IN THE HIGH COURT FOR THE STATES OF PUNJAB AND HARYANA AT CHANDIGARH

CNR No: PHHC010630742026
2026:PHHC:136870

CRM-M-21927-2026 (O&M)

Jarnail Singh Bajwa **...Petitioner**

Versus

Directorate of Enforcement **...Respondent**

Sr. No.	Particulars	Details
1	The date when the judgment is reserved	17.09.2026
2	The date when the judgment is pronounced	25.09.2026
3	The date when the judgment is uploaded on the website	25.09.2026
4	Whether only operative part of the judgment is pronounced or full judgment is pronounced	Full
5	The delay, if any, of the pronouncement of full judgment, and reasons thereof	Not applicable

CORAM: HON'BLE MRS. JUSTICE MANISHA BATRA

Present:- Mr. Bipan Ghai, Senior Advocate with
Nikhil Ghai, Advocate and
Mr. Akhil Godara, Advocate
for the petitioner.

Mr. Satya Pal Jain, Additional Solicitor General of India with Mr. Karanvir Singh Kathuria, Central Government Counsel, for the respondent-Directorate of Enforcement.

MANISHA BATRA, J.

1. By way of the present petition filed under Section 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023, the petitioner-Jarnail Singh Bajwa seeks concession of regular bail in Complaint bearing No. COMA-32/2025, arising out of ECIR No. CDZO-I/06/2022 dated 31.03.2022, registered under Section 3, punishable under Section 4 of the Prevention of Money Laundering

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Act, 2002 *(hereinafter, "the PMLA" or "the Act")*, by the Directorate of Enforcement, Chandigarh Zonal Office.

2. As per the allegations, the petitioner is a developer of real estate projects in and around SAS Nagar (Mohali), operating principally through M/s Bajwa Developers Limited *(hereinafter, "BDL")*. The petitioner is the Chairman and Managing Director of BDL. The record shows that, beginning in 2017, a series of FIRs were registered against the petitioner and his associates at Police Station City Kharar and other police stations of District SAS Nagar/Rupnagar, at the instance of numerous individual home-buyers/allottees of plots, flats and commercial units floated by BDL under projects such as "Sunny Enclave", Sector 123-125, Kharar. The earliest of these FIRs is FIR No. 87 dated 25.04.2017, registered under Sections 406/420 IPC, followed by others bearing FIR No. 178 dated 18.08.2017, FIR No. 0041 dated 07.02.2019, FIR No. 86 dated 09.06.2020, FIR No. 36 dated 09.02.2021, FIR No. 225 dated 17.09.2021, FIR No. 60 and FIR No. 59, both dated 17.03.2022, and several others through the years 2023 and 2024, all substantially alleging non-execution or delayed execution of sale deeds, non-delivery of possession, unilateral substitution of plot numbers, and in a recurring pattern, the sale of one and the same unit to more than one purchaser. As per the respondent's own case, the total number of such predicate FIRs gathered during investigation is 45, the gist whereof stands tabulated in Annexure A-2 to the complaint. It is on the basis of these FIRs that ECIR No. CDZO-I/06/2022 dated 31.03.2022 came to be recorded, to trace the proceeds of crime and identify the persons involved in their generation, projection and layering.

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3. During the course of investigation, and after recording the statements of several persons under Section 50 of the PMLA, a search under Section 17 of the Act was conducted on 21-22.05.2025 at the residential and business premises of the petitioner, BDL, and its associates. The search led to the identification and freezing of several bank accounts of the petitioner, his family members and related entities and firms, reflecting a cumulative frozen balance of approximately Rs. 3.31 crore. Cash of approximately Rs. 42 lakh was also found and several vehicles-including a Range Rover, a BMW XS, a Land Cruiser, an Isuzu D-Max, a Porsche and a Ford Endeavour, registered in the name of BDL, with a cumulative valuation of approximately Rs. 1.07 crore came to be identified. Sale deeds, registration deeds and other documents concerning diversion and layering of funds are also stated to have been recovered during the search.

4. Statements of several persons connected with BDL were thereafter recorded under Section 50 of the PMLA, including of Gurjeet Singh Dhiman, an employee handling BDL's day-to-day operations, and of Sukhdev Singh Bajwa. On the strength of these statements, read with BDL's last annual financial statement for 2019-2020, the respondent has quantified the proceeds of crime at approximately Rs. 662.49 crore, being advances collected from home-buyers/allottees on the false assurance of clear title and timely possession. During investigation, Gurjeet Singh Dhiman had furnished a lower figure of Rs. 55.498 crore (as on 31.03.2024), but the respondent found this to be an incomplete and unreliable reconstruction, as the underlying ledgers omitted the names, addresses and property particulars of individual buyers. The complaint also refers to a Memorandum of Understanding dated

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23.09.2019, under which a sum of about Rs. 3.5 crore was routed in connection with the exit of Gurpreet Singh from M/s Sunny Lovely Developers, and to diversion of customer advances towards purchase of land parcels, unsecured loans to related entities and family concerns, payment of income tax and other statutory dues, and personal acquisitions including the vehicles noted above.

5. Prior to the search, a Provisional Attachment Order No. 03/2023 dated 27.12.2023 had been passed with reference to a connected ECIR (No. CDZO-I/09/2021, concerning M/s Gupta Builders and Promoters Pvt. Ltd.), pursuant to which cash amount of Rs. 54,16,000/- found at the petitioner's residential premises, came to be attached. A further Provisional Attachment Order No. 18/2025 dated 23.12.2025 attached immovable properties having value to the extent of Rs. 7,47,91,032/-. The Prosecution Complaint, being Complaint No. COM-A-32/2025, was thereafter filed before the learned Special Court on 24.12.2025, and was stated to have been listed for consideration on the question of cognizance.

6. At the time, the ECIR in question was registered, the petitioner was already in judicial custody at District Jail, Ropar, in connection with a case registered by the Punjab Police. On 28.10.2025, the respondent moved an application before the learned Additional Sessions Judge/Special Judge (PMLA), SAS Nagar, for production of the petitioner for recording his statement. The application was allowed, vide order dated 28.10.2025 and on the same evening, the petitioner was arrested in this case under Section 19 of the PMLA. The petitioner had filed an application for grant regular bail before the learned Special Judge (PMLA), SAS Nagar but the same was dismissed

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vide order dated 01.04.2026. Aggrieved thereof, the petitioner has approached this Court by way of the present petition.

7. It is argued by learned senior counsel for the petitioner that the dispute in this is case is essentially a commercial dispute. The scheduled offences which are mainly of cheating under Section 420 IPC arise from the alleged non-execution of sale deeds which are matters that can ordinarily be addressed through civil remedies and before the Real Estate Regulatory Authority. Invoking the provisions of PMLA against a real estate developer facing such consumer grievances amounts to an unwarranted criminalisation of what is essentially a contractual dispute. It is further argued that the ECIR in question had been registered against the petitioner on the basis of 41 FIRs by making allegations of commission of scheduled offences of cheating etc. However, out of those 41 FIRs, 12 have been ordered to be quashed by the orders of this Court on the basis of compromises effected with the respective complainants, the offences in 10 FIRs have been ordered to be compounded by the trial Court itself and the petitioner has been discharged in those FIRs, whereas in 15 of such FIRs, the petitioner has been extended benefit of bail on account of compromise effected with the respective complainants. It is further argued that practically only 04 FIRs have remained pending against the petitioner and even in those FIRs, the process for settlement is at advance stages. It is submitted that since in most of the FIRs of predicate offences, the petitioner stands acquitted, discharged on account of quashing or otherwise, he cannot be tried under Section 4 of the PMLA anymore. In this context, learned senior counsel has relied upon authorities cited as ***Vijay Madanlal Choudhary v. Union of India, 2022 SCC OnLine SC 929.***

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8. It is further argued by learned counsel for the petitioner that at time of his arrest in this case on 28.10.2025, the petitioner was already in judicial custody for a case registered by the Punjab Police. On the premise of recording his statement under Section 50 of the PMLA, which he was fully willing to give and it was under the cover of recording his statement that the respondent had arrested him in this case, without any fresh material or exigency suggesting recourse to Section 19 of the PMLA. The petitioner had joined the investigation several times before filing of the ECIR. There were in fact no reasons to believe that the petitioner was guilty of any offence punishable under the PMLA. The material in favour of the petitioner had not at all been considered and as such, there is complete violation of the provisions of Section 19 of the PMLA, thereby making his arrest liable to be vitiated, entitling him to seek release from the custody.

9. Learned senior counsel for the petitioner has further argued that the petitioner was not a flight risk at the time of his arrest, he being already in custody in some other case. He has a permanent abode. He undertakes to abide by the terms and conditions including surrender of his travel documents. The trial will take considerable time to conclude. The complaint in question is running into more than 11000 pages including other documents. As many as 80 witnesses have been cited by the prosecution, who are yet to be examined. Even cognizance has not been taken so far. Section 45 of the PMLA cannot be interpreted to justify indefinite detention of the petitioner. He has been granted benefit of bail in all scheduled offences. With these broad submissions, it is urged that the petition deserves to be allowed and the petitioner deserves to be extended benefit of bail. In support of his

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contentions, learned senior counsel has further relied upon ***Arvind Walia v. Directorate of Enforcement and another, arising out of SLP (Crl.) No. 2461 of 2026, decided on 23.03.2026, Basudeb Bagchi and another v. Enforcement Directorate, Special Leave to Appeal (Crl.) No. 7613/2026, decided on 24.07.2025, Niranjan Das vs. State of Chhattisgarh, Special Leave to Appeal (Crl.) No. 6457/2026, decided on 25.05.2026, V. Senthil Balaji v. The Deputy Director, Directorate of Enforcement, 2024 INSC 739.***

10. *Per contra*, Mr. Satya Pal Jain, learned Additional Solicitor General of India, vehemently opposed the petition. He has submitted that under Section 45(1) of the PMLA, no accused can be released on bail unless the twin conditions contained therein are satisfied and that this threshold, being a special non-obstante provision, overrides ordinary bail jurisprudence under Section 483 BNSS, as settled in ***Vijay Madanlal Choudhary's case (supra).*** It is further submitted that money-laundering has consistently been treated by the Hon'ble Supreme Court as an aggravated crime affecting the sovereignty and integrity of the country, which is not to be equated with an ordinary offence. The economic offences are involving deep-rooted conspiracy and loss of public money form a class apart, requiring a markedly different approach given the gravity of the accusation and magnitude of the alleged proceeds of crime and that, by virtue of the reverse burden under Section 24 of the Act, it must be presumed, unless proved otherwise, that the proceeds of crime are involved, which is a burden that the petitioner has not discharged at this stage.

11. Learned ASG has further submitted that the material collected during investigation-including the statements of the petitioner, Gurjeet Singh

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Dhiman and Sukhdev Singh Bajwa, the bank freezes, the recovery of luxury vehicles, and the discrepant figures furnished by the petitioner's own employee prima facie showed that the petitioner, as the controlling mind of BDL, had collected advances of approximately Rs. 662.49 crore from home-buyers under false assurances, a substantial part of which was diverted and layered through related entities, unsecured loans and personal acquisitions rather than applied to the projects for which the money was collected. The falsification and withholding of authentic ledger data by the petitioner's own associate itself showed a conscious attempt to obstruct investigation and conceal the money trail. The triple test in ***P. Chidambaram v. Directorate of Enforcement, (2020) 13 SCC 791***, i.e. flight risk, evidence tampering and influencing of witnesses-stood is squarely attracted against the petitioner. The plea that the dispute is purely civil stands weakened by the petitioner's conviction and sentence, vide judgment and sentencing order dated 19.08.2025, passed by the learned Judicial Magistrate First Class, Kharar, in Complaint No. 41/2024, ***Kuldeepak Mittal v. Jarnail Singh Bajwa and others***. Learned ASG has lastly submitted that at the bail stage, the Court is not required to examine the merits or weigh the evidence in detail, that exercise being reserved for trial. No ground has been made out to displace the presumption against bail under Section 45. It is, thus, urged that the petition is liable to be dismissed. To fortify his arguments, learned ASG has also relied upon ***Y.S. Jagan Mohan Reddy vs. Central Bureau of Investigation,*** **2013 (3)** ***RCR (Criminal) 108 SC.***

12. This Court has heard the rival submissions of learned counsel for the parties, besides going through the material placed on record.

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13. The short point for determination by this Court is whether the petitioner has made out a case for regular bail, having regard to the rigours of Section 45 of the PMLA read with Article 21 of the Constitution. Before examining the rival contentions, it would be useful to first notice the constitutional and statutory framework governing bail under the PMLA.

14. Section 3 of the PMLA defines the offence of money-laundering. In essence, it covers any direct or indirect involvement in a process or activity connected with proceeds of crime including concealing, possessing, acquiring, using, or projecting or claiming such proceeds as untainted property. Section 4 prescribes the punishment for the offence. "Proceeds of crime" is defined in Section 2(1)(u) of the Act to mean any property derived or obtained, directly or indirectly, from criminal activity relating to a scheduled offence. Section 44 confers exclusive jurisdiction on the Special Court to try the offence of money-laundering together with the scheduled offence. Section 50 empowers the authorities to summon persons and record their statements, which are admissible in evidence, subject to well-recognised safeguards where the person summoned is already an accused or already in custody. Section 70 fixes liability, in the case of a company, on the persons in charge of and responsible to it for the conduct of its business.

15. The condition for release on bail is contained in Section 45(1) of the Act, which reads as under:

> "**45. Offences to be cognizable and non-bailable.-** (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), no person accused of an offence under this Act shall be released on bail or on his own bond unless-

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> (i) the Public Prosecutor has been given an opportunity to oppose the application for such release; and
>
> (ii) where the Public Prosecutor opposes the application, the court is satisfied that there are reasonable grounds for believing that he is not guilty of such offence and that he is not likely to commit any offence while on bail:
>
> Provided that a person, who, is under the age of sixteen years, or is a woman, or is sick or infirm, or is accused either on his own or along with other co-accused of money-laundering a sum of less than one crore rupees, may be released on bail, if the Special Court so directs...."

16. By the Finance Act, 2018 (Act No. 13 of 2018), with effect from 19.04.2018, the twin conditions were extended to all offences under the PMLA. This superseded the earlier position under which the Hon'ble Supreme Court, in ***Nikesh Tarachand Shah v. Union of India, (2018) 11 SCC 1***, had struck down Section 45(1), as it then stood, as manifestly arbitrary and discriminatory. The amended provision, and its constitutional validity, was thereafter upheld by a three-Judge Bench of the Hon'ble Supreme Court in ***Vijay Madanlal Choudhary's case (supra)***. Section 24 of the Act casts a reverse burden: in any proceeding relating to proceeds of crime, it is presumed, unless the contrary is proved, that such proceeds are involved in money-laundering. Section 19 empowers the specified authorities to arrest a person where there are "reasons to believe", to be recorded in writing, that he is guilty of an offence under the PMLA.

17. The allegations against the petitioner are that, in the capacity of Managing Director of BDL, he systematically collected huge amounts of money from innocent persons by offering them plots, flats and commercial spaces etc., with assurances of timely possession and clear titles. However,

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such promises were not fulfilled and several FIRs came to be registered against him by customers/consumers alleging multiple sales of plots, manipulation of plot numbers and allotments without the requisite statutory approvals. As many as 41 FIRs had been registered against the petitioner by the customers/consumers, who alleged that they had been cheated and deprived of their hard-earned money. Admittedly, the petitioner had recorded his statements on various occasions, wherein he admitted to having collected amounts from customers/consumers for real estate projects under BDL. However, it is alleged that instead of utilising these funds for construction or development of the real estate projects for which they had been collected, the same were diverted towards purchase of lands parcels, advancing unsecured loans, purchase of luxury cars, repayment of unsecured loans of family firms and other irrelevant purposes.

18. The petitioner has claimed that some of the FIRs registered against him have subsequently been quashed and the offences mentioned therein have been compounded. However, it is apparent from the record that several FIRs involving scheduled offences, which formed the basis for registration of the ECIR in question, are still pending against him. The subsequent quashing or compounding of some of the FIRs, therefore, cannot, at this stage, advance case of the petitioner for grant of bail. As observed by the Hon'ble Supreme Court in ***Vijay Madanlal's case (supra)***, the offence of money laundering is a stand-alone and aggravated offence. In the present case, the allegations, prima facie, provide reasonable grounds for believing that the petitioner has committed the predicate offences under the provisions of the PMLA. There are specific allegations against him.

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19. While considering a prayer for bail, the Court is required to take into consideration the nature and gravity of the accusations, the severity of the punishment which the conviction may entail, the role attributed to the accused, the nature and quality of the material collected during investigation, the antecedents of the accused, the likelihood of his absconding or evading the process of law, the possibility of his influencing or intimidating the witnesses and the other attendant circumstances. The period of incarceration is also a relevant consideration; however, it cannot, by itself, be treated as the sole determining factor. The petitioner was arrested in the present case on 28.10.2025. The witnesses cited by the prosecution, including the material witnesses, are yet to be examined. The petitioner is alleged to have committed economic offences of considerable magnitude. In ***Y.S. Jagan Mohan Reddy's case (supra)***, the Hon'ble Supreme Court, while considering the question of bail in economic offences, observed that such offences constitute a class apart and are required to be approached differently in matters relating to bail. It was observed that economic offences involving deep-rooted conspiracies and huge loss of public funds are required to be viewed seriously, as they may have serious repercussions on the financial health of the country. While considering bail in such cases, the Court is required to keep in view the nature of the accusation, the nature of the evidence in support thereof, the severity of the punishment which conviction may entail, the character of the accused, the circumstances peculiar to the accused, the reasonable possibility of securing his presence at trial and the larger interest of the public/state, besides other relevant considerations. Similar observations were made by the Hon'ble

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Supreme Court in ***Nimmagadda Prasad v. Central Bureau of Investigation, 2013(3) RCR (Criminal) 175 (SC)***.

20. In ***Rohit Tandon v. The Enforcement Directorate, 2018(5) RCR (Criminal) 35 (SC)***, the Hon'ble Supreme Court observed that the conditions enumerated under Section 45 of the PMLA are mandatory in nature and are required to be complied with even while considering an application for bail under Section 439 Cr.P.C. The Hon'ble Supreme Court also observed that economic offences involving deep-rooted conspiracies and huge loss of public funds need to be viewed seriously and considered as grave offences. At this stage, there is no basis for this Court to hold that there are reasonable grounds for believing that the petitioner is not guilty of the offences alleged against him. The period of incarceration, by itself, cannot be considered sufficient to extend the benefit of bail to the petitioner, particularly in view of the nature and gravity of the allegations. The petitioner is stated to be a man of means and the possibility of his tampering with the evidence or influencing the witnesses cannot be ruled out. Thus, the triple test referred to in ***P. Chidambaram's case (supra)*** also does not stand satisfied. The allegations contained in the ECIR in question, prima facie, show that the petitioner was involved in the process and activities connected with the proceeds of crime, was a beneficiary thereof and had been projecting such proceeds as untainted property. The conditions prescribed under Section 45 of the PMLA are mandatory. The Court is required to be satisfied that there are reasonable grounds for believing that the accused is not guilty of the offence alleged and that he is not likely to commit any offence while on bail. At this stage, no such reasonable grounds are discernible from the material placed on record.

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Further, Section 24 of the PMLA incorporates a statutory presumption in relation to the proceeds of crime. In a case where a person is charged with the offence of money laundering under Section 3 of the PMLA, the Court is entitled to presume, unless the contrary is proved, that such proceeds of crime are involved in money laundering. In the present case, nothing has been brought on record at this stage to rebut the said statutory presumption.

21. In view of the discussion made above, this Court is of the considered opinion that the petitioner does not deserve to be released on bail, at this stage. Accordingly, the petition is dismissed.

22. However, it is made clear that the observations made hereinabove shall not be construed as expression of opinion on the merits of the case.

23. Pending application(s), if any, stand disposed of.

25.09.2026 **(MANISHA BATRA)**
Waseem R. Ansari **JUDGE**

Whether speaking/reasoned Yes/No

Whether reportable Yes/No

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