in M/s Nik Nish Retail Ltd. & Anr vs. Assistant Director, Enforcement Directorate, Govt. Of India & Ors, held, “The quashing of FIR of regular case automatically created a situation that the offences, stated and alleged in the FIR has no existence; thus the “Scheduled Offence” has also no existence after quashing of the FIR. When there is no “Scheduled Offence”, the proceeding initiated under the provisions of Prevention of Money Laundering Act, 2002 cannot stand alone.”



151. *Furthermore, in the case of R.K.M Powergen Private Limited vs. ED and Ors., W.P.Nos.4297 & 4300/2025 (Madras HC) decided on 15.07.2025, it was held as under:*

*“60. It is too well settled that where an act has to be done in a particular way, it must be done in that way and in no other way. **The PMLA demands the existence of a predicate offence. When there is no predicate offence, initiation of proceedings under PMLA is a non starter.** If the arguments of the Additional Solicitor General is accepted, then the ED on registration of an ECIR can conduct a roving enquiry with respect to other aspects also. That is not the position of law. To put it pithily, no predicate offence, no action by ED.*

*61. A careful perusal of Section 66(2) of PMLA points out that **if during the course of investigation, the ED comes across violations of other provisions of law, then it cannot assume the role of investigating those offences also. It is to inform the appropriate agency, which is empowered by law to investigate into that offence. If that Agency, on the intimation from the ED, commences investigation and registers a complaint, then certainly the ED can investigate into those aspects also, provided there are “proceeds of crime”.** In case, the investigating agency does not find any case with respect to the aspects pointed out by the ED, then the ED cannot suo motu proceed with the investigation and assume powers. **The essential ingredient for the ED to seize jurisdiction is the presence of a predicate offence. It is like a limpet mine attached to a ship. If there is no ship, the limpet cannot work. The ship is the predicate offence and “proceeds of crime”.** The ED is not a loitering munition or drone to attack at will on any criminal activity.”*

152. *Applying the ratio of the above judgments to the facts of the present case, it is significant to note that ED has already supplied all the relevant material to the predicate Agency, in compliance with Section 66(2) of PMLA. However, despite sharing and communicating all the information with the agency, no coercive steps have been taken against the Applicant by the Hyderabad Police. Infact, at the cost of reiterating, the FIR in the*



predicate offence, has been quashed on the ground of compromise between the parties.

153. The **Respondent/ED had filed an Application** placing on record the subsequent developments arising from Order dated 16.02.2026, passed by Ld. Special Judge (PC Act) (CBI), taking on record the Application for bringing additional facts relating to 24 New FIRs and the addendum incorporating the said FIRs into ECIR/HYZO/46/2022.

154. The addendum to the said FIR, provides a detailed list of detail, nature of scheduled offence, source of information and place of occurrence of scheduled offence (as per new FIR/Complaint). Out of these 24 new FIRs, not even a single one pertains to the Applicant herein. It has also been categorically states:

“Substantial part of the POC collected in the accounts of Xindai Technologies Pvt. Ltd., and layered through the 38 mule accounts, was routed to M/s Ranjan Money Corp and KDS Forex Pvt Ltd., both shell companies controlled by Mr. Rohit Vij and his employee/ close associate Mr. Navneet Kaushik who got the money converted into cash and foreign currencies, from multiple FFMCs in and around Delhi NCR, and laundered in cash by hawala payments through middlemen viz. Mr. Sahil Bajaj, Mr. Pankaj Wadhwa @ Sunny on the directions of Bhupesh Arora.”

155. This singular, sweeping assertion is unsupported by any fresh or independent material specifically implicating the Applicant. It does not materially alter the complexion of the case, as it stands at this stage.

156. It is well settled that at the stage of consideration of bail, the Court is not required to conduct a mini-trial or render findings on the evidence. The inquiry is confined to a *prima facie* assessment on broad probabilities. The addition of 24 new FIRs, none of which name the Applicant, does not



strengthen the ED's case against grant of Bail. *The conclusion arrived at by this Court in the preceding paragraphs, therefore, remains unaffected.*

Conclusion:

157. In light of the foregoing reasons, the Bail Application is allowed. The Applicant, Bhupesh Arora be released on **Regular Bail**, subject to the following terms and conditions:

- a) The Applicant / Petitioner shall furnish a personal bond in the sum of Rs 50,000/- (Rupees fifty thousand only) with 1 surety in the like amount, to the satisfaction of the concerned trial court;
- b) The Applicant / Petitioner shall not leave the country without the permission of the concerned court and if the Applicant / Petitioner has a passport, he shall surrender the same to the concerned trial court;
- c) The Applicant / Petitioner shall furnish to the I.O. concerned his cell phone numbers on which the Applicant / Petitioner may be contacted at any time and shall ensure that the number is kept active and switched on at all times;
- d) The Applicant / Petitioner will furnish their permanent address to the concerned I.O. and in case he changes his address, he will inform the I.O. concerned;
- e) The Applicant / Petitioner shall not indulge in any act or omission that is unlawful, illegal or that would prejudice the proceedings in pending cases, if any;
- f) The Applicant / Petitioner shall appear in Court as and when required;



g) The Applicant / Petitioner shall not communicate with, or come into contact with any of the prosecution witnesses, or tamper with the evidence of the case.

158. It is made clear that any observations made hereinabove, are not an expression on the merits of the case. It is further clarified that these observations shall not, in any manner, influence the trial before the learned Trial Court, as they have been made solely for the purpose of examining the Bail Application of the Applicant.

159. Accordingly, in the facts and circumstances of the present case, and in view of the foregoing discussion and analysis, **the present Bail Application is allowed.**

160. The present Bail Application is accordingly disposed of.

**(NEENA BANSAL KRISHNA)
JUDGE**

FEBRUARY 23, 2026
VA/N