

**IN THE COURT OF SH. AJAY GUPTA,
SPECIAL JUDGE (PC ACT) CBI-15,
ROUSE AVENUE DISTRICT COURTS, NEW DELHI.**

**IA-1/2026
CT Case No. 20/2026
ECIR No.ECIR/STF/26/2025**

The Assistant Director.
Directorate of Enforcement
Govt. of India

.....Complainant

Vs.

Mr.Punit Narendra Garg

.....Accused/applicant

ORDER
(15.06.2026)

1. This order shall dispose of the arguments advanced by Ld. Sr. Counsel for the the applicant/accused and Ld. Special PP for ED, on the bail application filed by accused/applicant Mr.Punit Narendra Garg.

2. Before discussing the grounds on which the bail has been sought by the applicant, it is deemed appropriate to firstly, briefly discuss the allegations against the accused, as have been specified in the prosecution complaint.

3. Briefly, the allegations made in the prosecution complaint are as under:-

3.1 That it is alleged that a consortium of banks as well as non-consortium of banks including certain NBFCs had given following loans to the M/s Reliance Communication Ltd. (RCOM) and

Reliance Infratel Ltd. (RITL) as per specified from para no. 6.5 to 6.8 of the complaint:-

“**6.5 Consortium Loan** of ₹ 6750 Crores, taken by RCOM along with its subsidiary Reliance Telecom Limited. The bank wise breakup of the loans taken from each bank are as follows:

Table No. 4: Particulars of Consortium Lending				
Sr.	Consortium Bank	Amount Sanctioned in ₹Cr		Total in ₹ Cr
		RCOM	RTL	
1	State Bank of India	1,500	125	1,625
2	Bank of India	700	50	750
3	UCO Bank	740	60	800
4	IDBI Bank	750	300	1,050
5	Oriental Bank of Commerce	205	20	225
6	Central Bank of India	280	20	300
7	Union Bank of India	275	25	300
8	Syndicate Bank	460	40	500
9	Indian Overseas Bank	130	20	150
10	Corporation Bank	235	15	250
11	Canara Bank	740	60	800
Total		6,015	735	6,750

6.6 Non-consortium loan of Rs. 1200 Crores taken by RCOM & RITL from SBI. Of the said amount, Rs. 635 Crores was favoring RITL and Rs. 565 Crores was favoring RCOM.

6.7 Non-consortium loans of ₹1000 Crores (on 24.08.2015), ₹250 Crores (on 20.05.2013) from Bank of Baroda and loan of ₹250 Crores (on 08.02.2017) from erstwhile Dena Bank.

6.8 Loans from NBFCs: Further, during the month of December, 2017, the companies RCOM and RITL also took loans from various NBFCs. The details of loans taken are as follows:-

Table No. 5: Loans taken by RCOM from NBFCs in 2017-18				
Sl. No.	Name of the lending NBFC	Loan amount in ₹ Cr	Date of loan	Name of Borrower
1.	Deep Industrial Finance Limited	260.00	29.12.2017	RCOM
2.	Shriyam Auto Finance Limited	260.00	29.12.2017	RCOM
3.	Vishwakarma	142.00	29.12.2017	RCOM
4.	Equipment Finance India Limited	118.00	29.12.2017	RTL
5.	Mahimna Mercantile Credits Limited	432.68	03.11.2017	RITL
6.	Traitreya Constructions Limited	260.00	29.12.2017	RCOM
7.	Pearl Housing Finance India Limited	260.00	29.12.2017	RCOM
Total loan to RCOM = ₹ 1182 Cr Total loan to RITL = ₹432.68 Cr. Total loan to RTL = ₹118 Cr.				

”

3.2. Vide aforesaid loans, approximately, an amount of Rs.10,000 Crores was released to the RCOM & its group companies. Some of the loans were given to clear their pre-existing loans which they had taken from different lenders including 26 foreign banks namely Barclays Bank, Chinese Banks etc. The details of these loans has been specified in para no. 6.21 which reads as under:-

“6.21 Investigation into foreign loans revealed that:

(i) RCOM has taken a loan (ECB) of USD 500 Million from 26 foreign banks with Barclays Bank PLC, Hong Kong as the agent, during the year 2007. This loan was registered with the RBI vide LRN 2007761.(RUD-35 & 81).

(ii) RCOM has taken a loan (ECB) of USD 500 Million from ABN Amro Bank N.V., Barclays Bank PLC, Calyon and HSBC Bank, during the year 2007 for which Barclays Bank PLC, Hong Kong Branch was the Agent. This loan was registered with the RBI vide LRN 2007269. **(RUD-34)**.

(iii) RCOM has taken loans from Chinese banks on multiple occasions as mentioned in table no.7. Out of the said loans, an amount of USD 925.2 million was taken by RCOM from ICBC Bank, CDB and EXIM Bank, China, during February 2012. Enquiry into the purpose of loan revealed that the said ECB was explicitly taken for the purpose of redeeming of Foreign Currency Convertible Bonds (“FCCB”) issued by RCOM during the year 2007 **(RUD-37)**. This is verified from the Audited Financials of RCOM for the year 2011-12 **(RUD- 47)**, wherein, it is mentioned that *“During the year under review, Company has also successfully completed refinancing of redemption value of its outstanding FCCBs of ₹6,000 crore (US\$ 1,182 million) on maturity thereof by availing funds from consortium consist of Industrial and Commercial Bank of China Ltd (ICBC), China Development Bank Corporation (CDB) and Export Import Bank of China (EXIM).”*

(iv) Enquiries into the FCCBs revealed that RCOM has raised funds during the year 2006 (USD 500 Million) **(RUD-36)** and 2007 (USD 1000 Million) **(RUD-37)** by issuing Foreign Currency Convertible Bonds with a maturity period of 5 years. Perusal of the Annual Reports of RCOM from 2007-08 to 2010-11 reveal that a small portion of the FCCBs were converted into equity. When these FCCBs were maturing in 2011-12, RCOM took a loan of USD 925.2 Million from Syndicate of Banks containing

ICBC China, CDB and EXIM China and utilized the funds for redeeming the remaining FCCBs. This fact is also corroborated from the Facility Agreement between the Chinese Banks and RCOM dated 22.02.2012 (**RUD- 41**).

(v) The offence of money laundering is a continuing offence, and in the present case, it is evident from the discussion made above that the proceeds of crime have been continuously enjoyed by the accused person or the other beneficiaries and hence, they were in continuous possession of proceeds of crime. Therefore, the period of offence stretches from 2007 till date. Analysis of transactions and records has established that the fraudulent scheme had commenced much earlier, at least by 2007, and continued thereafter as one connected and continuing course of criminal activity. The later borrowings were not stand-alone transactions; they were deployed to service, evergreen, rotate, and mask liabilities arising from earlier tainted borrowings, while simultaneously sustaining and concealing the Proceeds of Crime already generated. The subsequent loans thus formed part of the very process and activity connected with such Proceeds of Crime, including their possession, use, concealment, layering, and projection as untainted. This is a clear case of continuing money-laundering activity within the meaning of Section 3 of the PMLA”.

3.3 Allegedly, the RCOM misutilized the said funds and besides misutilizing, they had also diverted the funds in order to siphon off the same and in this regard, firstly, a complaint was made by State Bank of India (SBI) on 18.08.2025 alleging that the RCOM, Mr. Anil Ambani and others have committed the offences of cheating,

criminal conspiracy, criminal breach of trust etc. and they have caused wrongful loss of Rs. 2929.05 Crores to the SBI, besides, the notional interest of 3661.16 Crores. On the basis of the aforesaid complaint of SBI, FIR bearing RC no.0742025E0005 of 2025 was registered by CBI on 21.08.2025 u/s 120-B, 406 and 420 of IPC and section 13(2) r/w sec. 13(1)(d) of P.C.Act. against RCOM, Mr. Anil D.Ambani (Mr.Ambani) and unknown public servants.

3.4 That as per the complaint of SBI, the loan accounts of RCOM were declared NPA w.e.f 26.08.2016 and with the total outstanding of Rs.40185.55 Crores to various banks and NBFCs, lenders in India and abroad. The bifurcation of the outstanding amount has been specified in para no.3.2 which is reproduced as under:-

Table 1: Brief of outstanding loans of RAAG as per FIR	
Name of FI / Bank	Outstanding (in ₹cr)
Chinese lenders	
China Development Bank	9,134.91
Export-Import Bank of China	3,048.71
Industrial & Commercial Bank of China	1,374.51
Total-Chinese Lenders	13,558.13
ECB Lenders	
GCX Bonds (USD 350 mn)	2,363.51
RCOM Bond (USD 300 mn)	2,025.86
Standard Chartered Bank	506.91
VTB Capital PLC	422.06
Deutsche Bank	405.17
Doha Bank Q.S.C.	337.64
HSBC	270.94
Emirates NBD Bank PJSC Dubai	270.12
Industrial & Commercial Bank of China	229.60
Ahli United Bank	101.29
Total ECB	6,933.10
INR Lenders	
LIC of India	3,750.00

State Bank of India	2,877.34 (O/s-2929.05)
Bank of Baroda	1,837.09
Standard Chartered Bank	1,264.00
IDBI Bank Ltd	1,055.46
Punjab National Bank	918.45
Union Bank of India	763.51
Syndicate Bank	916.59
Bank of India	690.00
Corporation Bank	696.94
UCO Bank	680.80
Canara Bank	672.00
Bank of Maharashtra	472.98
Mahimna Mercantile Credits Ltd.	432.69
United Bank of India	424.01
ACRE / DBS Bank	300.00
Central Bank of India	276.00
Dena Bank	250.00
IIFCL	248.00
Oriental Bank of Commerce	216.15
IFCI Ltd	200.00
Credit Agricole	192.00
Indian Overseas Bank	138.00
Neptune Steel Strips Ltd.	67.64
Yes Bank	281.45
Vijaya Bank	100.00
Total INR Lenders	19,694.33
Overall Total	40,185.55

3.5 That subsequently, two more banks. i.e. Bank of Baroda (BOB) and Punjab National Bank (PNB) also filed their separate complaints with the same allegations. Thus, two more FIRs have been registered by the CBI. All these three FIRs, have been made part of the ECIR of the present complaint i.e. ECIR/STF/26/2025. It is stated that prior to the ECIR related to the present complaint, one another ECIR was already registered (i.e. ECIR/STF/17/2025) as ED was already conducting investigation under PMLA in regard to two

group companies of Reliance Anil Ambani Group (RAAG). In pursuance to the said ECIR, the ED had conducted searches u/s 17 of PMLA and certain evidence had been seized which includes the mobile phone of the accused Punit Garg, the backup of email ID rakesh.m.gupta@relianceada.com and one Hard Disk. The details of the said evidence has been specified in para no.5.1 which reads as under:-

Table 2: Details of searches conducted u/s 17 of PMLA, 2002 where evidence for the instant case were seized.			
S r.	Device Name	Seized from Premises	Panchnama Details
1.	Apple A2848 iPhone 15 Pro of Mr. Punit Garg having the following credentials: Make: Apple Model Name: iPhone 15 Pro Model Number: MTV63HN/A Serial Number: CF2JR6QTJP Capacity: 256 GB IMEI 1: 354324412695229 IMEI2: 354324412537157	Residential Premises Of Shri Punit Garg At 3901. One G. D. Ambekar Marg, Island City Centre, Dadar East, Mumbai - 400 014.	Panchnama dated 25.07.2025 (RUD No. 186)
2.	Backup of email ID: rakesh.m.gupta@relianceada.com , found in one black coloured HP make laptop having serial no. 5CG4511NMJ and model no. HP pro book 640 G1 belonging to Mr. Rakesh Gupta, Company Secretary of M/s Reliance	Office premise of M/s Reliance Communication Ltd, situated at B Block, Dhirubhai Ambani Knowledge City, Navi Mumbai, 400710 during Search conducted	Panchnama dated 25.07.2025 (RUD No. 194)

	Communication Ltd	on 24.07.2025 and 25.07.2025	
3	One hard Disk of S/N: Z9A1DE3P, PN: ISB102-500, www5000C50090941AF6 recovered from Room no. 370 (Chairman Secretariat)	Office premise of M/s Reliance Infrastructure Limited and others, located at Reliance Centre, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400001	Panchanama dated 24-26.07.2025 (RUD No. 196)

3.6 That it has been alleged in the complaint that the RAAG had started diversion of funds from the year 2007 itself and as far as the accused Punit Garg is concerned, it has been alleged that the RAAG, through diversion of funds, had purchased two assets abroad by utilizing the funds which were availed by them from their previous lenders which were subsequently refinanced by the aforesaid subsequent consortium of banks etc. The allegations against the accused are that being a Key Managerial Person (KMP), he was not only indulged in diversion of the funds for buying these two assets i.e. Yacht 'TIAN' and Apartment (Condominium) (which will be discussed in detail in the further part of this order) but he was also directly involved in disposing of these assets and for dissipation of their sale proceeds. Besides, it has been alleged that he had also used part of the funds related to proceeds of crime (POC) for payment for college fees of his daughters and for their personal expenses.

Discussion on the allegations of diversion of funds to buy and sell yacht and apartment.

3.7 As far as purchase of yacht (TIAN) is concerned, allegedly, this transaction has been done through diversion of funds and simultaneously, by using the shoulders of M/s Gateway Net Trading Pte.Ltd. (GNTPL) which had taken the funds from Reliance Globalcom BV, Netherland which is the wholly owned subsidiary of RCOM. The said asset was purchased by RCOM in the name of their another subsidiary M/s Ammolite Holdings Ltd. (AHL) as it has been alleged that officially, it has been declared that M/s GNTPL had placed orders with AHL to buy handsets and on the asking of AHL, it paid the certain amount to M/s Ferretti SPA, Italy in September 2008 but M/s Ferretti SPA does not manufacture handsets and was only engaged in manufacturing of yacht. Further, it was projected that GNTPL is an independent entity but the GNTPL is owned by M/s Reliance Globalcom B.V, Netherland which is owned by RCOM. Initially, GNTPL was held by some persons at Singapore but in 2006, the shares of the said company were transferred to M/s Reliance Infocom Ltd. (RIL) and subsequently, RIL was amalgamated with RCOM including its subsidiaries namely, M/s GNTPL and in order to distance itself from the said company M/s RCOM issued certain shares to M/s Yarmoth Enterprises Ltd. (YEL) which credited certain amount in the bank account of GNTPL itself and subsequently, YEL transferred the shares acquired from RCOM to M/s Summerhill which further transferred the same to M/s Reliance Globalcom Netherland on 01.10.2008 for which no consideration was paid. Thus, in this manner, the M/s GNTPL again came back to RCOM as a step down subsidiary of RCOM which is also reflected in their annual report for the F.Y. 2008-09. Thus, the

GNTPL was distanced by RCOM from itself in order to conceal the source of funds for acquisition of the Yacht as the Yacht was purchased in the name of AHL (fully controlled entity of RAAG) which was funded by GNTPL through the funds which were made available by Reliance Globalcom which were originally sourced from RCOM. Allegedly, in regard to this transaction, it was projected that GNTPL had agreed to pay a sum of 20 Million USD to AHL in order to buy handsets and instead of buying handsets, the part of the amount i.e. USD 18.53 Million were paid by GNTPL to the Yacht manufacturer i.e. Ferreti SPA, Italy which does not manufacture handsets and was only into the business of manufacturing Yachts.

3.8 Allegedly, in the year 2021, the aforesaid Yacht (TIAN) which was acquired from the funds constituting POC was sold and its sale proceeds were parked abroad while RCOM was undergoing insolvency proceedings. Allegedly, the accused Punit Garg has not only actively monitored the sale of the Yacht but also gave necessary permission for completion of sale and for handing over its delivery. In regard to the aforesaid allegations, the WhatsApp conversations that took place between Punit Garg and one Mr. Ajay Kapur (RUD-189) have been relied upon.

3.9 It has been further alleged that the sale proceeds of USD 2 Million of the Yacht were deposited by the buyer in the Axis Bank account of M/s Reliance Tours and Travels Pvt.Ltd. (RTTL) but the bank refused to keep the said money as it did not belong to RTTL, therefore, in this regard, Mrs. Tina Anil Ambani had certain conversation with accused Punit Garg and the said WhatsApp chat

(RUD-190) has been reproduced in the complaint which reads as under:-

WhatsApp Conversation between Mr. Punit Garg (91XXXXXXXX - PG) and Mrs. Tina Anil Ambani (91XXXXXXXX-TAA)		
TAA to PG	11-08-2021 22:30:34 (UTC+5:30)	“I believe bank will not hold money any longer threatening to send it back .. to account it came from .. then money is lost I am ensure you are aware of it ..”
PG to TAA	11-08-2021 22:31:07 (UTC+5:30)	“Ok. Will speak to Partha right now.”
TAA to PG	11-08-2021 22:35:08(UTC+5:30)	“Pl request him to help us ..”
TAA to PG	13-09-2021 10:53:46 (UTC+5:30)	“Hi Punit you back ? Can we talk when free pl”
TAA to PG	13-09-2021 16:48:35 (UTC+5:30)	“I spoke to Anju she is still awaiting Chaitanya s instructions for transferring.. Chaitanya says he is awaiting your instructions and Gautam says he will speak to Chaitanya .. worried we might loose this opportunity.. apologies for bother you ..”
PG to TAA	13-09-2021 16:57:52 (UTC+5:30)	“Signed letter from mr. Staney received it and sent to Ms. Anju for fund transfer from Axis bank to Ammolite account”
PG to TAA	13-09-2021 16:58:02 (UTC+5:30)	“from Gautam Jain”

3.10 Thereafter, accused Punit Garg spoke to the Auditor of AHL for opening a new bank account in Dubai in the name of AHL for

receiving the said sale proceeds which were lying in the Axis Bank. He also got issued a letter from the Director of AHL to the bank for transfer of the funds to the new bank account of AHL. The bank refused to do such a transaction and sent the money back to the buyer and thereafter, buyer sent the money to the newly opened account of AHL in Dubai. In regard to the opening the aforesaid bank account and the money transferred in the new bank account accused had issued certain directions and ensured that the sale proceeds is transferred to the newly opened bank account. The said WhatsApp chat (RUD 191) is reproduced as under:-

WhatsApp Chat between Mr Punit Garg, Accused No. 1 (93XXXXXX - PG and Mr. Gautam Jain, saved as Gautam Cheaper (93XXXXXX- GJ) in the mobile phone of the Accused No. 1		
From/ To	Date and Time	Contents
PG to GJ	19-08-2021 05:18:56 (UTC+0)	“Please work with Chaitanya and open the account today.”
GJ to PG	19-08-2021 05:29:38 (UTC+0)	“Ok sir will work with Chaitnaya.”
GJ to PG	23-08-2021 10:31:28 (UTC+0)	“Sir, Spoken to Mr. Parrtha. He will enquire and will let us know by tomorrow evening. Meanwhile also spoken to Mr. Naresh whom earlier we were dealing. He will also check and update. ”
PG to GJ	23-08-2021 10:38:07 (UTC+0)	“Tx”

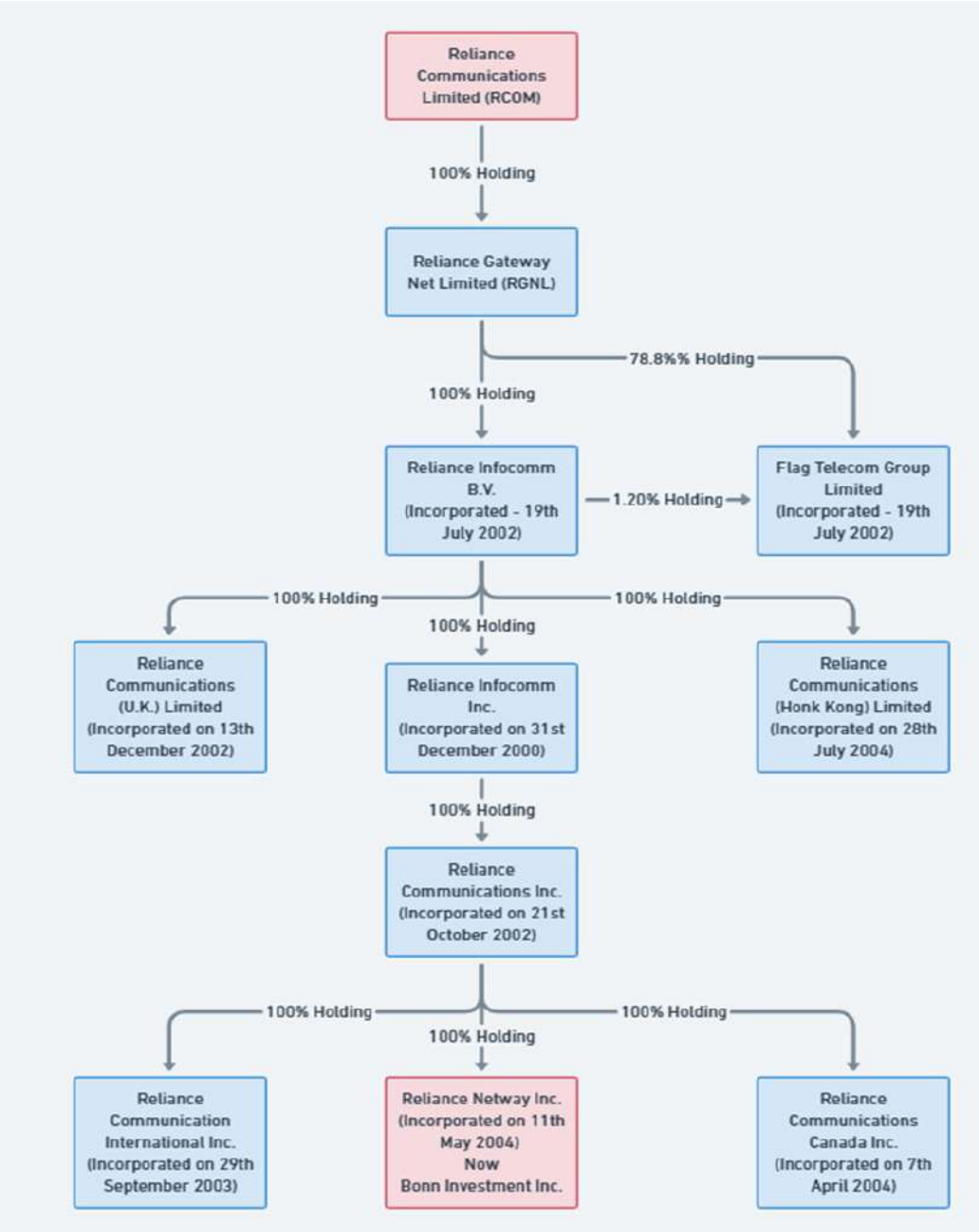
GJ to PG	26-08-2021 09:42:17 (UTC+0)	<p>“GA. *Ammolite Bank account opening status update as under:*</p> <p>1.*BNP London*</p> <p>We have received revert from BNP, London that documents submitted are acceptable. The regulatory team is reviewing the FATCA and KYC documents and their feedback is awaited.</p> <p>We have requested them to inform us at earliest with their feedback and assist in expediting the process.</p> <p>2.Mr. Pradeep Chandra based in Dubai recommended by Mr. Partha connected us. He had recommended 6 possible banks out of which 4 Mauritius banks may have difficulties and he has suggested opening of account possible with the following 2 banks:</p> <p>*Universal Commercial Bank, Montenegro*–</p> <p>a.He has shared the list of documents required / forms to be filled and can assist with account opening within 07 – 10 days post submission of all documents (majority available with us).</p> <p>b.He has informed that 50 % of amount can be withdrawn over period of 6 months and balance 50 % after 1 year.</p> <p>*Bank Reyl, DIFC (from Geneva)* –</p> <p>a.He will be sharing the list of documents required / forms (should be similar to the above) and can assist with account opening within 10 – 14 days post submission of all documents (majority available with us).</p> <p>b.He has informed that 100 % of amount can be withdrawn after 1 year only.</p> <p>The applicable charges will range between 1 – 2 %</p> <p>The account will be opened at the respective location but all support provided through their Dubai office. We are completing all requirement and keeping it ready</p>
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		We seek advice on the way forward. CC: Smt TAA & Mr. Chaitnaya Thakkar”
GJ to PG	01-09-2021 05:27:48 (UTC+0)	“Sir, *Ammolite Bank Account opening- *Universal Commercial Bank*– All the required documents submitted to bank. Bank has come out query related to RCAP as 50% holding. We discussed all about it. No direct transfer of fund will be allowed in the account. The bank comes out with the solution that all inward and outward payments done through intermediary bank in UAE. It seems this should not be any problem, only fund will be transfer through intermediary and take some time to credit to the account. Shall we proceed.”
PG to GJ	01-09-2021 05:34:13 (UTC+0)	“ Yep ”
GJ to PG	01-09-2021 05:36:33 (UTC+0)	“Okay sir.”
GJ to PG	02-09-2021 05:14:30 (UTC+0)	“Sir Ammolite account opened with Universal Bank.”
GJ to PG	07-09-2021 08:26:06 (UTC+0)	“GA. Ammolite bank account status update as under: 1.BNP – They have informed us that the matter is under internal review and will provide feedback once received from concerned department. They are still asking for response to various queries to which we are responding. We are following up to expedite the process. 2.Universal Capital Bank (UCB), Montenegro – The account has been opened with the bank and account details received. We seek approval to transfer the funds from Marine Solutions Axis Bank account in

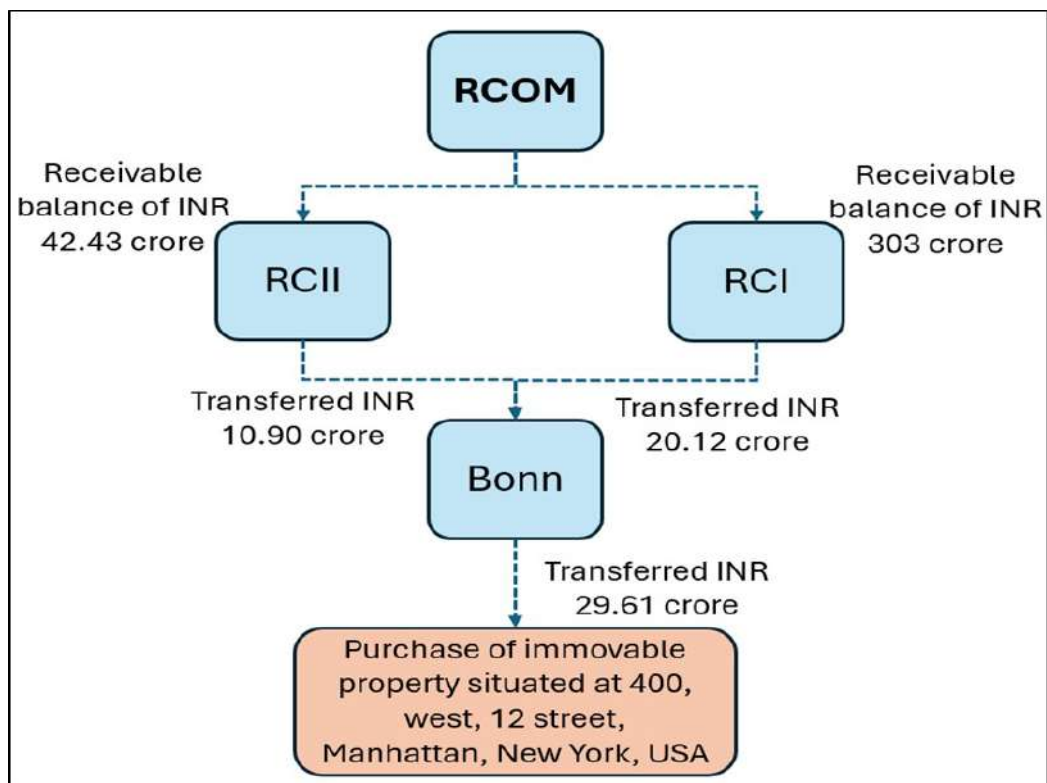
		Mumbai to the Ammolite account with UCB. Montenegro. CC: Smt TAA & Mr. Chaitanya Thakker”
GJ to PG	13-09-2021 11:21:12 (UTC+0)	“Have transferred the money from Axis Bank to Ammolite - Dubai.”
GJ to PG	16-09-2021 05:45:03 (UTC+0)	“Sir, Fund Transfer processed and debited from Anju Account. Waiting for swift copy.”

3.11 Thus, in this regard it has been alleged that accused Punit Garg was actively supervising and conveying approval on key decisions including (i) selection of foreign banking channels (ii) approval of travel for completion of sale, (iii) approval for routing of funds through intermediary jurisdictions and (iv) monitoring escrow desposits and the said acts demonstrate conscious knowledge and active assistance in concealment and transfer of proceeds of crime.

3.12 There is one another allegation against the accused that the accused had disposed off the apartment which was acquired with the POC. The said apartment was acquired in the name of Bonn Investment Inc (Bonn) and it has been alleged that the Bonn was the step down subsidiary of RCOM and it is a shell kind of company and it was incorporated only with a view to purchase the said apartment and in order to show how the Bonn is owned and controlled by RCOM, the following diagram has been mentioned in the complaint:-



3.13 Allegedly, in order to buy the flat in the name of Bonn, the Reliance Communication Inc. (RCI), USA and Reliance Communication International Inc. (RCII) had transferred USD 6.6 million to Bonn which were originally sourced from RCOM. RCI sent INR Rs.20.12 Crores and RCII sent INR 10.9 Crores (calculated @ INR 47 per USD in that year). The said funds were part of the funds received by said subsidiary and step down subsidiary from RCOM during the F.Y. 2009-10. How the aforesaid funds traveled have also been depicted in complaint through the following flow chart:-



3.14 The aforesaid fund transfer transactions have been reflected in the financial statements of RCOM and RCII. The said apartment was purchased vide agreement dated 24.02.2010 (RUD-84).

3.15 Allegedly, the accused was not a peripheral employee in RAAG but he was a person who was part of statutory corporate leadership, owing fiduciary duties, having access to the financial and assets related information. He was also possessing knowledge of the financial conditions of the company during the relevant period related to the scheduled offence. He also used to take major decisions pertaining to the US Based subsidiary companies of RCOM which includes RCI, RCII and Bonn Investment. In this regard, it has been alleged that after initiation of CIRP in respect to RCOM, the Director of Bonn was changed with the approval of the accused instead from Resolution Professional (RP). The relevant Whatsapp chat (RUD-187) reads as under:-

WhatsApp Chat between Mr Punit Garg, Accused No. 1 (9322401565 - PG and Mr. Kiran Dumpala (9320803636 - KD) in the mobile phone of the Accused No. 1		
From/ To	Date and Time	Contents
KD to PG	26-09-2019 15:18:39 (UTC+5:30)	<i>"Sir We need replace Janet n Andrew from Directorship of Voice entities. Can i propose Vaishali n BK Sinha as nominates for directors. Pls guide Regds/Kiran"</i>
KD to PG	10-10-2019 11:59:15 (UTC+5:30)	<i>"Sir We need replace Janet n Andrew from Directorship of Voice entities. Can i propose Vaishali n BK Sinha as nominates for directors. Pls guide Regds/Kiran"</i>
KD to PG	10-10-2019 11:59:53 (UTC+5:30)	"Ok"

3.16 This fact has been corroborated by Mr. Kiran Pal Dumpala an ex-employee of RCOM in his statement u/s 50 PMLA on 19.02.2026 (RUD-11). It is alleged that during ongoing CIRP proceedings, the

said flat was sold by the accused vide agreement to sale dated 28.04.2023 (RUD-85) without seeking prior approval of RP and share holders/creditors and therefore, RP got the matter investigated through IIRIS and the said entity submitted its digital forensic report (RUD-76) dated 31.01.2025 which contains several email communications between both the accused persons and one Mrs. Sachu Desai which shows that the permission of accused was sought for selling the said flat and he was instrumental in selling the said flat is also got revealed through the whatsapp chat that took place between both the accused persons which has been reproduced in para no. 6.96 of the complaint. Allegedly, accused not only sold the said flat illegally but he also got the major portion of sale proceeds (USD 8.2 Million out of total sale proceeds of USD 9.00 Million) invested in AZCO Real Estate Brokers LLC, UAE. In this regard also, the aforesaid WhatsApp Chat has been relied upon. Allegedly, though, the accused was fully aware that the company was undergoing financing stress and CIRP proceedings were going on against RCOM and other companies, he fraudulently sold the said apartment which has also been admitted by RCOM in their disclosure which was submitted by RCOM on 27.03.2025 in terms of the Regulations 30 of SEBI (RUD-203). The RCOM also submitted in their aforesaid disclosure that the accused was involved in fraudulent trading u/s 66 of IBC as he had unauthorizedly sold the wholly owned subsidiaries asset of RCOM.

Using POC for personal enrichment

3.17 There is one another allegation against the accused that he utilized RCOMs funds for his personal enrichment. It has been alleged that during the year 2017 & 2018, he had utilized approx. USD 7700 (approx. INR 49.00 Lac) for payment of college fees of

his daughters as well as for their personal expenses. The said money was got transferred by the accused by issuing necessary instructions to his subordinate Mr. Kiran Dumpala. In order to show the aforesaid transactions, the ED has relied upon the bank accounts statements of the aforesaid companies (RUD-45 & 46) besides, the relevant whatsapp chats that took place between the accused and aforesaid person (RUD-187).

3.18 Thus, it has been alleged that accused Punit Garg was President and whole time Director of RCOM during the period when substantial loans were availed by RCOM from the consortium and non consortium of banks which were subsequently declared NPA. During investigation, it was revealed that part of the loan funds were diverted and remitted to the overseas subsidiaries of RCOM and accused was not only associated but he exercised effective control over the overseas subsidiaries of RCOM including RCI, RCII, Bonn, Reliance Globalcom etc. Thus, it has been stated that accused was directly and indirectly involved in the acquisition and use of proceeds of crime to the tune of Rs.149 Crores (approx.) since 2010. It has also been stated that in his statement u/s 50 PMLA, the accused has admitted that the appointment of Directors in overseas subsidiaries were confirmed after consulting him which also establishes his supervisory and controlling role over the entities through which the diverted funds were held and utilized. It is also stated that he knowingly assisted in concealment and layering of proceeds of crime and also projecting the proceeds of crime as untainted property since 2010.

3.19 Allegedly, the accused had used the proceeds of crime to the tune of approx. Rs.49 Lac (USD 7700) in the year 2017 & 2018 and

at present, the value of the said proceeds of crime is apporx. Rs.70 Lac and accordingly, through a provisional attachment order, the shares and securities in the name of the wife of accused have been attached to the tune of the value thereof. Thus, it has been inter-alia prayed in the complaint that the cognizance of the offence against the accused be taken and they be tried and punished u/s 3&4 of PMLA.

3.20 In the present complaint, Ms. Vaishali Mane has been arrayed as the co-accused who was also allegedly, directly and indirectly involved in dealing with the POC of approximately Rs.68.00 crores as she has played an active role in selling the apartment by monetizing the overseas assets which was bought through the funds of RCOM.

Grounds of Bail

4. In the bail application, accused has sought the bail on the following grounds:-

4.1 It is stated that accused has duly participated in the investigation conducted by the ED in the ECIR of the present case and all the relevant information sought by ED through their summons dated 07.11.2025, 13.11.2025, 25.11.2025 and 12.01.2026 sent u/s 50 PMLA has been provided. The applicant provided all the relevant information/records including details of his PAN Card, Aadhar Card, Passport, Bank Account and assets in his name and in the name of his family members, sources of income and his association with RCOM group. It is stated that due to his medical issues, he was compelled to seek deferment from personal appearance on three occasions (07.11.2025, 13.11.2025 and 25.11.2025) which was informed by him vide emails dated

10.11.2025, 24.11.2025 and 04.12.2025. He also underwent surgery during the aforesaid period and post surgery, he was advised to remain on bed rest and avoid traveling and therefore, in order to assist in the investigation, he also sought permission of ED to appear through Video Conferencing.

4.2 That the accused duly appeared before the ED on 29.01.2026 in response to the summons dated 12.01.2026 and he further provided all the requisite information and the documents running in around 3000 pages. The applicant duly answered all the questions posed by ED but despite that he was arrested on that day on misconceived grounds of arrest and in pre-determined manner and on false grounds of non co-operation.

4.3 It is further stated that the allegations of proceeds of crime (POC) attributable to the applicant was limited to the personal use of company funds for the education of his daughters, though the said funds were sanctioned under the education subvention policy of RCOM for which due sanction was granted by the Management of RCOM. The ED has failed to establish, how the subvention money is linked to the POC.

4.4 It is further stated that the allegations in the FIR and the “reasons to believe” mentioned in PAO as well as “grounds of arrest” do not co-relate, especially, to the generation and utilization of POC. The investigation of the ED shows that they have changed their stand at every stage with respect to predicate offence to level false and fabricated allegations against the applicant.

4.5 It is further stated that in the present complaint, the applicant has been arrayed as an accused without adding the concerned

corporate entity with which accused was associated or which had received the loan amount in relation to the predicate offence. It is stated that after arrest of the applicant, two further FIRs have been registered by CBI, BSFB, New Delhi which stood added to the ECIR of the present case by way of addendum. It is stated that the FIR registered in the year 2026 restrict the period of scheduled offence from 2013-17 and in all the three FIRs, neither the applicant has been named nor any role has been ascribed to him.

4.6 It is stated that in the complaint, it is alleged that the diversion of funds originated in 2007 and same were continuous and recurring. It is stated that in this regard, ED has erroneously come to the conclusion that the loans of 2013-17 are inextricably linked to the loan availed from third party/foreign bank at an earlier point in time. As per ED, the said loans are linked with the previous loans as they were taken for repayment of pre-existing loans from 2007 onwards. It is stated that ED cannot allege illegality on account of an entity having refinanced its debt in terms of prevailing RBI norms. It is not the case of assignment of debt of Chinese Bank to the Consortium/non Consortium Bank where they would enter the shoes of Chinese Bank. It is stated that the loans by Consortium/Non Consortium bank are the fresh credit facilities availed by RCOM therefore, ED cannot assume power to investigate completely unrelated transactions by expanding the period of offence to include the assets which otherwise have no causal link with the predicate offence. Further, applicant cannot be held responsible for the grant of loan given for repayment of pre-existing debt as no role has been attributed to the applicant in this regard. It is stated that the ED has failed to consider the growth of RCOM from 2007 onwards which

led to the consortium/non consortium bank granting loan/credit facility for the purpose of repayment of pre-existing debt.

4.7 It is stated that there is no allegation that there was an intention to cheat/defraud the consortium of banks at the time of grant of loans by certain Chinese Bank in the year 2007. Moreover, no predicate offence arises out of the said Chinese Loan as same already stood settled and the petition filed by China Development Bank u/s 7 IBC was withdrawn by them in pursuance to the settlement. Moreover, Chinese Bank's loan are governed by the agreement with foreign bank which are outside the ambit of RBI. Further, it is a matter of record that no irregularity was found with the said refinancing as end purpose of the loan undertaken was adequately disclosed to the Indian Banks, therefore, there cannot be any allegation of non compliance with respect to utilization of loans taken from Indian Bank by RCOM. Further, it is also stated that all the sections invoked in all the three FIRs were not scheduled offences under PMLA till June 2009, therefore, ED cannot extend the ambit of POC to any period/transaction before 2013.

4.8 During the relevant period, the applicant was neither a Director nor a Key Managerial Personnel (KMP) nor was a bank signatory nor he was Incharge of day today affairs of RCOM or its subsidiary which are separate legal entities and have their own management and Board of Directors who are to control the operations and their services. The act done by the applicant are covered under the explanation two of Section 2(54) of Companies Act and therefore, it cannot be assumed that he was having substantial powers of Management, though, he was only discharging administrative duties authorized by the Board.

4.9 It is stated that the applicant held the following position in RCOM:-

Period	Designation	Nature of role	Remarks
2006 – 2013	President – Global Enterprise Business (sales & marketing of GEB unit)	The Applicant was neither a director nor a KMP of RCOM. He concurrently held the post of Non-Executive Directorship in certain subsidiaries of RCOM. No involvement in their day-to-day affairs of RCOM.	
2014 – 2017 (until 01.10.2017)	President – Regulatory Affairs	The Applicant was neither a director nor a KMP of RCOM.	RCOM faced mounting sectoral and financial pressures; Board comprised of six directors as on 31.03.2016; From June 2017, RCOM was placed under Strategic Debt Restructuring (SDR), with all decisions taken by the JLF of 43 lenders led by SBI, in terms of RBI Master Directions . NPA declared in June 2017 with retrospective

			effect from 26.08.2016.
02.10.2017 – 18.09.2018	Additional and Whole-time Director, designated as Executive Director of RCOM (appointed by Board on 02.10.2017 for three years)	The Applicant was the Director of RCOM during SDR process. Key financial and managerial decisions were under taken by the JLF and SBI (lead bank)	RCOM continued under SDR with decisions vested in the JLF of 43 lenders led by SBI. On 15.05.2018, RCOM was admitted into CIRP by NCLT, Mumbai Bench, in <i>Ericsson India Pvt. Ltd. v. Reliance Communications Ltd.</i>, CP (IB) No. 1387/2017.
18.09.2018 – 05.04.2019	Whole-time Director of RCOM	Continued on the Board, with regulatory and technical operations.	Board of Directors stood suspended since 15.05.2018 (i.e., initiation of CIRP). The affairs were managed by the Resolution Professional, Mr. Anish Niranjana Nanavaty, under the supervision of the CoC. (<i>Appointed vide Order dated 21.06.2019</i>)
05.04.2019 – 01.04.2020	Non-Executive Director of	Post-resignation as Executive Director,	RCOM and the CIRP process managed by the

25	the suspended Board of RCOM	continued only on the suspended Board; Directors functioned solely to ensure statutory quorum requirements. No role in day-to-day operations/ board-level decisions.	RP under the CoC of 43 lenders led by SBI. Applicant resigned from the Non-Executive Directorship on 31.03.2025 and superannuated on 01.04.2025.
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4.10 It is stated that the present complaint is incomplete and lacks sufficient evidence to bring home the guilt of accused as ED has failed to array any of the entities of RCOM, though, allegedly, they owned the tainted assets. It is stated that incomplete complaint has been filed by ED to defeat the right of the applicant to the default bail. Since the further investigation is pending therefore, the present complaint cannot be filed in piecemeal to defeat the purpose of statutory bail.

4.11 In regard to the purchase of Yacht which was made in August 2008, it is submitted that the Yacht cannot form part of ED's investigation as Sec.420 IPC only became scheduled offence on 01.06.2009. Further, the Yacht cannot be included in the scope of investigation as it was never given as security or mortgaged for the purpose of obtaining the loans by RCOM from consortium/non consortium bank. Thus, there is no co-relation between Yacht and the investigation into the scheduled offence.

4.12 In regard to grant of authorization to the accused regarding the acquisition /transfer of the shares of GNTPL, it is stated that the applicant was merely an authorized signatory of the entity on

account of convenience, as at that time, he was available in UK. Therefore, on the basis of the aforesaid acts, it cannot be said that he was having substantial powers of the management. Furthermore, neither RCOM nor Globalcom have been made accused in the present complaint.

4.13 In regard to the sale of Yacht and dissipation of proceeds of crime, it is stated that AHL is a step down subsidiary of Reliance Capital and applicant had no role in the dealings of AHL or Reliance Capital. Thus, applicant was in no way involved in the any of the deals of aforesaid two entities. It is stated that in this regard, ED has relied upon certain whatsapp chats which shows that the applicant was connecting the concerned personnel with Mr.Partha Ghosh, an Ex Auditor, for the purpose of banking facilities and assistance. It is stated that at the most, it can be said that the applicant was merely having knowledge of the same and on the basis of which it cannot be said that the applicant actively participated in the commission of offence of money laundering.

4.14 In regard to the flat, it is stated that the funds were transferred by RCOM to RCI and RCII in normal course of business and both the entities had raised invoices on each other regarding their business transactions. Though, to some extent in the present application, the applicant has endeavoured to explain the reasons for transfer of funds from RCOM to RCI and RCII but simultaneously, it has also been stated by the applicant that these allegations are to be answered by RCOM. It is further stated that the period of alleged scheduled offence is from 2013 to 2017 and the Manhattan Apartment was purchased in Feb.2010, therefore, the ED has intent to expand the scope of period of offence, to maliciously taint the acquisition of said

apartment which was neither kept as a security nor was mortgaged for the credit facilities availed from the consortium/non consortium of bank, therefore, there is no co-relation between the said apartment and the investigation into the scheduled offence. Further, there is no allegation against the applicant that he played a role in purchase of the said apartment. Further, simply on the basis of having knowledge of the Bonn's name change, it cannot be said that the applicant was holding a key managerial role in the company.

4.15 In regard to the sale of apartment and the investment of the sale proceeds in AZCO it has been submitted that the said proceedings had taken place during CIRP proceedings and in this regard, the order has also been passed by the Hon'ble NCLT on the application of RP and Hon'ble NCLT had held that the impugned transactions pertains to the business affairs of step down subsidiary and that the affairs of a subsidiary of RCOM under CIRP are distinct and independent from RCOM. Thus, ED cannot make out a case against the applicant on the basis of allegations raised in regard to completely unrelated transactions of a step down subsidiary which has no link with the scheduled offence. In regard to letter dated 27.03.2025, stated to be issued by RCOM to Bombay Stock Exchange, it is stated that the RP was behind that letter as he was Incharge of affairs of RCOM and its operations, thus, no reliance can be placed on the said letter. Since these transactions have taken place after initiation of CIRP, therefore, the allegations related to insolvency proceedings will have to be determined by Hon'ble NCLT and same cannot form part of the ongoing investigation by ED.

4.16 It is further stated that RCI, Globalcom and Bonn are independent entities and therefore, they fall outside the scope of insolvency proceedings. The holding company does not have any right qua the same. Further, none of the creditors of RCOM had any charge/mortgage over the flat, therefore, no POC can be said to have been utilized in acquisition of the apartment. It is also stated that the allegations of the sale of the said flat are unfounded and the applicant has not authorized the transactions of sale in the capacity of director of RCOM. Further, there is no evidence to show that the applicant had any role in AZCO transaction. The WhatsApp chat relied upon by the ED also do not establish the applicant's involvement in the investment of sale proceeds rather it shows that the applicant had no authority or role in the said investment. Moreover, the change in the nature of assets cannot be termed to be money laundering, especially when the settlement proposed by AZCO related to the aforesaid investment was rejected by the RP. Therefore, it is also clear that there is no dissipation of assets or amount received through the sale proceeds of the flat.

4.17 Further, RP had the knowledge of the sale of the flat and that the sale proceeds were received in the bank account of Bonn and in case, RP was of the view that the sale of the flat amounted to dissipation of assets then he ought to have taken these steps to protect the sale proceeds of the flat. Therefore, in case there was any failure to protect the sale proceeds, same is attributable only to the RP. The ED has failed to demonstrate money laundering trail traceable between the Apartment and the credit facilities sanctioned by the consortium/non consortium of the bank as it was purchased in 2010 and sold in 2023. Thus, same cannot be said to be derived from the proceeds of crime.

4.18 In regard to utilization of RCOMs money by the applicant for personal expenses, it is stated that the same is misconceived as same does not have nexus with the scheduled offence. It is stated that the said amount was included in his remuneration package for the year 2017 and 2018 under Education Subvention Policy. It is also stated that in case there is any irregularity in this regard, same is a matter of Corporate Governance or employment law but it does not constitute with the meaning of money laundering. It is further stated that though the said payment was not required to be mentioned in the ITR by the applicant, however, in case there is any violation of Income Tax Act, still it will not be an offence under PMLA.

4.19 It is stated that the applicant is 61 years old senior citizen and suffering from various ailments. The applicant was diagnosed with ulcerative colitis a chronic IBD for which he is under regular medication for last 15 years. The applicant has family history of Colon cancer/prostate related issues. He was advised capsule endoscopy by the KDA hospital but he could not undergo the said medical tests as he was arrested on 29.01.2026. It is stated that during custody also, he is facing numerous medical issues. The food provided in the jail by the jail authorities is not suitable for his health and same has increased the medical complications. On the basis of these submissions, it is stated that the applicant falls under the proviso to section 45(1) PMLA being sick and infirm and therefore, deserves to be granted bail.

4.20 It is further stated that the applicant has satisfied the twin conditions u/s 45 of PMLA which are necessary for grant of bail. In this regard, it also stated that in view of section 2(1) (u) of PMLA, there should be an existing scheduled offence. Besides that in view

of Section 3 of PMLA, the foundational facts of requisite *men rea* of the predicate offence are also required to be satisfied and in the present case none of the alleged tainted properties were purchased during the period of offence. The applicant was neither engaged in any of the criminal activities alleged in the predicate offence nor has utilized alleged proceeds of crime, therefore, there are reasonable grounds to believe that the applicant is not guilty of Section 3 and 4 of PMLA. The allegations in the present case are based upon surmises and conjectures which do not meet the threshold of reasonable grounds to believe. Further, the material available on record do not disclose an unbroken chain of evidence which would establish reasonable grounds to believe that the applicant is guilty of the offence of money laundering rather there are gaps and inconsistencies in the prosecution case which shows that the allegations are unfounded. Further, the reliance of ED on the statement of applicant recorded during custody is unlawful. Since the acquisition of Yacht and Apartment took place prior to the period of scheduled offence, therefore, these properties in no manner can constitute POC. At the most, there could be one triable allegation against the accused regarding utilization of alleged POC for his personal expenses which said to be of Rs.70 Lac and under these circumstances, the twin conditions mentioned u/s 45(1) of PMLA would not be applicable qua the accused as the said amount is less than Rs.1.00 Crore.

4.21 It is further stated that the accused is in custody for a long time (for about four months) and there is no likelihood of trial commencing and therefore, in view of the settled law, he is entitled to bail. Further the accused no.2 who is the citizen of USA has not appeared yet, therefore, in her absence, the proceedings are unlikely

to progress. Further, the delay in the present case is attributable to the ED as they took about a month's time to provide copy of the complaint and complete set of RUDs. Further, as per complaint, the investigation in the ECIR is still pending. The applicant is not a flight risk as he is having deep roots in the society. Thus, it has been prayed that the applicant may be released on bail. In support of his arguments, Ld. Sr. Counsel has relied upon the following case laws:-

1. *Vijay Madanlal Choudhary v. Union of India*, 2023 (12) SCC 1.
2. *Yash Tuteja v. Union of India*, (2024) 8 SCC, 4654.
3. *Pavana Dibbur v. Enforcement Directorate*, (2023) 15 SCC 91.
4. *Union of India v. Shri Nilesh J Thakur*, Criminal Appal no. 1309 of 202, Bombay High Court, order dated 23.12.2025.
5. *Trilochan Mishra & Ors. v. Union of India & Anr*, CRL. Rev. No. 119 of 2023, Orissa High Court, Order dated 21.11.2025.
6. *R Viswanathan & Anr. v. ED*, 2021 SCC OnLine Mad 16667.
7. *RKM Powergen Pvt. Ltd. v. ED*, 2025 SCC OnLine Mad 3272 .
8. *Pavana Dibbur v. Enforcement Directorate*, (2023) 15 SCC 91.
9. *Kishore v. Enforcement Directorate*, 2026 SCC OnLine Bom 1437.
10. *Kumar Pappu Singh v. Union of India*, 2021, SCC OnLine AP 983.
11. *Abdullah Ali Balsharaf v. Enforcement Directorate*, 2019 SCC OnLine Del 6428.
12. *Aneeta Hada v. Godfather Travels & Tours Pvt. Ltd.*, (2012) 5 SCC 661.
13. *Sharad Kumar Sanghi v. Sangita Rane*, (2015) 12 SCC 781.
14. *R. Kalyani v. Janak C. Mehta*, (2009) 1 SCC 516.
15. *Liladevi Santoshkumar Bhoot v. State of Maharashtra*, 2026 SCC OnLine Bom 1550.
16. *Dinesh Dalmia vs. CBI* (2007) 8 SCC 770.
17. *Chitra Ramakrishna v. CBI*, 2022 SCC OnLine Delhi 3124.
18. *Hargovind Bhargava v. State of M.P.*, 2016 SCC OnLine MP 12113.
19. *Avinash Jain v. CBI*, 2023 SCC OnLine Del 2946.
20. *Aslam Babalal Desai v. State of Maharashtra*, (1992) 4 SCC 272.
21. *Rakesh Kumar Paul v. State of Assam*, (2017)15 SCC 67.
22. *M. Ravindran v. Directorate of Revenue Intelligence*, (2021) 2 SCC 485.
23. *Satender Kumar Antil v. CBI*, (2022) 10 SCC 51.
24. *P. V. Vijayaraghavan v. CBI*, 1984 SCC OnLine Ker 95.
25. *Ramachandran v. R. Udhayakumar*, (2008) 5 SCC 413.

26. *Vinay Tyagi v. Irshad Ali*, (2013) 5 SCC 762.
27. *Yash Tuteja v. Union of India*, (2024) 8 SCC 465.
28. *Kushal Kumar Agarwal v. Directorate of Enforcement*, 2025 SCC OnLine SC 1221.
29. *Himansh @ Himanshu Verma v. Directorate of Enforcement*, Criminal Appeal No. 2828 of 2024, Order dated 08.07.2024.
30. *Ajay Yadav v. Directorate of Enforcement*, 2025 SCC Online Del 4262.
31. *Directorate of Enforcement v. Ajay Yadav*, Special Leave Petition (Criminal) Diary No(S). 72574/2025, Order dated 16.01.2026.
32. *Vipin Yadav v. Directorate of Enforcement*, 2025 SCC OnLine Del 6237.
33. *Vodafone International Holdings B.V. v. Union of India*, (2012) 6 SCC 613.
34. *Bacha F. Guzdar v. CIT*, 1954 SCC OnLine SC 69.
35. *Anish Niranjana Nanavaty V. Mr. Punit Garg*, NCLT, Mumbai, IA 2842 OF 2025 Order dated 10.03.2026.
36. *BRS Ventures Investments Ltd. v. SREI Infrastructure Finance Ltd.*, (2025) 1 SCC 456.
37. *Sanjay Chandra v. CBI*, (2012) 1 SCC 40.
38. *Arvind Dham v. Enforcement Directorate*, 2026 SCC OnLine SC 30.
39. *P. Chidambaram v. CBI*, (2020) 13 SCC 337.
40. *Khageswar Patra v. Directorate of Enforcement*, 2023 SCC OnLine Ori 5534.
41. *Ajay Yadav v. Directorate of Enforcement*, 2025 SCC Online Del 4262 29-31.
42. *Ashok Kumar Mishra v. Directorate of Enforcement*, Bail Appln. 1878/2021, Delhi High Court, Order dated 12.03.2025.
43. *Amit Aggarwal v. Directorate of Enforcement*, 2026 SCC OnLine Del 323.
44. *Arvind Dham v. Enforcement Directorate*, 2026 SCC OnLine SC 30.
45. *V. Senthil Balaji v. Deputy Director, Directorate of Enforcement*, CRIMINAL APPEAL NO. 4011 OF 2024, Order dated 26.09.2024.
46. *Prabir Purkayastha vs. NCT of Delhi*, BAIL APPLN. 2317/2021, Delhi High Court, Order dated 23.07.2025.
47. *Manish Sisodia v. Enforcement Directorate*, (2024) 12 SCC 660.
48. *Sanjay Chandra v. CBI*, (2012) 1 SCC 40.
49. *Pravez Khan v. Directorate of Enforcement*, 2026 SCC OnLine Del 2589.
50. *Arvind Dham v. Enforcement Directorate*, 2026 SCC OnLine SC 30.
51. *Sanjay Chandra v. CBI*, (2012) 1 SCC 40.

52. *Satender Kumar Antil v. CBI*, (2022) 10 SCC 51.
53. *Enforcement Directorate v. Padmanabhan Kishore*, (2022) 19 SCC 612.
54. *Rana Ayyub v. Directorate of Enforcement*, (2023) 4 SCC 357.
55. *Sangramsinh P. Gaekwad v. Shantadevi P. Gaekwad*, (2005) 11 SCC 314.
56. *Padam Chand Jain v. Directorate of Enforcement*, 2025 SCC OnLine SC 1291.
57. *Directorate of Enforcement v. Vivo Mobile Communication Co. Ltd. (Guangwen Kuang @ Andrew)*, Ct. Cases 102/ 2021, Patiala House Courts, Order dated 11.11.2024.
58. *Manish Sisodia v. CBI*, (2024) 12 SCC 691.
59. *Anil Kumar Aggarwal v. Directorate of Enforcement*, Bail Appln. 4825/2024, Delhi High Court, Order dated 09.04.2025.
60. *Nimmagadda Prasad v. CBI*, (2013) 7 SCC 466.
61. *Vijay Madanlal Choudhary v. Union of India*, 2023 (12) SCC 1.
62. *Ranjitsing Brahmajeetsing Sharma v. State of Maharashtra*, (2005) 5 SCC 294.
63. *Bhaskar Yadav v. Enforcement Directorate*, 2026 SCC OnLine Del 364.
64. *Prem Prakash v. Union of India through* 2024 9 SCC 787.
65. *Vijay Madanlal Choudhary v. Union of India*, 2023 (12) SCC 1.
66. *Jacqueline Fernandez v. Enforcement Directorate*, 2025 SCC Online Del 4678.
67. *Pravez Khan v. Directorate of Enforcement*, 2026 SCC OnLine Del 2589.
68. *Sanjay Jain v. Enforcement Directorate*, SCC OnLine Del 1656.
69. *Pravez Khan v. Directorate of Enforcement*, 2026 SCC OnLine Del 2589.
70. *Vijay Madanlal Choudhary v. Union of India*, 2023 (12) SCC 1.
71. *Kashif V. Narcotic Control Bureau Bail Appln. 1453/2025*, Delhi High Court, Order dated 12.02.2026.
72. *Pravez Khan v. Directorate of Enforcement*, 2026 SCC OnLine Del 2589.
73. *Noor Aga v. State of Punjab & Anr.*, (2008) SCC 417.
74. *KTMS Mohd. v. Union of India*, (1992) 3 SCC 178.
75. *B Ravi Kishore v. Directorate of Enforcement*, Criminal Revision Case No. 402 Of 2008, Telangana High Court, 11.07.2024.
76. *Satender Kumar Antil v. CBI*, (2022) 10 SCC 51.
77. *P. Chidambaram v. Directorate of Enforcement*, (2020) 13 SCC 791.

78. *Amit Aggarwal v. Directorate of Enforcement, 2026 SCC OnLine Del 323.*
79. *District Magistrate v. R Kumaravel, 1994 Supp (1) SCC 59.*
80. *Srichand P. Hinduja v. State through CBI, 2005 (82) DRJ 494.*
81. *Hindustan Petroleum Corpn. Ltd. v. Vinod, 2025 SCC OnLine Bom.*
82. *Arvind Dham v. Union of India & Ors., W.P.(CRL) 2516/2024, Delhi High Court, Order dated 02.12.2024.*
83. *Kewal Krishan Kumar vs. Enforcement Directorate, 2023 SCC OnLine Del 1547.*
84. *Bhaskar Yadav v. Enforcement Directorate, 2026 SCC OnLine Del 364.*
85. *Pravez Khan v. Directorate of Enforcement, 2026 SCC OnLine Del 2589.*
86. *Sameer Mahandru v. Directorate of Enforcement, 2023 SCC OnLine Del 3606.*
87. *Devki Nandan Garg v. Directorate of Enforcement, 2022 SCC OnLine Del 3086. & Amar Singh v. State & Ors., 2011 SCC OnLine Del 4522.*

5. ED has opposed the bail application of the accused mainly on the basis of allegations already specified in their complaint. Therefore, only the submissions of ED which have been made by them to rebut certain grounds of the present bail application are being discussed here:-

5.1 First of all, it has been submitted that the offence in the present case is a serious and a grave offence and its gravity can be inferred from the fact that the investigation of the present case is being monitored by Hon'ble Supreme Court in PIL titled as **E.A.S Sarma VS. UOI and others (W.P.(C) no. 1217/2025)**. The said PIL has been filed alleging the frauds committed by Anil Dhirubhai Ambani Group of Companies (ADAG) and the petitioner has sought a court-monitored investigation as well as directions to CBI and ED to complete the investigation in a time bound manner. Vide order dated 04.02.2026, Hon'ble Supreme Court has directed the ED to examine

every possible financial transaction which may have led to siphoning of the funds. The Hon'ble Supreme Court has also directed all the concerned agencies to extend full co-operation to the ED.

5.2 It is further stated that the CBI has registered five FIRs against M/s Reliance Communications, Mr. Anil Ambani and unknown public servants and unknown others regarding the offences of cheating, criminal conspiracy, criminal breach of trust and criminal misconduct. As per said FIRs, the cheating to the tune of approx. Rs.10,000 crores have been alleged. These FIRs have been made part of the existing ECIR no. STF/26/2026 dated 26.08.2025 by issuance of three addendums. It is stated that the Credit facilities were sanctioned by SBI to RCOM, M/s Reliance Telecom Limited ("RTL") and M/s Reliance Infratel Limited ("RITL"). Together, the group is referred to as the Reliance - Anil Dhirajlal Ambani Group ("RAAG"). Credit facilities were sanctioned to RAAG by SBI's CAG-1 Branch, Mumbai (9995), Neville House, J.N. Heredia Marg, Ballard Estate, Fort Mumbai and also SBI's Project Finance and Structuring Business Unit in the same branch from 20.10.2002 till 29.05.2018.

5.3 The genesis of the fraud is primarily a Consortium / Multiple Banking Arrangements involving credit facilities availed by the RAAG, wherein the accused individuals and companies in conspiracy with each other have availed credit facilities by misrepresentation and deception, and after disbursal of the same, misappropriated the funds of the banks by entering into transactions which were in violation of the terms and conditions of sanction of the credit facilities. RAAG also undertook credit facilities from non-consortium banks during the same period, which comprise a set of

inter-connected transactions as the credit facilities taken from consortium banks have been used for payments of non-consortium credit facilities as well. Consequently, it is necessary to take a comprehensive view of all credit facilities availed by the group from both consortium and non-consortium banks. The amount of approx. Rs.40,000 Cores is outstanding as on date.

5.4 In regard to the status of Bonn Investment Inc., it is stated that it is a subsidiary of RCOM, though, it was projected to be involved in the business of “broadband service in the US for Indian Entertainment content”, however, actually, it is merely a shell company which has been used for the sole purpose of acquisition of ownership of a luxury condominium apartment in USA. Bonn has no independent commercial substance apart from the initial funds, it received in F.Y. 2009-10 from RCI and RCII which companies have received the funds from RCOM.

5.5 It is submitted that earlier, in relation to ECIR/STF/17/25, the search and seizure operation u/s 17 of PMLA was conducted on 24.07.2025. The said search covered the office of RCOM and many of the key individuals and entities which are being investigated in the instant case also. Since the aforesaid seized material was relevant for the present case, therefore, the same was taken on record in the present case.

5.6 In regard to twin conditions as provided u/s 45 PMLA, it is stated that the accused has failed to satisfy these mandatory twin conditions test as there is a fully substantiated and credible evidence qua his prima facie involvement in money laundering case. It is submitted that in view of the settled law, the bail application under PMLA are to be adjudicated upon the touchstone of Section 45 of

PMLA. It is also well settled law that the economic offences are considered to be gravest offence against the society at large and hence, are required to be treated differently qua bail as these offences affects the economy of the country and pose serious threat to the financial health of the country.

5.7 It is also stated that the statements u/s 50 PMLA are admissible. In this regard, Ld. SPP has relied upon the relevant case laws.

5.8 In regard to delay, firstly, it is stated that incarceration of 4 months cannot be considered a long period of incarceration and in this regard, Ld. SPP has relied upon various case laws. While referring to relevant case laws, it has been submitted that the Hon'ble Supreme Court has rejected the bail applications under PMLA where the accused was in judicial custody for the period ranging from one year to two and half years. It is also stated that in case, there is a delay, for this purpose the safeguards have been provided u/s 436-A of the Cr.P.C. It is also stated that the nature of the offence and the sophisticated methods used in the same indicate that the accused possesses the means and motive to obstruct further investigation, tamper with digital and documentary evidence and influence key witness, if released. There is a strong likelihood that he may also dispose off his properties/assets involved in the commission of the offence or he may destroy the evidence related to the money trail.

5.9 It is further stated that there is no delay in supply of copy of complaint on the part of ED as same have been supplied after the same were scrutinized by the court. The investigation qua ADAG is being monitored by Hon'ble Supreme Court and since the applicant had held senior position in Reliance Group of Companies and if

released on bail, he will induce and threat the officials of Reliance Group and other related companies which can compromise the complete investigation conducted by ED not only against the applicant but the Reliance Group and other persons and entities. It is stated that the applicant knowingly assisted in disposal and transfer of assets connected with M/s RCOM, its associates & offshore entities even during CIRP proceedings against RCOM group entities. The said transactions were carried out in the manner which concealed the movement and ultimate destination of the funds, thereby frustrating identification and recovery of assets connected with RCOM.

5.10 It is stated that even if some certain loans were repaid or proceedings before Hon'ble NCLT were withdrawn, same will not extinguish the investigation of money laundering and diversion of funds already undertaken. The role of the applicant has emerged from documentary and digital evidence showing his conscious involvement and assistance in the matter related to the offshore entities, management of assets and movement of funds connected with POC.

5.11 It is stated that during the course of investigation, the ED has shared the information related to the material recovered, financial trail analysis and evidence unearthed during investigation with other law enforcement agencies in exercise of power u/s 66 (2) of PMLA for co-ordinated and comprehensive investigation. In this regard, it is also submitted that in the aforesaid PIL case, the Hon'ble Supreme Court has also directed the ED and CBI to collect information and seek assistance from other agencies and authorities for carrying out an exhaustive investigation into the matter. This shows that the

investigation under PMLA is independent, wide in scope and intended to comprehensively trace, identify and investigate the continuing laundering activities and beneficial enjoyment of POC by the accused persons.

5.12 It is stated that the investigations have conclusively established that applicant knowingly assisted, knowingly was a party to and was actually involved in concealment, layering and projection of POC amounting to Rs.1,49,77,54,998.75 through structured offshore transactions of overseas entities. It is stated that in his statement recorded u/s 50 PMLA, the applicant has admitted that co-accused Vaishali Mane was seeking instructions from him regarding sale of assets of BONN. The applicant also admitted that he did not disclose the sale of overseas assets to RP which shows the conscious suppression of material facts related to the disposal of assets derived from diverted funds. He has also admitted in his statement, the authenticity of whatsapp communication recovered from his device. He also admitted his knowledge of RAAG group, structures and overseas investment which were used for concealing the diverted funds.

5.13 In regard to sale proceeds of Yacht, it is stated that the said sale proceeds were initially remitted to India through Axis Bank and same could not be retained due to regulatory concern and the applicant personally co-ordinated the opening of bank account in the name of Ammolite Holdings in Dubai and Montenegro for receiving the said sale proceeds abroad. In regard to the funds received from the sale proceeds of Yacht, it is stated that in his statement dated 06.02.2026, the applicant has admitted that upon the request of Mrs. Tina Ambani, he co-ordinated with Auditors and officials for

opening a foreign bank account of Ammolite Holdings Ltd. and prepared instructions for transfer of sale proceeds to the overseas account.

5.14 It is stated that the investigation has revealed that significant portion of loan funds were diverted to overseas subsidiaries under the guise of legitimate business transaction. These entities including RCI, RCII, Reliance Infocom, Reliance Globalcom and Bonn were under effective supervision, control and influence of applicant.

5.15 It is further stated that Hon'ble Supreme Court has consistently held that in cases where protection of public interest assumes paramount important, or where a company structure has been deliberately created to evade legal obligations, the corporate veil qua holding and subsidiary is liable to be lifted and disregarded. Hon'ble Supreme Court has further recognized that such principle is equally applicable to group companies, thereby permitting the authorities and courts to examine the economic reality and the true nature of the group as a whole, rather than being constrained by the separate legal personality of individual entities. Accordingly, the facade of distinct corporate identities cannot be permitted to defeat the ends of justice or frustrate the enforcement of law. It is further stated that Hon'ble Supreme Court, in the matter of Alpha Corp Development Pvt.Ltd. Vs. Greater Noida Industrial Development Authority & Others (Civil Appeal no.1526 of 2023) has held that the assets of the subsidiary company can be taken into the pool of assets in the CIRP of the corporate debtor which is holding company. It is clear from the aforesaid observations when, in reality, associated or group companies are inextricably connected so as to form part of one concern, the corporate veil should be lifted. Applying this principle

in ArcelorMittal India Private Limited vs. Satish Kumar Gupta and others, (2019) 2 SCC 1, the Court affirmed that where protection of public interest is of paramount importance or where a company has been formed to evade obligations enforced by law and by the Courts, the Court would disregard the corporate veil. It was further observed that this principle would be applied even to group companies so that one is able to look at the economic entity of the group as a whole.

5.16 It is further stated that the Hon'ble National Company Law Appellate Tribunal in the case of Varsanna Ispat Ltd vs. The Deputy Director, Directorate of Enforcement Company Appeal (AT) (Insolvency) No. 493 of 2018, vide its judgment dated 02.05.2019, has held that Section 14 of the IBC is not applicable to proceedings under the Prevention of Money laundering Act, 2002 stating that it is clear that the 'Prevention of Money Laundering Act, 2002' relates to 'proceeds of crime' and the offence relates to 'money-laundering' resulting confiscation of property derived from, or involved in, money-laundering and for matters connected therewith or incidental thereto. Thus, as the 'Prevention of Money Laundering Act, 2002' or provisions therein relates to 'proceeds of crime'. It is stated that it is further held in the case of Varsana Ispat Ltd.(Supra) would apply, and therefore, the Directorate is not precluding from attaching the property of the Corporate Debtor, owing to a mere invocation of a moratorium.

5.17 It is further submitted that the WhatsApp conversations recovered from the mobile device of the applicant unequivocally establish his direct instructions and active involvement in utilization of funds from Bonn and RCI for personal purposes. In the WhatsApp conversation dated 13.08.2018 with one Mr. Kiran Dumpala, the

applicant was specifically asked whether payment should be made from Bonn or RCI, to which he replied “either”, thereby demonstrating complete authority and control over utilization of funds lying in accounts of these overseas entities. Thereafter, Mr.Kiran Dumpala stated that payment would be made from Bonn “to avoid Banks query”, which clearly evidences conscious attempts to avoid scrutiny and conceal the true nature of the transactions and on the following day, confirmation of transfer of funds was communicated to the applicant which he acknowledged and appreciated.

5.18 It is submitted that the said WhatsApp chats further reveal that the applicant shared screenshots of the University of Southern California payment portal pertaining to his daughter, reflecting payment dues of USD 19,657.43, and thereafter facilitated the transfer of funds from RCI accounts towards her educational expenses. Corresponding bank records of RCI maintained with SBI, New York Branch, conclusively establish payment of USD 19,657.43 to the University of Southern California on the very same date. The applicant further shared contract details and account credentials relating to his daughter’s university account to facilitate such payment, thereby clearly establishing his active role in directing and utilizing funds derived from overseas subsidiaries for personal family expenses.

5.19 It is further submitted that the payments made through Bonn are nothing but utilization of derived Proceeds of Crime, as the funds available with Bonn originated from rental income generated from the Manhattan property acquired out of diverted RCOM loan funds. Thus, the applicant not only knowingly utilized tainted funds for his

personal benefit, but also projected and enjoyed the same as untainted property through overseas layered entities. Importantly, no material has been produced by the applicant to demonstrate that such payments formed part of any legitimate company policy for educational assistance to employees' children. On the contrary, the fact that payments of USD 36,560 were made directly into the personal bank account of his daughter clearly establishes the personal nature of such transactions. Besides, another payment of USD 20829 was made from RCI to the college of the daughter of accused.

5.20 In regard to the applicant's seeking bail on medical ground by invoking the proviso to section 45, it is submitted that the applicant had sought interim bail on medical grounds which was dismissed by this Court vide order dated 20.04.2026 after analyzing the opinion of the medical board of AIIMS, in this regard. Ld. Special PP for ED has relied upon the following case laws:-

1. *Vijay Madanlal Choudhary v. Union of India*, 2022 SCC OnLine SC 929.
2. *Pavana Dibbur vs. Enforcement Directorate* 2023 SCC OnLine SC 1586
3. *Ranjitsing Brahmajeetsing Sharma v. State of Maharashtra*, (2005).
4. *SCC 294*, which has been relied upon in *Vijay Madanlal Choudhary (supra)*.
5. *AR Antulay vs. Ramdas Srinivas Naik* 1984 2 SCC 500:
6. *Anil Tuteja v. Union of India*, 2025 SCC OnLine SC 2110
7. *Y. Balaji v. Karthik Desari*, 2023 SCC OnLine SC 645 (2JB)
8. *Aswini Kumar Ghose v. Arabinda Bose*, (1952) 2 SCC 237
9. *Hardeep Singh v. State of Punjab*, (2014) 2 SCR 1
10. *Doypack Systems (P) Ltd. v. Union of India*, (1988) 2 SCC 299
11. *Asstt. Collector of Customs (Sachidananda Banerjee) v. Sitaram Agarwala*, 1965 SCC OnLine SC 45
12. *Renusagar Power Co. Ltd. v. General Electric Co.*, (1984) 4 SCC 679
13. *Mansukhlal Dhanraj Jain v. Eknath Vithal Ogale*, (1995) 2 SCC 665
14. *Giriraj Garg v. Coal India Ltd.*, (2019) 5 SCC 192.

15. *Minar Exports v. Enforcement Committee*, 2011 SCC OnLine Bom 1321.
16. *Satyendar Kumar Jain v. Enforcement Directorate*, (2024) 6 SCC 715.
17. *Enforcement Directorate v. Hi-Tech Mercantile India (P) Ltd.*, 2025 SCC OnLine Del 6524.
18. *Enforcement Directorate v. Mahanivesh Oils & Foods (P) Ltd.*, 2026 SCC OnLine Del 1434.
19. *Alaknanda Realtors (P) Ltd. v. Enforcement Directorate*, 2022 SCC OnLine Del 5014.
20. *Siddhant Gupta vs. Directorate of Enforcement; SLP (Crl.) 14392/2024.*
21. *Bharathi Cement Corpn. (P) Ltd. v. Enforcement Directorate*, 2022 SCC OnLine TS 3559.
22. *Sirajuddin Qureshi Vs. Directorate of Enforcement*, Crl. Rev. Petition No. 484 of 2025 (DHC).
23. *Madras High Court in 'G.Venkatarayanan vs Directorate of Enforcement; Crl.OP.No.9663 of 2024.*
24. *Tarun Kumar v. Enforcement Directorate*, 2023 SCC OnLine SC 1486.
25. *Pradeep Nirankarnath Sharma v. Enforcement Directorate*, 2025 SCC OnLine SC 560.
26. *Directorate Of Enforcement v M/S Mahanivesh Oils & Foods Pvt Ltd, in LPA 144/2016.*
27. *Jacqueline Fernandez v. Enforcement Directorate*, 2025 SCC OnLine Del 4678.
28. *Anoop Bartaria v. Directorate of Enforcement 2023 SCC OnLine SC 477.*
29. *Nikesh Tarachand Shah v. Union of India*, (2018) 11 SCC 1.
30. *Union of India v. Kanhaiya Prasad*, 2025 SCC OnLine SC 306.
31. *Tarun Kumar v. Enforcement Directorate*, 2023 SCC OnLine SC 1486.
32. *State of Gujarat v. Mohanlal Jitamalji Porwal*, (1987) 2 SCC 364.
33. *Y. S. Jagan Mohan Reddy v. CBI*, (2013) 7 SCC 439.
34. *Nimmagadda Prasad v. Central Bureau of Investigation* (2013) 7 SCC 466.
35. *Pradeep Nirankarnath Sharma V/s Directorate of Enforcement & Anr.* (2025 INSC 349).
36. *Rohit Tandon v. Directorate of Enforcement*, (2018) 11 SCC 46.
37. *Tarun Kumar v. Directorate of Enforcement 2023 SCC OnLine SC 1486.*

38. *Satyendar Kumar Jain v. Enforcement Directorate*, (2023) 5 HCC (Del) 461
39. *Sanjay Dutt vs. State through CBI* (1994) 5 SCC 410 (Para 53).
40. *Suresh Kumar Bhikamchand Jain vs. State of Maharashtra &Ors.* (2013) 3 SCC 77.
41. *M. Ravindran v. Directorate of Revenue Intelligence*, (2021) 2 SCC 485.
42. *Naser Bin Abu Bakr Yafai v. State of Maharashtra*, (2022) 6 SCC 308.
43. *Dinesh Dalmia vs. CBI* (2007) 8 SCC 770.
44. *Vipul Shital Prasad Agarwal vs. State of Gujarat & Anr.* (2013) 1 SCC 197.
45. *Abdul Azeez P.V. vs. National Investigation Agency* (2014) 16 SCC 543.
46. *CBI Vs. Kapil Wadhawan Criminal Appeal No. 391 Of 2024.*
47. *Ram Kishor Arora vs Directorate of Enforcement in CRL.M. (BAIL) 1658/2023 (DHC).*
48. *Chitra Ramakrishna v CBI*, 2022 SCC OnLine Del 3124.
49. *CBI v. V.C. Shukla*, (1998) 3 SCC 410.
50. *V. Senthil Balaji vs. Deputy Director, Directorate of Enforcement*, 2024 SCC OnLine SC 2626.
51. *Udhaw Singh v. Directorate Enforcement*, 2025 SCC OnLine SC 357.
52. *Manish Sisodia vs. CBI*, 2023 SCC OnLine SC 1393.
53. *State of Bihar v. Amit Kumar* (2017) 13 SSC751.
54. *V. Senthil Balaji vs. Deputy Director, Directorate of Enforcement*, 2024 SCC OnLine SC 2626.
55. *Manish Sisodia (II) v. Enforcement Directorate*, 2024 SCC OnLine SC 1920.
56. *G. T. Dinesh Kumar vs Director of Enforcement; Criminal Petition No. 14793/2023.*
57. *Kuldeep Rai Sharma v Directorate of Enforcement*, CRM(SB)/1/2026 the Hon'ble Calcutta High Court.
58. *Sanjay Lal v Directorate of Enforcement*, CRM(SB)/2/2026, the Hon'ble Calcutta High Court.
59. *Ram Niwas Surjakhera alias Ram Niwas v. Directorate of Enforcement*, CRM-M-55190-2025 (P&H HC) (Custody- 9 months 16 days).
60. *Dharam Singh Chhoker v. Directorate of Enforcement*, CRM-M-73084-2025 (O&M),(P&H HC) (Custody- 11 months).
61. *Union of India v. Kanhaiya Prasad*, 2025 SCC OnLine SC 306.
62. *V. Senthil Balaji vs. State* 2023 SCC OnLine SC 934.
63. *H.N. Rishbud vs. State of Delhi* (1955) 1 SCR 1150.

64. *P. Chidambaram vs. Directorate of Enforcement* (2019) 9 SCC 24.
65. *Central Bureau of Investigation vs. V. Vijay Sai Reddy* (2013) 7 SCC 452.
66. *Union of India v. Rattan Mallik*, (2009) 2 SCC 624.
67. *Abdul Basit v Mohd. Abdul Kadir Choudhary* 2014 (10) SCC 754.
68. *Adalat Prasad v Roop Lal Jindal*, 2004 (7) SCC 338.
69. *Arvind Kejriwal v. Directorate Enforcement*, 2024 SCC OnLine SC 1703.
70. *Manideep Mago v. Union of India*, 2025 SCC OnLine Del 3390.
71. *Pirtpal Singh Versus Directorate of Enforcement and others in CRM-M-24276-2022 (P&H HC)*.
72. *Tulsi Ram v. State of U.P.*, 1962 SCC OnLine SC 99.
73. *Sameer Mahendru vs Directorate of Enforcement in Bail Appl. No. 1343/2023*.
74. *Sundeep Kumar Bafna v. State of Maharashtra*, (2014) 16 SCC 623.
75. *Syed Sameer Hussain v. State of Maharashtra*, 2025 SCC OnLine Bom 3360 & *Syed Sameer Hussain v The State Of Maharashtra & Anr. SLP (Crl.) No(s). 19910/2025*.

ANALYSIS & CONCLUSION :-

6. The allegations against the accused persons have already been specified briefly in the preceding paras and as per allegations, through diversion of funds, layering of funds and money laundering RAAG acquired afore mentioned two assets (Yacht & Apartment), abroad and allegedly, the accused Punit Garg had not only played a key role in the activity connected with the acquisition of both these assets but he was also fully involved in disposal of both these assets, besides utilizing certain amount related to proceeds of crime (POC) for his personal expenses. Thus, in order to see whether there exists reasonable grounds for believing that accused is not guilty of the offence of money laundering, mainly the following five issues are required to be decided in the present bail application by taking a prima facie view of the allegations of money laundering against the accused Punit Narendra Garg:-

(i) Whether RCOM (RAAG) had acquired both these assets abroad (Yacht & Apartment) through diversion of the funds of the loan availed in the year 2007 onwards Barclays Bank etc.?

(ii) In case, the answer of the aforesaid issue comes in affirmative then whether the both the aforesaid assets which were acquired in the year 2007 can be said to be relatable /related inextricably to the period 2013-17 during which the loans/refinance facility was provided to RAAG by consortium/non-consortium of banks and NBFCs as the complaint filed by the SBI mentions the period of scheduled offence (cheating etc.) during 2013 to 2017?

(iii) In case both these assets are found inextricably related to the loan of the period 2013-2017, can in the wake of same, these assets be considered a POC?

(iv) If these assets are considered POC then it is to be seen whether accused Punit Narendra Garg had carried out any of the activities (including acquisition and disposal) related to the aforesaid assets (POC) as specified in Section 3 of PMLA to make him liable for the offences u/s 3 & 4 of PMLA?

(v) Whether accused Punit Garg had utilized the proceeds of crime (funds from the bank accounts of RCI and Bonn) for his personal expenses?

7. Thus, mainly the material placed on record by the ED alongwith the present complaint related to the aforesaid issues is to

be analyzed, however, besides these issues there are certain other issues related to the matter which have been raised by the accused in his bail application and written arguments will also be discussed simultaneously alongwith these issues.

ISSUE No. (i) Whether RCOM (RAAG) had acquired both these assets abroad (Yacht & Apartment) through diversion of the funds of the loan availed in the year 2007 onwards Barclays Bank etc?

Acquisition of Yacht

8. Allegedly, the funds of the loan which is said to have been misused by RAAG for acquisition of both these assets was taken in the year 2007 and the said loan was got refinanced from time to time and finally, it was got refinanced during the period from 2013-17. Thus, for the sake of reference in the present order, the loan of the year 2007 has been referred as Loan-1 and loan taken during the period from 2013-17 as Loan-2.

8.1 Allegedly, the Yacht has been acquired by RCOM (RAAG) in the name of its group subsidiary AHL through their another step down subsidiary GNTPL from the funds of the loans of the year 2007. Thus, firstly, it has to be seen whether the funds availed by RAAG from the Loan-1 were utilized for buying the Yacht. As per record, the Reliance Globalcom (Globalcom) is the wholly owned subsidiary of RCOM and during the year 2007 and 2008, through various transactions, in total, RCOM had transferred the funds of INR 3961.67 Crores and the said amount has also been disclosed by RCOM in their annual report for the F.Y. 2007-08 (RUD-47). Out of the aforesaid amount, USD 200 Million were also transferred by

RCOM to Globalcom which was routed through several different banking transactions. RCOM has admitted the fund transfer transaction vide letter dated 26.10.2007 (RUD-78) for sending the said amount. The said amount was finally deposited in the bank account of Globalcom through various transactions and for corroborating the same, reliance has been placed by the ED on **RUD- 64, RUD -65 and RUD -70.**

8.2 Further, before discussing as to which funds were used for buying the Yacht by GNTPL (a step down subsidiary of RAAG), it is required to be discussed how the GNTPL is a step down subsidiary of RAAG and as to why the bank account of the said company was used for buying the Yacht in the name of AHL. As already discussed in detail in the preceding para how GNTPL is closely related to the RCOM. It is briefly recapitulated here that as alleged in the complaint, the GNTPL was initially acquired by RCOM through RIL and subsequently, RIL was merged in RCOM with all its subsidiaries, however, subsequently, the GNTPL was transferred through several transactions which have already been detailed above and finally, GNTPL was again acquired by RCOM through Globalcom. The documents related to the transfer and acquisition of GNTPL are in RUD-47, RUD-50, RUD-71 and RUD-202.

8.3 Allegedly, GNTPL was fully dependent for the funds on Globalcom as it did not have any independent source for funds and during the F.Y 2007-08, the Globalcom transferred USD 99,000,000 to GNTPL as inter corporate deposit (RUD-48). Besides, on 04.04.2008, Globalcom, from their Barclays Bank account, also transferred USD 105,000,000. The relevant bank account statements

of both these companies are in RUD-71 and RUD-73. Besides, in addition to the aforesaid funds which were transferred by Globalcom, the RCOM also acquired certain shares of GNTPL which fact was corroborated by them in their audited financials for F.Y. 2006-07 (RUD-47) and against acquiring the said shares, the RCOM had transferred INR 108.97 Crores to GNTPL (RUD-160). Thus, in the aforesaid manner, the funds were transferred by RCOM and Globalcom to GNTPL. Allegedly, the said funds were diverted mainly from the loan availed by RCOM from Barclays Bank.

8.4 Allegedly, the Yacht was bought in the name of M/s Ammolite Holding Ltd. (AHL), Jersey through a sham transaction. The AHL is owned by M/s Reliance Capital Ltd. and M/s Reliance Land Pvt.Ltd. and therefore, AHL is fully controlled entity of RAAG. Allegedly, in order to buy the Yacht in the name of AHL, on papers, it has been shown that the GNTPL had entered into a MOU with AHL to procure handsets and therefore, against the said MOU, an advance of USD 20 Million was agreed to be given by GNTPL to AHL, however, out of the said funds, USD 18.53 Million which were sourced from RCOM were diverted to purchase the Yacht through GNTPL. The GNTPL made the said payment to Ferretti SPA, Italy to buy the Yacht in September 2008. The entry related to the aforesaid payment have been reflected in their bank statements i.e. Barclays Bank PLC, London and Deutsche Bank, Mumbai and relevant bank statements are RUD-71 and RUD-74. In total, payment of USD 18.54 Million approx. was made by GNTPL for buying the Yacht in the name of AHL and thereafter, the Yacht was bought in the name of AHL.

8.5 Allegedly, the said transaction between GNTPL and AHL for buying the handsets was a sham transaction as during FEMA proceedings, the RCOM had furnished the explanation in regard to the funds transfer related to the aforesaid transactions which were made between GNTPL and Ferretti SPA, Italy. It was specified by RCOM that the said payment was an advance payment for buying the handsets and the payment was made by GNTPL to Ferretti SPA as the said entity was designated by AHL. The relevant portion of their reply to the show cause notice which is in RUD-181 is reproduced as under:-

“Further we submit that, GNTP entered into a memorandum of understanding (MOU) to procure handsets through AHL, and as per the terms of this MOU an advance of USD 20 million was given by GNTPL to AHL. It was agreed that this advance amount, if not converted into supply of handsets within a period of 5 years, and will carry an interest for 6 months USD LIBOR plus 300 b.p.p.a. This advance of GNTPL was to be disbursed to AHL or any company so designated by AHL. As such, a payment of USD 18.53 million was made by the GNPTL to Ferretti SPA, Italy as designated by AHL. Thus, we submit that the amount remitted by GNTPL on behalf of AHL, is a ‘trade advance’ recoverable akin to a loan, as it carries, an interest mechanism which is triggered in the event the contract is not executed by AHL”

8.6 In this regard it has been stated that the Ferretti SPA is not engaged in handset manufacturing and it is a luxury Yacht manufacturer. In this regard, the documents related to the proceedings which were initiated by Custom Department under Customs Act for alleged evasion of custom duty have been further relied upon. Allegedly, the RAAG had brought the Yacht to India and they had evaded the custom duty for the reasons mentioned in the relevant proceedings and during these proceedings, statement of Mr. Hari S.Nair, Sr. Vice President, Group Finance of M/s Reliance

ADAG(RAAG) was recorded. During his statement, he stated that he has been working as Vice President of Group Finance of the entire group and it is also clear from his statement that in regard to the funds received by (though actually directly paid to Ferretti by GNTPL) AHL, it has been stated that **“as regards, the financing of Yacht (Euro 11.6 million), Ammolite has availed a loan, on an arms-length basis, from Gateway Net Trading Pte. Limited (GNTPL), Singapore. GNTPL is a company wholly owned by Reliance Communications Ltd., a listed entity and is in the business of trading in and hand held communication devices from Asia Investments, and provider of finance, loan”**.

8.7 Thus, it is prima facie clear from the aforesaid statement that in regard to the funds which were used for buying the Yacht, it has been projected by RCOM that same were availed through a loan given by GNTPL to AHL but the factual position is altogether different as specified above that in reply to the FEMA show cause notice, it was stated that the said funds were provided for buying the handsets. Be that as it may, but the fact of the matter is that prima facie, the said transaction appeared to be a sham transaction as the said payment was neither made as a loan to AHL nor towards the advance payment for buying the handsets but only for buying the Yacht.

Yatch belongs to RCOM.

8.8. As already discussed that in order to buy the Yacht, the funds originally sourced by RCOM from the loans of Barclays Bank were finally utilized by GNTPL which were routed from RCOM to Globalcom and then to GNTPL and thereafter, it was finally paid to

the aforesaid Yacht manufacturer. Thus, it is prima facie clear that the Yacht was acquired by RCOM through diversion of the funds. There are other evidences which also prima facie show that admittedly, the Yacht is the property of RAAG as firstly, it is clear that when the proceedings under Customs Act were initiated, those were also defended by RAAG (Reliance ADAG through their Sr. Vice President) and during his statement, he also stated that the Yacht is the group asset which has been bought for the traveling of the Senior Group Executives of Reliance Group. The relevant portion of his statement (RUD-180) is reproduced as under:

“Question 5: Why was the Yacht acquired in Ammolite, if the same was to be used for Reliance Group purposes? Why not in name of RTTPL, to whom it is finally chartered?”

Ans: Reliance Group has operations in about 100 countries, with over 50,000 employees. Yacht is a group asset, to be used by senior executives of the Reliance Group, to cruise predominately in Europe (save for in winter, when the yacht is unusable), considering the geo-political and security reasons. Use in India, will be negligible or minimal, considering the potential places of visit using the yacht. Considering these factors same, the yacht has been acquired by Ammolite. As regards RTTPL, as the use is limited in Asia, the same was not considered to acquire the said yacht. The charter was done for a limited period, i.e. not more than 1 year, after which the yacht was to revert to Ammolite. In any case on account of onset of monsoon, which will be the case after 2-3 months, the yacht of this class cannot be used in Asia”.

8.9 From the aforesaid discussions, it prima facie appears that the RCOM wanted to acquire the Yacht but in a clandestine manner i.e. under the guise of a routine business transactions of buying the handsets, as in case, the RAAG wanted to have the said asset for the traveling of Reliance Group Senior Executives then they were not

required to conceal the real transactions related to the transfer of USD 18.53 Million. Further, in case, they also wanted to keep the aforesaid acquisition official, they would have made the relevant declaration when the FEMA proceedings were initiated against RCOM in this regard, but there also they did not come forward with the clear reply about the aforesaid transaction and they again concealed the same, though practically, the Yacht was acquired and owned by RAAG as has also been admitted by their Sr. Vice President. It is also prima facie clear from another fact that the aforesaid transaction was simply a sham transaction as out of the aforesaid USD 20 Million advance, only 7.2 Million USD were returned by AHL to GNTPL and remaining 11.33 Million USD was written off by GNTPL in their books on account of 'allowance for impairment of receivable' (RUD-82). This also prima facie shows that there was no intention to receive back the entire amount (USD 20 Million) given by GNTPL to AHL as it was meant for buying the Yacht.

8.10 The aforesaid discussions can be summed up by saying that firstly, for buying the Yacht, the funds of RCOM which they had taken as a loan from Barclays bank was utilized and secondly, the said Yacht was bought in a clandestine manner through a sham transaction and also through diversion/layering of funds by using the names of the step down subsidiaries of RAAG, though, it was actually acquired by RCOM which is clear from the afore detailed discussions.

8.11 There are other reasons also to prima facie hold that the Yacht belongs to RCOM(RAAG) and same will be discussed while

discussing the issue related to the sale of the Yacht, which was allegedly done, by accused Punit Narendra Garg.

Acquisition of Condominium (Apartment)

8.12 Allegedly, in the similar manner, through the diversion of funds, the RCOM, through its step down subsidiary namely, M/s Bonn Investment Inc. (Bonn) bought a condominium (apartment) vide a sale deed (RUD-84) on 24.02.2010 at Newyork, USA. The said apartment was purchased for a consideration of INR 29.61 Crores. The Bonn is the step down subsidiary of RCOM which is shown in flow chart mentioned in para no. 6.66 of the complaint and the same has been reproduced in the preceding paras.

8.13 As per record, initially, the name of the Bonn was “Reliance Netway Inc.” and later on, on 17.02.2010 (RUD-42), its name was changed to Bonn Investments Inc. The said company was incorporated to provide broadband service in US for Indian entertainment content. In this regard, ED has relied upon the document (RUD-193) and the electronic document which has been recovered from the laptop which was seized by ED during the search conducted by them on 24.07.2025 and 25.07.2025 in relation to another ECIR and this document contained the details of the offshore companies of RAAG and in this document, the specification related to Reliance Netway Inc. (Now Bonn) have also been specified. Thus, it is prima facie clear from this document that the Bonn was incorporated to carry out the business activities related to the Broadband service. It has been further stated on the strength of the audited financial report of Bonn (RUD-43 and RUD -44) that Bonn was not doing any commercial activity and was a shell company

which was incorporated for special purpose. The Bonn was only receiving the rental income of the said apartment and thus, it prima facie appears that the aforesaid entity was a shell kind of entity and was operated for diversion of the funds to buy the said apartment in the name of the said entity.

8.14 It has been alleged that the aforesaid funds which were utilized by Bonn to buy the apartment were channeled from RCOM to RCI and RCII and from there to Bonn. It is stated that during the F.Y. 2009-10, Bonn had received advances of approx. USD 6.6 Million from RCI and RCII and out of the said amount, Bonn had received USD 4.28 Million from its holding company RCI and USD 2.32 Million from its fellow subsidiary RCII which comes to INR 31.02 Crores (INR 20.12 Crores and INR 10.9 Crores respectively). The said amount has been calculated on the prevalent exchange rate of INR 47/- per USD. As per financial year statement of RCII of F.Y. 2009-10, during this financial year, RCI had received USD 2.49 Million in Feb. 2010 and USD 20.68 Million during the same year. Thus, during the said financial year, INR 42.43 Crores was to be received by RCOM from RCI and likewise, during the same F.Y.2009-10, INR 303 Crores were to be received by RCOM from RCI. Thus, it is stated that the aforesaid funds received by Bonn were sent to Bonn through aforesaid diversion and Bonn had utilized the same. Thus, from the material placed on record, it is prima facie clear that the layering of funds was done through related party for buying the immovable property and not for deployment of the same for bona fide business or operational purposes. The amount which traveled from RCOM to its subsidiaries and step down subsidiaries

have been demonstrated through the flow chart mentioned in para 6.84 of the complaint and also reproduced in the preceding paras.

8.15 The aforesaid transaction was diversion of funds which is also prima facie clear from the facts that despite the sale of the said apartment in 2023, the sale proceeds were not utilized for repayment of the funds taken by Bonn from RCI and RCII which is further prima facie shows that the said transaction was not a commercial transaction and was done only for buying the apartment. Thus, it is prima facie clear that both these assets were purchased by RCOM (RAAG) through diversion of funds of loan-1.

ISSUES NO.

(ii) In case, the answer of the aforesaid issue comes in affirmative then whether the both the aforesaid assets which were acquired in the year 2007 can be said to be relatable /related inextricably to the period 2013-17 during which the loans/refinance facility was provided to RAAG by consortium/non-consortium of banks and NBFCs as the complaint filed by the SBI mentions the period of scheduled offence (cheating etc.) during 2013 to 2017?

9. As far as the allegations related to diversion of funds are concerned, same mainly pertains to the diversion of funds related to the loan-1 which was given by the consortium of bank in 2007, in which Barclays Bank was the lead manager for entire consortium. The aforesaid loans of USD 500 Million were granted vide loan agreement RUD-35. As per record, the RCOM had submitted the repayment schedule of payment with RBI (RUD-81) and the

payment of the said loan was to be made till June 2013. Thus, the said loan was to be repaid until June 2013. It is also clear from the allegations in the complaint that besides the aforesaid bank, the RAAG had also taken loans from several other lenders and time and again, RAAG had got their loans refinanced and the refinancing of the loans was also done during the period 2013-17. The details of all the loans which were repaid from the finances taken from 2013-17 have been summarized by the ED in their factual note submitted during the arguments of the present bail application, wherein all the aforesaid relevant details has been specified. The same is reproduced as under:-

Sr .	Lender (New Loan)	Loan Amount (₹ Cr)	Sanction Year	Utilization — Earlier Loan Repaid / Purpose	Complain t Para
1	6 NBFCs (Deep Industrial Finance, Shriyam Auto, Vishwakarma , Mahimna, Traitreya, Pearl Housing)	1,182 (RCOM) + 432.68 (RITL) + 118 (RTL)	2017	₹1,162.53 Crores remitted to Chinese Banks — CDB (₹768.46 Cr), EXIM China (₹246.32 Cr), ICBC (₹129.74 Cr) — to repay loans originally sanctioned F.Y. 2008–09, 2010–11, 2011–12. NBFC funds themselves sourced from Reliance Commercial Finance Ltd. (POC in separate ECIR)	Para 6.8, 6.9 (RUD-96) 6.10 (RUD-8), 6.11 (RUD-15) 6.13 (RUD-32)
2	Bank of	374.22	2015	₹355.08 Crores	Para 6.7,

	Baroda (Non-Consortium)			remitted to CDB & EXIM China for ECB loan of USD 1,330 Mn (F.Y. 2011–12). Balance (₹82.43 Cr) for interest payment to banks	6.14(a) (RUD-23, RUD125) 6.12 (RUD-39, 40,41,38)
3	Bank of Baroda (Non-Consortium)	95.25	2015	₹82.43 Crores for interest payment; balance used as part of ₹174.23 Cr payment to ICBC, CDB, EXIM China	Para 6.14(b)
4	Bank of Baroda (Non-Consortium)	250 (includes BoB 126 Cr tranche)	2013	₹126 Crores to Chinese Banks (CDB, EXIM, ICBC); ₹250 Crores to repay Yes Bank loan (A/c 007LA1613014000 1); ₹64.94 Crores for bank interest payment	Para 6.7, 6.14(c) (RUD-24)
5	Dena Bank (Non-Consortium)	250	2017	₹234.74 Crores routed to BNP Paribas, Singapore as part-repayment of ECB (originally sanctioned F.Y. 2007–08 / 2010–11)	Para 6.7, 6.14(d)
6	SBI (Non-Consortium)	565	2016	₹186.45 Crores each to CDB & EXIM China for	Para 6.6, 6.15 (RUD-16,

				ECB repayment; remaining for Chinese bank loans	28)
7	SBI (Non-Consortium, to RITL)	635	2016	₹339.61 Crores to Standard Chartered Bank, UK for ECB repayment; ₹295.18 Crores to repay multiple Yes Bank loans	Para 6.6, 6.15 (RUD-16, 28)
8	SBI (Consortium)	1,500	2015	Entire ₹1,500 Crores used on the same day of disbursement for repayment of 3 earlier SBI loans (₹1,007.87 Cr + ₹303.03 Cr + ₹202.02 Cr) taken in F.Y. 2012-13	Para 6.5, 6.16(a) (RUD-27)
9	Bank of India (Consortium)	350	2015	Repayment of earlier Bank of India loan of ₹350 Crores (Dec 2012) → that loan funded Barclays Bank ECB repayment (₹183.27 Cr)	Para 6.16(d) (RUD-81)
10	Bank of India (Consortium)	350 (second tranche)	2013	₹350 Crores for part-repayment of earlier loan; ₹300 Crores transferred to RCL and RIL (group entities)	Para 6.16(c)/(b) (RUD105, 179)

11	UCO Bank (Consortium)	740	2013	₹350 Crores for part-repayment of UCO Bank loan of ₹500 Crores (March 2012); ₹300 Crores for repayment of UCO Bank loan of ₹300 Crores (March 2012); earlier loan funds diverted to group entities	Para 6.16(e) (RUD-29, 99,100)
12	IDBI Bank (Consortium)	750	2013/2015	₹183.27 Crores for Barclays Bank ECB repayment; ₹150 Crores for Barclays Bank; ₹449.05 Crores for Yes Bank NCD/loan repayments	Para 6.16(f) (RUD-14 3,144,19)
13	OBC / Central Bank of India (Consortium)	205 / 280	2013	₹93.11 Crores to ICBC China; ₹46.56 Crores to CDB China; ₹50 Crores for Yes Bank loan repayment; ₹53.50 Crores for repayment of short-term loan of M/s Indian Bulls; ₹38.75 Crores to CDB; ₹82.19 Crores to HSBC Nostro for ECB	Para 6.16(g)/(h)) (RUD-21, 18, 109)
14	Syndicate	460	2015	Repayment of	Para

	Bank (Consortium)			Syndicate Bank 2014 loan → which repaid Syndicate Bank 2013 loan → which repaid Yes Bank 2013 loan → which funded ₹909 Crores to Barclays Bank (ECB 2007)	6.16(l) (RUD118)
15	Canara Bank (Consortium)	740	2015	₹173.87 Crores to ICBC London; ₹43 Crores for interest; balance to repay Canara Bank 2012 loan (which funded ICBC FCCB)	Para 6.16, Table 24 Sr. 17
16	Union Bank of India (Consortium)	275	2015	₹275 Crores remitted (as part of ₹389.79 Crores) to ICBC, EXIM China & CDB on 27.02.2015	Para 6.17 (RUD 26,113)
17	Canara Bank (Consortium)	240	2015	Repayment of 2 Yes Bank loans of ₹125 Crores each (June 2013); ₹43 Crores interest servicing	Para 6.16(k) (RUD119 ,148,146)

9.1 Thus, it is clear from the details mentioned in the aforesaid table that the loans of the period 2007 and 2008 onwards were repaid with the refinance which was taken during the period of 2013-17. In this regard, one specific instance can be mentioned. In

February 2013, the RCOM had taken loan of Rs.225 Crores from OBC Bank (now PNB Bank) (RUD-21) and out of the aforesaid loan amount, a major portion of the funds availed through the aforesaid loan were paid to Barclays Bank towards repayment of their loan which amount finally routed to Barclays Bank through several banking transactions. Thus, it is prima facie clear from the record that the repayment of most of the several loans which were availed during 2007 and 2008 onwards was made with the loans availed by RCOM (RAAG) during 2013-17.

9.2 Thus, it is clear from the aforesaid discussions that the loan given by the Barclays Bank and other lenders was refinanced during the year 2013 to 2017 also and therefore, prima facie it can be said that there is an inextricable link between the transactions of Loan-1 and Loan-2 as effectively, Loan-2 had taken over the charge of Loan-1 though, through refinancing. Thus, under these circumstances, the funds availed through loan-1 as well as any asset either through proper channel or through siphoning of funds acquired by RAAG through the funds of Loan-1, would also become part of loan-2 and therefore, the bankers of loan-2 (including consortium/non consortium/NBFCs) would have charge over the initial funds of loan-1 and those assets as well. Moreover, under these peculiar circumstances, there would not be any need to specifically create a charge over those assets or mortgage them with the lenders of Loan-2. It can be explained with an illustration that in case, the RAAG would have taken the loan of INR 100 Crores and simply they would have invested about INR 90 crores in their commercial activities and out of remaining INR 10 Crores, they would have bought the aforesaid two assets then it is clear that these

assets would form part of this loan and in case, the RAAG goes for refinancing of the said loan then the banker of second loan would be entitled to have charge over the entire invested amount including the aforesaid two assets as same also constitute the part of the refinanced loan. The similar is the position in the present case as the RAAG had got most of their loans refinanced and the refinancing process continued till 2013 to 2017 also and in order to quote the specific instance of refinancing, the transaction related to repayment of Barclays Bank loan has been mentioned as according to the allegations, the funds to buy Yacht were the funds availed through the loan of Barclays Bank. Thus, under these circumstances, prima facie, both these assets would come within the fold of the loan-2 due to refinancing.

9.3 As already discussed, both the aforesaid assets were prima facie, acquired by RAAG through diversion of funds and through the sham transactions and shell company. Though while taking refinance the RAAG ought to have notified both the aforesaid assets also as same were acquired through the funds of loan-1 and as same got inextricably linked with the funds of loan-2 yet the same were neither notified nor were specifically taken into consideration at that time and therefore, it prima facie, appears that for this reason also, the FIR of the scheduled offence has also been registered against unknown public servants and this also prima facie shows that there is a possibility that either the bank officials of the bank concerned were in active connivance with RAAG or there were lapses on their part while refinancing the previous loans during 2013-17. Thus, under these peculiar circumstances even if these assets were not

specifically taken into consideration while refinancing, yet for now, it cannot be said that same will not form part of the loan-2.

9.4 As already discussed, prima facie it is clear that the diversion of funds started happening from 2007 onwards and both the aforesaid assets were connected with the loan of 2013-17 through the aforesaid refinancing link which is also the relevant period of the scheduled offence, as mentioned in first complaint of SBI as well as the FIR registered in pursuance to the same. However, there are certain peculiar facts and circumstances present in this case, which are also required to be discussed here in relation to the period of scheduled offence as well as the material collected by ED in relation to the diversion of the funds from 2007 onwards.

9.5 As per record, one another FIR was registered against the other group entities of RAAG namely M/s Reliance Commercial Finance Ltd and Reliance Home Finance Ltd and in relation to the said FIR, another ECIR vide no. ECIR/STF/17/2025 was registered by the ED and in pursuance to the said ECIR, the ED had conducted the search u/s 17 of PMLA at the premises of RCOM and its other entities alongwith the residential premises of accused Punit Narendra Garg on dated 24.07.2025 and 25.07.2025 and during the aforesaid searches certain electronic devices (as specified in para no. 5.1 of the complaint) i.e mobile phone of accused, backup of certain email account from the laptop of the company secretary of RCOM and one hard disk were seized and since these devices were also related to the investigation of the present case, therefore, same were also taken on record in the present case and same have also been relied upon by the ED in the present case. On the basis of aforesaid material, the ED

came to know that the RAAG had started fund diversion from 2007 onwards and they have also acquired certain assets through diversion/layering of funds in the name of their shell kind of companies on the basis of sham transactions, therefore, under these circumstances, it cannot be said that the ED would have or could have ignored the evidence related to diversion of the funds and acquisition of assets through diversion of funds, though, same started happening from 2007 onwards and therefore, under these circumstances, even though, as per FIR of the scheduled offence (cheating etc) (diversion/siphoning of funds) period is said to be from the year 2013 to 2017 yet under the aforesaid circumstances, the ED was under legal obligation to investigate the matter thoroughly to see since when actually the diversion had been taking place. As discussed in detail, in the preceding paras that diversion of funds were happening from 2007 onwards, therefore, in view of settled law and in view of the provisions of Section 66 (2) of PMLA, the ED was under an obligation to share all the relevant evidence related to the diversion of funds with CBI which has already been done by ED in the present case. Therefore, even though, initially, the complaint has been made specifying the period of the scheduled offence (cheating etc) from 2013-17 yet in view of the material provided by the ED, the CBI may also consider the aforesaid material, in order to find out the starting period of diversion of the funds and since the investigation in five FIRs is underway, therefore, keeping in view of the fact that the relevant material has already been shared by the ED with the CBI, in due course, the scope of the investigation by CBI may also cover the initial period of fund diversion. Further, it is also clear from the record that the FIRs related to the scheduled offence have also been registered against

unknown public servants, therefore, the investigating agency, while conducting the investigation, would also investigate the role of public servants/bank officials, especially, in regard to the refinancing of the loans which was done during 2013-17 and previously, especially, under these circumstances, when the ED has already put the entire evidence related to the same in their domain in terms of Section 66 (2) of PMLA.

ISSUE NO.(iii) In case both these assets are found inextricably related to the loan of the period 2013-2017, can in the wake of same, these assets be considered a POC?

and

(iv) If these assets are considered POC then it is to be seen whether accused Punit Narendra Garg had carried out any of the activities (including acquisition and disposal) related to the aforesaid assets (POC) as specified in Section 3 of PMLA to make him liable for the offences u/s 3 & 4 of PMLA?

10. In the present complaint, two accused persons have been arrayed as an accused. The allegations against accused Punit Garg are that he not only played key role in acquisition but an important role in disposal (dissipation) of both the aforesaid assets. Besides him, the Director of Bonn Ms. Vaishali Mane has also been arrayed as an accused as allegedly, she had also knowingly disposed off the second asset (Apartment) alongwith accused Punit Garg.

10.1 As already discussed in the preceding paras that as to how and in what manner both the assets (POCs) were acquired by RCOM

(RAAG). Now it is to be seen as to what action were taken by accused Punit Garg in acquisition and disposal of both these assets. It has been alleged that accused was a key managerial person (KMP) and was in the core of decision making of RCOM (RAAG) and alongwith all its subsidiaries and step down subsidiaries. The stature of the accused in RAAG will be discussed while discussing his role in acquisition and disposal of these assets and also in dissipation of the sale proceeds of these assets.

10.2 As far as the acquisition of Yacht is concerned, it has been alleged that accused Punit Narendra Garg was a KMP and therefore, in order to acquire about 90% of the stake in GNTPL by Globalcom, he was authorized (Vide RUD-49) to execute necessary documents related to transfer of the shares alongwith Mr. Harsh Malhotra. As already discussed, how the GNTPL was initially acquired by RCOM through RIL and later on RCOM distanced itself from GNTPL and it seems, when all the facts and circumstances relating to acquisition of the Yacht are taken into consideration that the GNTPL was distanced and again acquired in order to conceal the acquisition of the Yacht in the guise of a sham transaction. Thus, firstly, it seems that the accused was a KMP in the entire group and only, therefore, he was given the aforesaid important responsibility and under these circumstances, it also seems that accused was also aware about the process of acquisition related to GNTPL and about its re-acquisition through another subsidiary of RCOM.

10.3 The major allegations against the accused are qua his action related to disposal of both these assets. Allegedly, the accused was aware that the Yacht was acquired by using the diverted funds (POC)

and therefore, he not only actively participated in selling the Yacht but also in getting the sale proceeds parked abroad by getting a new bank account of AHL opened in Dubai. In order to show that accused Punit Garg was having knowledge that the Yacht has been purchased through POC, they have also relied upon the status of the accused, in RCOM, just prior to initiation of CIRP proceedings (as from October 2017 to April 2019, he was an Executive Director in RCOM) and after initiation of the insolvency proceedings (as he remained a Non Executive Director in RCOM w.e.f 05.04.2019 to 01.04.2025) which were directed to be initiated by Hon'ble NCLT vide order dated 17.05.2018 (RUD-30) . This fact is even otherwise undisputed as accused has himself provided the said details related to his designation in the RCOM in response to the notice u/s 50 of PMLA (RUD-182).

10.4 Thus, it is prima facie clear that accused, being an Executive Director of RCOM was fully aware that the RCOM was undergoing financial stress and also that due to the said reasons CIRP proceedings have been directed to be issued against RCOM and its other companies. He also must be aware that while issuing directions for initiation for CIRP proceedings, Hon'ble NCLT had restrained the corporate debtor (RCOM) etc. from alienating or disposing off any of its assets or any legal right or beneficial interest therein. The aforesaid directions of Hon'ble NCLT (RUD-30) is reproduced as under:-

“i) That this Bench hereby prohibits the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority; transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any

legal right or beneficial interest therein; any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the securitization and reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor”.

10.5 As already discussed, while discussing about funds diversion for acquisition of the Yacht that the funds generated by RCOM through Barclays Bank etc. loans were utilized through GNTPL for buying the Yacht. Thus, the said amount which was used for buying the Yacht belongs to RCOM and therefore, prima facie, RCOM had its substantial interest in Yacht acquired through AHL and therefore, during CIRP proceedings, none of the assets related to the RCOM where ever RCOM (RAAG) had any beneficial interest could not have been alienated or disposed of by the RCOM (RAAG). As already discussed in detail in the preceding paras that the Yacht not only practically belongs to RCOM (RAAG) but this is also admitted position of fact that the aforesaid asset was acquired for the traveling purposes of the Senior Group Executives of Reliance Group. Thus, prima facie, this assets belongs to RCOM (RAAG) and therefore, it could not have been disposed of in the manner it was disposed of. Moreover, since this asset belongs to RCOM (RAAG) therefore, even otherwise, it could not have been disposed of during CIRP proceedings, although, it was held in the name of its subsidiary. The sale proceeds of the Yacht ought to have been returned to RCOM as the amount generated through the sale proceeds belongs to the RCOM in view of the aforesaid discussed money trail.

10.6 Thus, being a KMP of RAAG, the accused seems to be fully aware that the aforesaid asset was a POC and therefore, in case, he gets the Yacht disposed of alongwith getting the sale proceeds transferred abroad, he can be held liable u/s 3 of PMLA.

10.7 Allegedly, in the year 2021, the Yacht was sold while RCOM was undergoing insolvency proceedings and accused was actively monitoring the sale process of the Yacht and he also got the sale proceeds deposited in a new bank account of AHL in Dubai. In this regard, various whatsapp chat that took place between him and his subordinate Mr. Ajay Kapur have been relied upon, which are reproduced as under:-

Whatsapp Conversation between Mr. Punit Garg (91XXXXXX - PG) and Mr. Ajay Kapur (97XXXX - AK)		
AK to PG	09-01-2021 00:12:48 (UTC+5:30)	<i>Deposit m.y. _ TIAN_ .PDF</i> <i>Attachments:</i> <i>Size: 29092</i> <i>File name: Deposit m.y. _ TIAN_ .PDF</i> <i>Path:</i> <i>https://mmg.whatsapp.net/d/f/AnZFxv0NR2Abui9cNuphSi14sjE2Yol8gFVtAjri-G3p.enc</i> <i>Deposit m.y. _ TIAN_ .PDF</i>
AK to PG	09-01-2021 00:16:02 (UTC+5:30)	<i>“Good day Sir, Update on Yacht A deposit of Euro 2,70,000/(10% of sale price) has been submitted to escrow account, which indicates serious intent of buyer. More details shall be shared with your kind self by early next week. Warm regards, Ajay Kapur”</i>
PG to AK	09-01-2021 06:40:38 (UTC+5:30)	<i>“Excellent!”</i>

AK to PG	04-02-2021 15:02:54 (UTC+5:30)	<p><i>“Sir, Yacht status update on 4th Feb 21 1. Yacht has master agreement and 5 addendums 2. All agreements have been duly signed by buyer, buyer broker and us. 3. Balance pending work: a. Buyer is in process of creating a company for this purpose. b. All documents need to be created in name of this company c. The entire process is expected to be completed in next 2 weeks including receipt of funds by RTT d. Net receipt to RTT after payment to various agencies would be approx Rs.16 crores Warm regards, Ajay Kapur”</i></p>
PG to AK	04-02-2021 15:29:15 (UTC+5:30)	<p><i>“Tx”</i></p>
AK to PG	11-02-2021 10:18:55 (UTC+5:30)	<p><i>“Good morning Sir, Update on Yacht Awaiting your approval for travel of Mr Chaitanya Thakkar to proceed to Turkey for completion of handover process. Warm regards, Ajay Kapur”</i></p>
PG to AK	11-02-2021 13:31:34 (UTC+5:30)	<p><i>“Go ahead.”</i></p>
AK to PG	18-02-2021 21:47:28 (UTC+5:30)	<p><i>“Sir, Update on sale of Yacht 1. Yacht sale closure was to be on 19th Feb 21 as per MoA 2. Deadline could not be met due to lockdown on account of Covid in Greece where the buyer is located 3. His lawyer has written to our lawyer requesting for extension of closure date by 28 days I.e. latest by 10th Mar 21, however they will</i></p>

		<p><i>endeavour to close earlier</i></p> <p><i>4. They have formally recruited entire crew including Captain for yacht</i></p> <p><i>5. Once closure date tentatively in 1st week of Mar gets finalized Chaitanya will travel to Turkey to conclude the entire sale process of receiving funds, transfer of documents and physical handover of yacht</i></p> <p><i>Warm regards,</i> <i>Ajay Kapur”</i></p>
PG to AK	19-02-2021 00:24:12 (UTC+5:30)	“Tx”
AK to PG	25-02-2021 05:55:15 (UTC+5:30)	<p><i>“Good morning Sir</i></p> <p><i>Yacht Sale Status Update 24th Feb 21. (Forgot to update last evening)</i></p> <p><i>1. All documents except Certificate of Incumbency shared with our lawyer and accepted</i></p> <p><i>2. Our Jersey registered agent denied the Certificate of Incumbency due to pending Due Diligence documents relating to Reliance Capital and Reliance Entertainment</i></p> <p><i>3. Certain required documents obtained and shared. Balance under preparation and will be shared once received</i></p> <p><i>4. Our Jersey registered agent has finally agreed to issue Certificate of Incumbency and is expected by tomorrow duly notarized, apostilled and will be shared with lawyer</i></p> <p><i>5. We are still awaiting new company details from the buyer and once received balance documents will be prepared, notarized and apostilled. Our lawyer is following up for details</i></p> <p><i>6. We expect all documentation to be completed by 05th March 2021 subject to receiving buyer company details</i></p> <p><i>7. We expect sale closure by 10th March 2021 as per the Addendum 6</i></p> <p><i>Further update will be provided in due course”</i></p>
PG to AK	25-02-2021 06:43:54 (UTC+5:30)	“Good.”

AK to PG	26-02-2021 18:54:40 (UTC+5:30)	<p><i>“Yacht Sale Status Update 26th Feb 21</i></p> <p><i>Sir,</i></p> <p><i>Good evening.</i></p> <p><i>Yacht status as on 26th February 21:</i></p> <ol style="list-style-type: none"> <i>1. All documents including Certificate of Incumbency relating to Ammolite shared with our lawyer</i> <i>2. We are awaiting the balance documents viz Resolution, PoA etc from the lawyer for further sign by Stany and then notarized and apostilled.</i> <i>3. We expect all documentation to be completed by 05th March 2021 subject to receiving balance documents</i> <i>4. We expect sale closure by 10th March 2021 as per the Addendum 6</i> <p><i>Further update will be provided in due course</i></p> <p><i>Warm regards,</i></p> <p><i>Ajay Kapur”</i></p>
PG to AK	26-02-2021 18:56:27 (UTC+5:30)	“Good”
PG to AK	12-03-2021 20:00:28 (UTC+5:30)	“Status of Yatch ????”
AK to PG	12-03-2021 22:19:56 (UTC+5:30)	<p><i>“We hv sent all reqd dtls to the bank through our lawyer yesterday evening. We are awaiting revert fm the bank and hopefully shd get on Mon. Will provide further update once their revert is recd. Rgds Chaitanya. Good Night”</i></p>
AK to PG	12-03-2021 22:20:29 (UTC+5:30)	<p><i>“Message received from Mr Chaitanya Thakkar just few minutes back.”</i></p>
AK to PG	05-08-2022 17:19:01 (UTC+5:30)	<p><i>“Sir,</i></p> <p><i>The issue of Marine solutions was completely being dealt by Mr Chaitanya Thakkar. I have cleared all his hospital dues of Yacht, which turned out more than anticipated.</i></p> <p><i>In addition, i have recouped their bank guarantee to twice the amount that was existing, to cope with any contingency.</i></p> <p><i>I would request Mr Das to check veracity of</i></p>

		<i>any outstanding dues with Ms Anju Dutta. Warm regards, Ajay Kapur”</i>
PG to AK	05-08-2022 20:42:35 (UTC+5:30)	“Ok”

10.8 Allegedly, after the Yacht was sold, the seller deposited the sale proceeds in the Axis Bank, Mumbai branch of RTTL but bank refused to hold back the aforesaid amount as it did not belong to RTTL and thereafter, the steps for transferring the sale proceeds were undertaken and in this regard, Mrs. Tina Ambani communicated with accused Punit Narendra Garg through WhatsApp in regard to transfer of the said sale proceeds and subsequent thereto, the accused got a new bank account of AHL opened in Dubai by issuing necessary directions and after the funds were transferred in the new Bank account of AHL at Dubai, the concerned persons i.e. Gautam Jain informed the accused about the same. The relevant chat between accused Punit Narendra Garg and Gautam Jain has already been mentioned in the preceding paras.

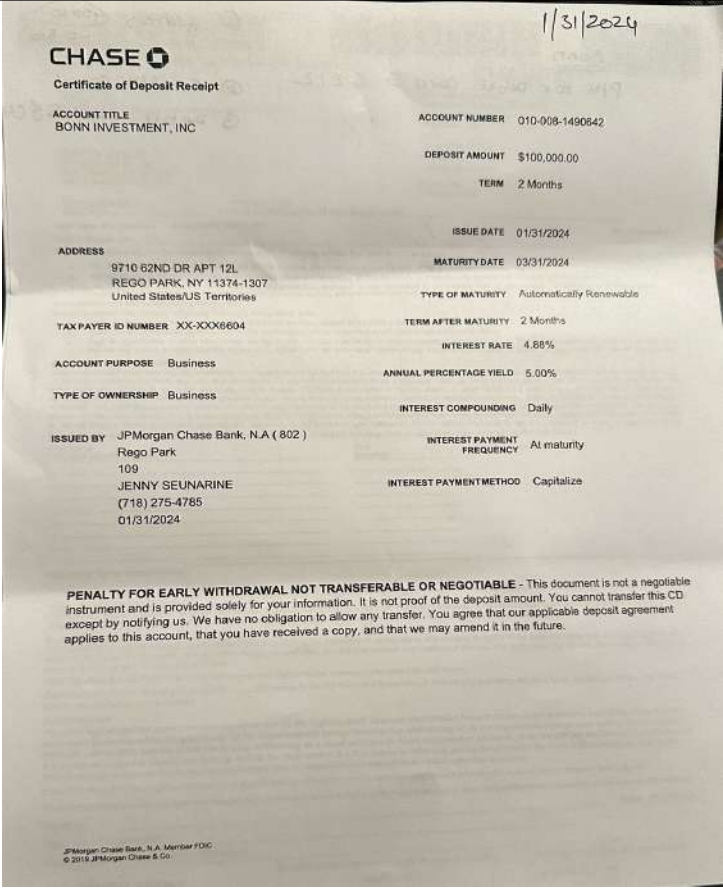
10.9 It is prima facie clear from the aforesaid relevant whatsapp conversation that the accused has played an active role in selling the Yacht and also in getting the sale proceeds deposited abroad. Though, as already discussed, the sale proceeds ought to have been sent to RCOM but all the aforesaid actions taken in regard to keep the sale proceeds (POC) abroad, prima facie show that this was done in order to conceal the POC.








Sale of Apartment

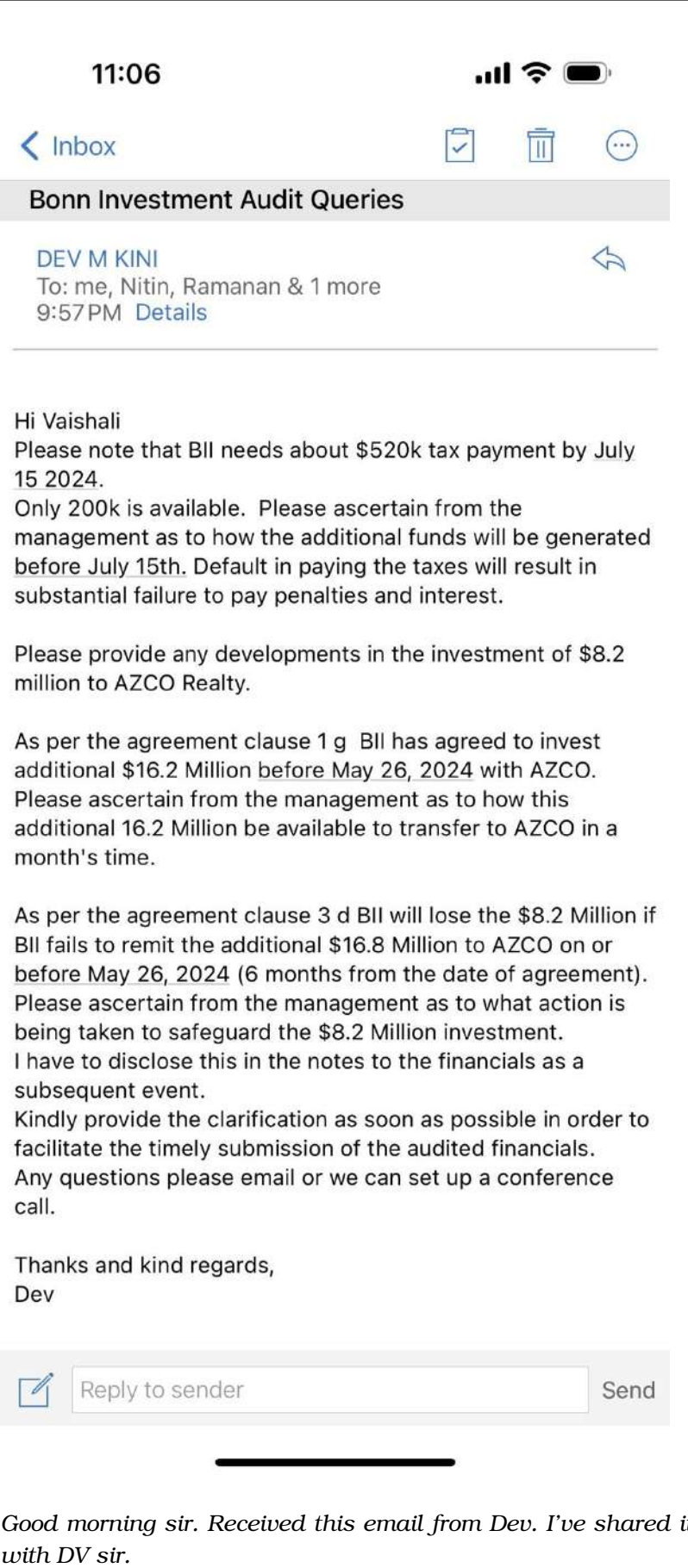
10.10 As already discussed about the facts related to acquisition of flat by RCOM through Bonn, it is also discussed that the funds provided by RCI and RCII to Bonn were payable by them to RCOM. As already held that Bonn seems to be a shell kind of company and was not doing any commercial activity, therefore, the apartment actually belongs to RCOM (RAAG) and after the said apartment was disposed off by Bonn, the RP got the forensic investigation done through IIRIS (RUD-76) and through the aforesaid emails (RUD-76), it came to light that co-accused Vaishali Mane was taking orders from accused Punit Narendra Garg for completion of the process related to the sale of the flat and after the sale proceeds were received, again the information was shared by co-accused with accused Punit Narendra Garg. In this regard, the WhatsApp chat that took place between both the accused has been relied upon. After the apartment was sold for USD 8.3 Million the substantial part (USD 8.2 Million) of it was invested in AZCO Real Estate, Dubai and in regard to the aforesaid investment (Vide agreement RUD-86), co-accused regularly sought directions from accused Punit Narendra Garg which have been specified in detail in para no. 6.96 of the complaint, relevant portion of the same is reproduced as under:-










WhatsApp Chat between Mr Punit Garg, Accused No. 1 (93XXXX - PG and Ms. Vaishali Mane (191XXXX - VM) in the mobile phone of the Accused No. 1		
From - To	Date & Time	Content
VM to PG	22-01-2024 05:05:07 (UTC+0)	<i>Good morning sir. Need to book \$8.2mn payment to AZCO Real Estate in the books. Consulted Dev for the same. I shared the contract with him. He is not able to guide as he needs to know the purpose and plan for balance \$16mn. He says we should</i>

		<i>book the entry as advised by DAKC accounts team. Please advise.</i>
PG to VM	22-01-2024 05:07:59 (UTC+0)	Yes. Will ask DV to guide you today.
VM to PG	22-01-2024 05:09:29 (UTC+0)	<i>Ok. Thank you sir</i>
VM to PG	25-01-2024 04:00:56 (UTC+0)	<i>Good morning sir. Accounts team is following up for Bonn financials. I haven't received any entries from DV sir.</i>
PG to VM	25-01-2024 04:53:05 (UTC+0)	I will close in next 15 mins.
VM to PG	30-01-2024 03:50:48 (UTC+0)	<i>Good morning sir. Can I book \$8.2m as an investment and share the financials and the contract with accounts team?</i>
PG to VM	30-01-2024 08:30:09 (UTC+0)	Yes. Go ahead.
PG to VM	30-01-2024 08:30:27 (UTC+0)	<i>Speak to DV in evening.</i>
VM to PG	30-01-2024 17:25:29 (UTC+0)	<i>Hello sir, had a call with DV sir and Dev. I've booked the entry and shared financials with accounts team.</i>
PG to VM	31-01-2024 00:10:21 (UTC+0)	Ok
VM to PG	31-01-2024 15:08:15 (UTC+0)	<i>Good evening sir. Can we invest \$100k in CD for 2 months? Chase is giving 4% interest.</i>
PG to VM	31-01-2024 15:10:39 (UTC+0)	Sure

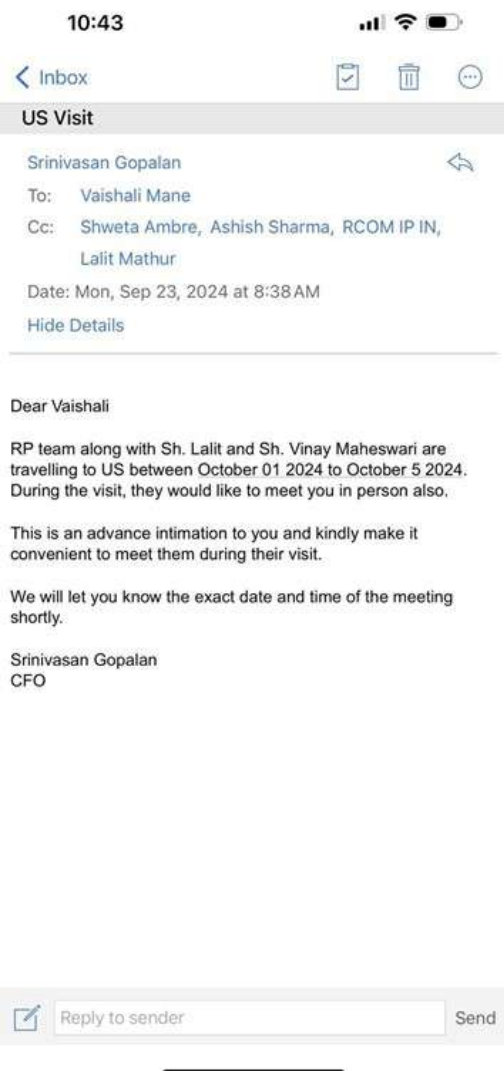
<p>VM to PG</p>	<p>01-02-2024 06:52:13(UTC+ 5:30)</p>	 <p>1/31/2024</p> <p>CHASE Certificate of Deposit Receipt</p> <p>ACCOUNT TITLE: BONN INVESTMENT, INC. ACCOUNT NUMBER: 010-008-1490842</p> <p>DEPOSIT AMOUNT: \$100,000.00 TERM: 2 Months</p> <p>ISSUE DATE: 01/31/2024 MATURITY DATE: 03/31/2024</p> <p>TYPE OF MATURITY: Automatically Renewable</p> <p>TERM AFTER MATURITY: 2 Months INTEREST RATE: 4.85%</p> <p>ANNUAL PERCENTAGE YIELD: 5.00% INTEREST COMPOUNDING: Daily</p> <p>INTEREST PAYMENT FREQUENCY: At maturity INTEREST PAYMENT METHOD: Capitalize</p> <p>ADDRESS: 9710 62ND DR APT 12L, REGO PARK, NY 11374-1307, United States/US Territories</p> <p>TAX PAYER ID NUMBER: XX-XXX6604</p> <p>ACCOUNT PURPOSE: Business TYPE OF OWNERSHIP: Business</p> <p>ISSUED BY: JPMorgan Chase Bank, N.A. (802) Rego Park 109, JENNY SEUNARINE, (718) 275-4785, 01/31/2024</p> <p>PENALTY FOR EARLY WITHDRAWAL NOT TRANSFERABLE OR NEGOTIABLE - This document is not a negotiable instrument and is provided solely for your information. It is not proof of the deposit amount. You cannot transfer this CD except by notifying us. We have no obligation to allow any transfer. You agree that our applicable deposit agreement applies to this account, that you have received a copy, and that we may amend it in the future.</p> <p><small>JPMorgan Chase Bank, N.A. Member FDIC © 2018 JPMorgan Chase & Co.</small></p> <p><i>“Good morning sir. CD done for 2 months. \$100k @ 5%.”</i></p>
<p>VM to PG</p>	<p>09-02-2024 11:48:07(UTC+ 5:30)</p>	<p><i>“Good morning sir. Khurram from AZCO is following up for next trench of payment. Please advise.”</i></p>
<p>VM to PG</p>	<p>04-03-2024 22:00:57 (UTC+5:30)</p>	<p><i>“Hello sir. Received an email from RP regarding sale of asset. Ramanan sir informed that RP wants to have a call on Wednesday or Thursday.”</i></p>

<p>VM to PG</p>	<p>05-03-2024 21:22:54 (UTC+5:30)</p>	<div style="text-align: center;">10:49</div> <div style="text-align: right;">    </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 10px;"> < Inbox <div style="display: flex; gap: 10px;">    </div> </div> <p>In light of the aforesaid, you are immediately, within 7 days from the receipt of this email, required to produce the following to the undersigned:</p> <ol style="list-style-type: none"> 1. Complete details of sale transaction (including the process run by Bonn to undertake the sale of the Said Property, the details of the successful buyer(s), the efforts made by Bonn towards price discovery for value maximization in respect of the Said Property, as well as the details of the consideration amount); 2. Copies of the sale deed and / or any other documents evidencing the sale transaction; 3. Tax deduction details by the buyer; 4. Taxes / expenses paid with regard to sale of the Said Property along with supporting documents for the same; 5. Details and copies of the filings made or required to be made under US law, if any, with respect to sale of the Said Property; 6. Details of the account where sale proceeds have been deposited and steps to be taken for remittance of the same to RCOM. 7. Reasons for sale of the Said Property 8. Why the sale of the Said Property was undertaken without any reasonable intimation and / or approval of the shareholders of Bonn and / or the undersigned as the RP of RCOM. <p>You are requested to provide the aforesaid information to the undersigned promptly within the timeline prescribed above. Furthermore, you are put on notice to refrain from conducting sale of any further assets / investments of Bonn in any manner whatsoever, without prior approval of the undersigned, in its capacity as RP of RCOM.</p> <p>Looking forward to your response at the earliest.</p> <div style="border: 1px solid #ccc; padding: 5px; margin: 10px 0;">  <input style="width: 60%; border: none;" type="text" value="Reply to sender"/> Send </div> <hr style="width: 20%; margin: 10px auto;"/> <p><i>“Sir these are the concerns raised by RP. Please advise if I can share sales deed with RP. And contract with AZCO if they ask for it.”</i></p>
<p>VM to PG</p>	<p>05-03-2024 21:22:54(UTC+ 5:30)</p>	<p><i>“Sir these are the concerns raised by RP. Please advise if I can share sales deed with RP. And contract with AZCO if they ask for it.”</i></p>

<p>VM to PG</p>	<p>23-04-2024 08:57:05(UTC+5:30)</p>	 <p>11:06</p> <p>Inbox</p> <p>Bonn Investment Audit Queries</p> <p>DEV M KINI To: me, Nitin, Ramanan & 1 more 9:57 PM Details</p> <p>Hi Vaishali Please note that BII needs about \$520k tax payment by July 15 2024. Only 200k is available. Please ascertain from the management as to how the additional funds will be generated before July 15th. Default in paying the taxes will result in substantial failure to pay penalties and interest.</p> <p>Please provide any developments in the investment of \$8.2 million to AZCO Realty.</p> <p>As per the agreement clause 1 g BII has agreed to invest additional \$16.2 Million before May 26, 2024 with AZCO. Please ascertain from the management as to how this additional 16.2 Million be available to transfer to AZCO in a month's time.</p> <p>As per the agreement clause 3 d BII will lose the \$8.2 Million if BII fails to remit the additional \$16.8 Million to AZCO on or before May 26, 2024 (6 months from the date of agreement). Please ascertain from the management as to what action is being taken to safeguard the \$8.2 Million investment. I have to disclose this in the notes to the financials as a subsequent event. Kindly provide the clarification as soon as possible in order to facilitate the timely submission of the audited financials. Any questions please email or we can set up a conference call.</p> <p>Thanks and kind regards, Dev</p> <p>Reply to sender Send</p> <p><i>Good morning sir. Received this email from Dev. I've shared it with DV sir.</i></p>
<p>VM to PG</p>	<p>23-04-2024 08:58:09(UTC+5:30)</p>	<p><i>We need to address following-</i></p> <ol style="list-style-type: none"> <i>Necessary funds for tax payment to be arranged before</i>

	5:30)	<p>15th July.</p> <p>2. Development in the investment of \$8.2 million in AZCO.</p> <p>3. Bonn needs to pay balance \$16.8 million before 26th May else it will lose \$8.2 million.</p>
VM to PG	13-05-2024 08:50:34 (UTC +5:30)	<div style="border: 1px solid black; padding: 10px;"> <p style="text-align: center;">8:46</p> <p style="text-align: right;">    </p> <p style="text-align: left;">  Inbox    </p> <p style="background-color: #e0e0e0; padding: 5px; text-align: center;">Audit for Bonn Investment Inc</p> <p style="margin-top: 10px;"> DEV M KINI  To: me & Nitin 7:25 AM Details </p> <hr/> <p>Hi Vaishali</p> <p>As per our telephonic conversation, I will not be able to sign the audited statement for Bonn Investment due to non availability of the following important documents:</p> <ol style="list-style-type: none"> 1.Board Resolution or Shareholders consent to sell the NYC apartment. 2.Board Resolution or Shareholders consent to open the Bank account with Chase Bank with only one signatory (when all other bank accounts have more than one signatory). 3..Board resolution or shareholders consent to Invest the money with AZCO Investment company in Dubai. 4.Non availability of funds to pay taxes of 500k by <u>July 15th</u>. <p>The above document requirements are highly critical in auditing the financials for Bonn Investment Inc as per the Generally Accepted Auditing Standards guidelines specified by American Institute of Certified Public Accountants.</p> <p>Any questions kindly email or call me at 732 322 4971.</p> <p>Kind regards, Dev -- Dev Kini Associates, Inc.</p> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 10px;">  Reply to sender Send </div> </div> <p style="margin-top: 20px;"><i>“Good morning sir. Received this email from Dev on Friday. Dev is in Mumbai today. I have shared his contact with DV sir.”</i></p>
VM to PG	13-05-2024 09:07:18	<p><i>“Need your help to address above email. I had shared it with DV sir immediately after receiving it.”</i></p>

	(UTC+5:30)	
PG to VM	13-05-2024 10:57:21 (UTC+5:30)	"Noted."
VM to PG	21-05-2024 18:52:10 (UTC+5:30)	"Good evening sir. RP has sent an email today saying that I've committed a fraud and subsequent action against me. They are seeking answers within 3 days. Email is attached herewith. Please advise urgently. I'm not able to handle this anymore. I have shared this with DV sir also. Request your urgent attention please"
VM to PG	21-05-2024 18:52:21 (UTC+5:30)	RP Email_21-May-2024 Attachments: Size: 502468 File name: RP Email_21-May-2024.pdf Path: https://mmg.whatsapp.net/v/t62.7119-24/33421535_950279876644285_600502511158096460_n.enc?ccb=11-4&oh=01_Q5AaIMXkP1rvJUVDkGO280Fguaz4AEIcbX_RORNkkM73gLif&oe=6673FE97&_nc_sid=5e03e0&mms3=true RP Email_21-May-2024.pdf
PG to VM	21-05-2024 19:06:48 (UTC+5:30)	"Sure, will revert"
VM to PG	24-05-2024 08:47:00(UTC+5:30)	Good morning sir. Response to RP's email is due today. I do not want any legal action against me as I have not done anything wrong. You know I have a small child and my family is dependent on me. I also have a mortgage to pay. I'm under a lot of stress due to all these things. I cannot bear the allegations. Please help close this on priority. I'm following up with DV sir also. FYI Anish and 2 more guys from RP are meeting Dev on Tuesday, May 28, at 1pm in Dev's office in NYC. They haven't approached me yet. Anyway I'm not going to meet them as instructed.

<p>VM to PG</p>	<p>23-09-2024 14:46:00 (UTC+0)</p>	 <p>10:43</p> <p>< Inbox</p> <p>US Visit</p> <p>Srinivasan Gopalan</p> <p>To: Vaishali Mane</p> <p>Cc: Shweta Ambre, Ashish Sharma, RCOM IP IN, Lalit Mathur</p> <p>Date: Mon, Sep 23, 2024 at 8:38 AM</p> <p>Hide Details</p> <p>Dear Vaishali</p> <p>RP team along with Sh. Lalit and Sh. Vinay Maheswari are travelling to US between October 01 2024 to October 5 2024. During the visit, they would like to meet you in person also.</p> <p>This is an advance intimation to you and kindly make it convenient to meet them during their visit.</p> <p>We will let you know the exact date and time of the meeting shortly.</p> <p>Srinivasan Gopalan CFO</p> <p>Reply to sender Send</p> <p><i>Good evening sir. Received this email from Srinivasan today. I'll report sick after getting the exact date.</i></p>
<p>VM to PG</p>	<p>03-10-2024 19:48:06 (UTC+5:30)</p>	<p><i>Good evening sir. Just now Dev informed that NY State is in the process of issuing warrant against Bonn. He checked online. Once the warrant is issued all bank accounts would be seized. It might happen in a month or so.</i></p> <p><i>I feel it's better to close Chase account as they are also frustrated with these people. RP wants me to execute fund xfer to SBI after keeping minimum balance in Chase. Please advise if it should be closed or we should continue with it.</i></p>
<p>VM to PG</p>	<p>09-10-2024 08:32:27 (UTC+5:30)</p>	<p><i>Good morning sir. I got a call from Chase Bank relationship manager at 3pm today. She got a call from some attorney who was asking information about me. Attorney was telling her that I have committed a *fraud of \$10mil*. She refused to share any details with attorney as per bank's policy. But she called me and said that she (and *Chase Bank) does not want to continue with this account anymore.* *She insisted on closing the account.* I requested to keep her decision on hold for 1 day. Bonn would no longer have any relationship manager for Chase accounts. I couldn't visit the bank today as my son is down with fever and congestion. He is still not well</i></p>

		<i>but I'll go to the bank tomorrow (Wednesday) for fund xfer. Please advise if Chase accounts to be closed or continued accordingly I'll process the funds xfer. I'll xfer full amount to SBI if its to be closed or keep \$2k in each accounts if its to be continued and xfer balance to SBI. Please advise.</i>
VM to PG	10-12-2024 19:48:06 (UTC+5:30)	<p><i>"Good evening sir. I got to know that the attorney is in the process of filing case against me with the *district attorney*. Once that's done then they might issue an *arrest warrant*. I thought they would close the matter after my termination but instead things are getting worse now. You know about my family and financial status. I can't afford if anything like this happens.</i></p> <p><i>I followed your instructions and did whatever I was told to.</i> But now I'm not getting any support. Attorney wants to speak to me. I need to cover myself and share all the information.</p> <p><i>I request you to please ask them to stop filing the case."</i></p> <p><i>(emphasis supplied)</i></p>
VM to PG	11-12-2024 18:48:52 (UTC+5:30)	<i>Good evening sir. I hope you had a meeting with RP today and asked them to instruct US attorney to drop all charges against me.</i>

10.11 It is prima facie clear from the aforesaid documents (emails, Whatsapp chat etc.) placed on record that the relevant directions were sought by the co-accused from Punit Garg for the sale of apartment and thereafter, she sought regular directions of accused and continued to inform him about the actions taken by her in regard to the investment of the sale proceeds with AZCO. It is clear from the following specific whatsapp chat that co-accused had done everything on the instructions of Punit Garg:-

VM to PG	10-12-2024 19:48:06 (UTC+5:30)	<p>Good Morning sir. I got to know that the attorney is in the process of filing case against me with the *district attorney*. Once that's done then they might issue an *arrest warrant*. I thought they would close the matter after my termination but instead things are getting worse now. You know about my family and financial status. I can't afford if anything like this happens.</p> <p><u>I followed your instructions and did whatever I was told to.</u> But now I'm not getting any support. Attorney wants to speak to me. I need to cover</p>
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		myself and share all the information. I request you to please ask them to stop filing the case.
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10.12 The aforesaid facts and circumstances, makes it prima facie clear that though, as per accused, he was a simply a President in RCOM and he was not having any authority to take any decision in regard to the assets/management pertaining to the subsidiaries of RCOM (RAAG) or its step down subsidiaries, however, the actions taken by the accused in regard to both the assets (POC) shows that he was a key managerial person and in the core of decision making, only therefore, when Yacht was to be disposed off, the instructions were sought from him and likewise when the sale proceeds of Yacht were to be kept abroad, again his active involvement was sought. Though, the accused was not having any position in AHL yet the important directions related to the process of sale of Yacht were taken from him besides seeking his involvement for opening the new bank account of AHL in Dubai for transfer of the sale proceeds. Likewise, as per accused, he was also not having any control over the affairs of Bonn which is said to be an independent entity, yet accused used to take major decisions pertaining to subsidiaries of RCOM including Bonn. During CIRP proceedings, Mr. Kiran Kumar Dumpala, an Ex-Employee of RCOM had taken approval of Mr. Punit Garg instead of RP for nomination of co-accused Vaishali Mane and Mr. B.K.Sinha as Directors of Bonn which fact has also been stated by the said ex-employee in his statement u/s 50 PMLA (RUD-11). The relevant WhatsApp communication through which

the said person had sought approval from Mr. Punit Garg regarding aforesaid nomination (RUD-187) is reproduced as under :-

WhatsApp Chat between Mr Punit Garg, Accused No. 1 (93XXX - PG and Mr. Kiran Dumpala (93XXXXX - KD) in the mobile phone of the Accused No. 1		
From/ To	Date and Time	Contents
KD to PG	26-09-2019 15:18:39 (UTC+5:30)	"Sir We need replace Janet n Andrew from Directorship of Voice entities. Can i propose Vaishali n BK Sinha as nominates for directors. Pls guide Regds/Kiran"
KD to PG	10-10-2019 11:59:15 (UTC+5:30)	"Sir We need replace Janet n Andrew from Directorship of Voice entities. Can i propose Vaishali n BK Sinha as nominates for directors. Pls guide Regds/Kiran"
KD to PG	10-10-2019 11:59:53 (UTC+5:30)	"Ok"

10.13 Likewise, the directions related to the sale of apartment was again taken from accused Punit Garg. He also gave approval for investment of the sale proceeds with AZCO. Thus, it is prima facie clear that accused was directly involved in the sale of both these assets as well as parking of funds of both these assets, abroad.

10.14 As far as the knowledge of the accused related to these POC is concerned, as already discussed, accused seems to be prima facie a Key Managerial Person (KMP) and was in the core decisions making persons of RCOM (RAAG) and its subsidiaries and step down subsidiaries and under these circumstances, it is likely that accused was having knowledge that both these assets are related to POC. As far as the knowledge part is concerned, same will be

discussed a bit later but before that the settled legal position regarding liability of a person who directly deals with the POC is required to be discussed. In view of the settled law, a person who directly deals with the POC is liable u/s 3 of PMLA. In this regard, this court is supported by the **Judgement of Hon'ble Apex Court titled as Anoop Bartaria Vs. Dy. Director Enforcement Directorate & Anr, (SLP 2397-2398 of 2019)**, relevant para of this Judgment is reproduced as under:-

“27. Having regard to the definition contained in Section 3, it would be a folly to hold that the knowledge of the accused that he was dealing with the proceeds of crime, would be a condition precedent or sine qua non required to be shown by the prosecution for lodging the complaint under the said Act. As the definition itself suggests 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 including its concealment, possession, acquisition or use and projecting or claiming it as untainted property shall be guilty of offence of money- laundering. Hence, apart from having knowledge, if a person who directly or indirectly attempts to indulge or is actually involved in the process or activity connected with the proceeds of crime, is also guilty of the offence of money laundering. In the instant case, the direct involvement of the petitioners in the activities connected with the proceeds of crime has been alleged, along with the material narrated in the complaint which would require a trial to be conducted by the competent court.

10.15 As already discussed that prima facie, there is a sufficient material available on record to show that accused had directly dealt with both these assets, therefore, due to this reason itself, he is liable for offence u/s 3 of PMLA.

10.16 As far as the issue related to the knowledge of the accused qua these POCs is concerned, it is prima facie clear from the conduct of the accused that he was aware that the apartment relates to POC. In the device seized by ED, during the search proceedings in ECIR (RUD-195), one MS Excel Document titled ‘*adamail2010.xls*’ was found in which the mentioning of email related to buying of the aforesaid apartment was also found. The title of the said mail is “EM/dt.19/02 reg. Co. name for NY Apartment - “Bonn Investment Inc”” and during his statement recorded u/s 50 PMLA, on 05.02.2026, the accused stated that the said entry pertains to an email dated 19.02.2010 which was related to the said apartment and he had sent the said mail to Mr. Anil Ambani. This also shows that accused was also looking after the affairs of subsidiaries and step down subsidiaries of RCOM (RAAG) and he was also aware that the said apartment has been purchased in the name of step down subsidiary of RCOM.

10.17 As discussed, during CIRP proceedings, accused was appointed as Non Executive Director and in that capacity, he has signed the annual reports of RCOM for the year 2019 to 2024 (RUD-47A and RUD-47B). The knowledge of the accused can also be inferred especially, from the facts and circumstances that the accused not only issued directions related to the sale but also in regard to the investment of this amount which shows that the accused was fully aware of the activities of RCOM as well as the funds utilized for purchase of Apartment. This fact will also be amply clear when the allegations related to his actions in regard to the utilization of funds for personal purpose will be discussed. Further, the accused was fully aware about the ongoing CIRP proceedings and also the

directions of Hon'ble NCLT for non transfer of any of the assets related to RCOM yet he not only without permission of RP and without bringing the same to his notice, got the apartment disposed of but he also did not ensure return of the sale proceeds to RCOM but got the same invested with AZCO.

10.18 As per record, after the RP came to know about the sale of the Apartment, he filed an application before Hon'ble NCLT against accused Punit Narendra Garg and during disposal of the said application, certain observations were made by Hon'ble NCLT in para no.30 of the order dated 10.03.2026 which are reproduced as under:-

“30.Nonetheless, it is incomprehensible that, despite clear instruction from Applicant vide letter dated 15.7.2019 stating therein that "Further, you are requested to ensure that you carry out the management and operations of Bonn Investment Inc., USA in such a manner that it does not have any adverse impact on the management as a going concern of the Corporate Debtor and does not in any manner jeopardise or threaten to jeopardize the preservation of the assets and value of the Corporate Debtor. In addition to the aforesaid, please ensure that all matters which require intimation or consent of shareholder must be raised to the undersigned for approval and all matters which could in any manner affect the rights and interest of the Corporate Debtor must be intimated to the Corporate Debtor with reasonable notice and all actions in respect of such matters must be carried out in accordance with the instructions of the undersigned, being the RP of the Corporate Debtor, how Ms. Vaishali Mane could have over-reached her fiduciary duty to the resolution professional and why Ms. Vaishali Mane as well as Respondent had not informed the Applicant in relation to demonetization of assets of a subsidiary and investment of proceeds thereof under an investment agreement contemplating additional payment despite knowing fully well that the immediate holding company

of Bonn is de-registered and it is Bonn only who shall have to make up for the additional fund requirement stipulated under the investment agreement and the failure of Bonn will lead to forfeiture of money already paid. This certainly raises questions on their conduct, and requires appropriate remedial provisions in the statute to deal with the potential deterioration in value of investment of corporate debtor in its subsidiaries by misconduct of the persons at the helm of such subsidiaries.

10.19 It is clear that during disposal of the aforesaid application, it was brought to the notice of Hon'ble NCLT that the accused has disposed off the apartment which relates to Corporate Debtor (RCOM). This fact was further admitted by RCOM in their disclosure under Regulation 30 of SEBI Regulations that accused Punit Narendra Garg has committed a fraud in disposing off the apartment in an unauthorized manner. The said disclosure dated 27.03.2025 is RUD-203 and the same reads as under:-

“This disclosure is being made pursuant to Regulation 30 read with Point 6 of Para A of Part A of Schedule III of the SEBI Listing Regulations under, with regards to the involvement of a suspended director of Reliance Communications Limited ("RCOM") in fraudulent/wrongful trading under Section 66(1) of the Insolvency and Bankruptcy Code ("Code"). This was in the backdrop of the fact that during the course of the corporate insolvency resolution process of RCOM, despite the suspension of his powers as a director, Mr. Punit Garg in an unauthorized manner permitted a sale of the sole asset of Bonn Investments Inc. ("Bonn") (a step-down subsidiary of the Corporate Debtor incorporated in the United States of America). This resulted in the consequent diversion of such sale proceeds in AZCO Real Estate Brokers LLC ("AZCO"), a real estate company incorporated in Dubai, United Arab Emirates. Accordingly, the resolution professional has filed an application against Mr. Punit Garg under Section 66(1) of Code seeking appropriate reliefs”.

10.20 Though, it has been contended by the accused that the Bonn is a separate independent entity and therefore, the assets of Bonn has no concern with the CIRP proceedings, however, it is further clear from the copy of the application filed by the accused alongwith his bail application (page no.443 and relevant page no. 461) that the AZCO had submitted a settlement proposal to Bonn as well as the RP. As such, in case, the said disposed off asset (apartment) would not have been related to RCOM and would not have been liable for consideration in ongoing CIRP proceedings against RCOM then there was no reason for AZCO to come forward with any kind of proposal during ongoing CIRP proceedings against RCOM etc. However, this proposal was not accepted and RP had sought the return of sale proceeds from M/s AZCO. Thus, it is prima facie clear from all these facts and circumstances that being a Non Executive Director of RCOM during ongoing CIRP proceedings, the accused was having knowledge that the RCOM had a beneficial interest in the said investment/Apartment bought in the name of Bonn and despite that he got the said apartment sold and also got the sale proceeds invested in AZCO. The accused seems to be aware that the said apartment relates to POC from his further action which relates to his utilization of funds (Approx. Rs.49 Lac) related to POC for his personal use.

ISSUE No.(v) - Whether accused Punit Garg had utilized the proceeds of crime (funds from the bank accounts of RCI and Bonn) for his personal expenses?


Utilization of POC for Personal Enrichment

10.21 At the cost of repetition, it is mentioned here that accused has claimed that out of several Presidents, he was simply

one of the Presidents in RCOM and looking after the Sales and Marketing and neither he was a KMP nor having financial powers nor he was having any control over any of the subsidiaries (including step down subsidiaries of RCOM), however, the conduct of the accused related to the utilization of the funds of RCI and Bonn, prima facie show that he was not only a KMP but he was having full authorities over the financial matter related to the subsidiaries and step down subsidiaries of RAAG. As already discussed, the Bonn was a shell kind of a company and was not having any income from commercial activities and after the said apartment was bought, it had mainly received the rental income (shown as other income) which have been specified in para no.6.68 (RUD-43 and RUD-44) of complaint. It is clear from his own WhatsApp Chat that he was aware about the source of the said funds and therefore, he utilized a substantial amount out of the said rental income for his personal purposes. Besides, he had also utilized the funds from the bank account of RCI for his personal expenses. The accused had got transferred the funds from the bank account of RCI for the payment of college fee and personal expenses of his daughters and reliance has been placed on the following whatsapp chat (RUD-187) as well as the relevant bank statements (RUD-45, 46 & 68) :-

Apple A2848 iPhone 15 Pro belonging to Punit Garg seized at S.no. 3 of Annexure-A from Residential Premises of Mr. Punit Garg recorded in Panchnama dated 25.07.2025			
From – To	Date & Time	Content	Remarks
Kiran Dumpala (+91-9320803636) [KD] to Punit Garg (+91-9322401565) [PG]	13-08-2018 20:58:28 (UTC+5:30)	Sir <i>Do want the payment to go from Bonn or RCI?</i>	Kiran Dumpala seeking instructions from Punit Garg on which company's accounts to be used for transfer of funds.

PG to KD	13-08-2018 20:59:01 (UTC+5:30)	Either	Punit Garg instructing Kiran to use either company - Bonn or RCI's - accounts
KD to PG	13-08-2018 20:59:36 (UTC+5:30)	<i>Ok sir we will do from Bonn to avoid Banks query</i>	Kiran confirming that the funds transfer will be from Bonn and stating this decision will avoid scrutiny from the Bankers of Bonn.
PG to KD	13-08-2018 21:06:41 (UTC+5:30)	Ok	Punit Garg acknowledges Kiran's message.
KD to PG	14-08-2018 15:26:19 (UTC+5:30)	<i>Sir, Money has been transferred y/day... This is FYIP...</i>	Kiran confirms transfer of funds on 13.08.2018 and intimates Punit Garg on the successful transfer of funds.
PG to KD	14-08-2018 15:32:47 (UTC+5:30)	Thank you.	Punit Garg acknowledges that the money has been transferred.
PG to KD	14-08-2018 20:22:28 (UTC+5:30)	<i>[Shared a screenshot with file name 924ce2bf-23ca-439f-9ed6-6df42a300503.jpg]</i>	Shared a screenshot of a website commerce.cashnet.com which is a payment portal for the University of Southern California for one of daughter of Punit Garg. The currency and amount of payment is US \$19,657.43 To be paid to Western Union Business Solutions 105701032614 at 1152 15th Street NW Washington DC 20005
PG to KD	14-08-2018 20:24:57 (UTC+5:30)	XXXXXX	Punit shares his daughter's number.
KD to PG	14-08-2018 20:55:01 (UTC+5:30)	<i>Sir We need user id n password for student account which has come to your mail from university site</i>	Kiran asks for login ID and password to Punit's daughter's University account details for payment of fees.
KD to PG	14-08-2018 21:38:43 (UTC+5:30)	<i>Sir Payment done thru ACH mode. Vaishali has mailed payment confirmation to your hotmail id. We are trying to cancell the wetern union payment option which any way will get expired on 17th.</i>	Kiram confirms payment and tells Punit that the payment confirmation has e-mailed by one Vaishali Mane to him on his hotmail email address.
PG to KD	14-08-2018 21:41:23 (UTC+5:30)	<i>Thank you.</i>	Punit thanks Kiran for the funds transfer.

PG to KD	14-08-2018 20:22:28 (UTC+5:30)	 <p>[Shared a screenshot with file name 924ce2bf-23ca-439f-9ed6-6df42a300503.jpg]</p>	Shared a screenshot of a website commerce.cashnet.com which is a payment portal for the University of Southern California for daughter of Punit Garg. The currency and amount of payment is US \$19,657.43 To be paid to Western Union Business Solutions 105701032614 at 1152 15th Street NW Washington DC 20005
PG to KD	14-08-2018 20:24:57 (UTC+5:30)	XXXXXX	Punit shares his daughter,s number.
KD to PG	14-08-2018 20:55:01 (UTC+5:30)	Sir We need user id n password for student account which has come to your mail from university site	Kiran asks for login ID and password to Punit's daughter's University account details for payment of fees.
KD to PG	14-08-2018 21:38:43 (UTC+5:30)	Sir Payment done thru ACH mode. Vaishali has mailed payment confirmation to your hotmail id. We are trying to cancel the wetern union payment option which any way will get expired on 17th.	Kiram confirms payment and tells Punit that the payment confirmation has e-mailed by one Vaishali Mane to him on his hotmail email address.
PG to KD	14-08-2018 21:41:23 (UTC+5:30)	Thank you.	Punit thanks Kiran for the funds transfer.

10.22 It can be inferred from the aforesaid whatapp chat that accused was aware that the funds of Bonn were related to POC as when his subordinate told him that he would make the payment from the bank account of Bonn to avoid banks query, he accepted his call and said 'OK'. In total, the accused has utilized POC of approx. INR

49 Lac for his personal use, details of which have been specified in para no.6.117 of the complaint.

10.23 It is clear from the record that the accused got the said funds of RCI and Bonn utilized, though, being an Executive Director, he was well aware that during 2017 and 2018, the company RCOM (RAAG) was under financial stress and also that directions for initiation for insolvency proceedings have been issued despite that he utilized a substantial amount for his personal expenses. The accused has contended that the said amount was given by RCOM to him under subvention education policy and the said amount comes within the category of perquisites, however, there does not seem to be much substance in this contention as firstly, it is clear that the said payment was made by the accused not from the bank account of RCOM but from the bank account of RCI and Bonn for which he himself has contended that he had no role to play in the management of these entities. Moreover, in case, the said amount would have been perquisites then it ought to have been declared by him in his relevant assessment year ITR. Furthermore, in case, the said amount would be perks then the RCOM would have directly paid this amount in the bank account of the accused. Furthermore, it is also clear from the subsequent conduct of the accused that accused was aware that the said amount is POC and the proceedings under section 5 of PMLA may be initiated against him for attachment of his property equivalent to the value of POC, therefore, after receiving the notice u/s 50 PMLA, he transferred substantial numbers of shares from his account to the account of his wife. However, in view of section 5 of PMLA, the shares worth Rs.70 Lac (the amount has been calculated on the basis of the value of per USD at the relevant

time) lying in the DEMAT account of his wife have been attached vide RUD -14.

10.24 All these facts prima facie show that the accused was aware that the said amount relates to the POC and therefore, prima facie, he is liable for making use of the POC for his personal use. The quantification of all the aforesaid three POCs have been specified in para no. 7.8 of the complaint which is reproduced as under:-

Sr.	Particulars	Amount (in USD)	Amount (in ₹ as on date of expenditure)
1	Acquisition value of Yacht "Tian"	18,548,442.72	80,70,42,742.75
2	Bonn transfer funds alienated from the company, as on 12.12.2023	8,200,000.00	68,36,34,000.00
3	Personal Expenditure	77,046.43	70,78,256.00*
Total Identified Proceeds of Crime			1,49,77,54,998.75

Arguments addressed by Learned Senior Counsel for accused and Learned Special PP for ED.

11. During arguments, Learned Senior Counsel has addressed his arguments on the factual aspects of the matter as well as on various legal aspects. Mainly, it was contended by Ld. Sr.Counsel by referring to the FIRs of the scheduled offence as well as complaint made by the SBI in relation to the first FIR that as per Complaint as well as FIR, the period of scheduled offence is 2013-17, therefore, the assets which were allegedly bought through diversions of funds (POC) in the year 2008 - 2010 cannot be

connected to the scheduled offence in any manner. Ld. Sr. Counsel also submitted that one of the lenders were Chinese lenders but they have not made any complaint. It was further submitted that the agreements pertaining to the loans stated to have been advanced by the Chinese lenders, cannot be relied upon by the ED as same are unsigned and unstamped. It was also submitted that the ED has attempted to connect the said assets on the issue of re-financing but there is no co-relation of these assets with the latest loans (2013-17) as these assets were neither mortgaged nor any charge was created on these assets.

11.1 The submissions made by Ld. Sr.Counsel that as to how both these assets can be connected to the loan related to the scheduled offence has already been discussed in detail in preceding paras, however, it is reiterated briefly here that both these assets became inextricably linked due to the refinancing of the loans which were originally taken by RCOM, (RAAG) in 2007 onwards. The specific instance related to the refinance of Barclays Bank loan has already been discussed. Thus, the asset acquired through the diversion of funds in the year 2007 are also covered within the fold of loans given by the consortium/non consortium/NBFCs during 2013-17. Since most of the previous loans have been paid through the latest loans, therefore, it cannot be expected from those bankers who have already received back their money to come up with any grievance related to the funds advanced by them to RCOM (RAAG).

11.2 It was further submitted by Ld. Sr. Counsel that the Section 420 IPC has only been added as scheduled offence in June 2009 and therefore, as far as Yacht is concerned, the same cannot be

said to be a POC as the Yacht was bought in the year 2008. It is well settled law that the accused shall be liable for the offence of Money Laundering till the time the proceeds of crime are possessed and projected as legitimate as the offence of Money Laundering is a continuing offence. In this regard, this court is supported by the Judgement of Hon'ble Apex Court titled as **Pradeep Nirankarnath Sharma Vs. Directorate of Enforcement and Anr. (Criminal Appeal no.1314 of 2025), (2025) 4 S.C.R 71** , the relevant para of which is reproduced as under:-

“24. In the present case, the material on record establishes that the misuse of power and position by the appellant, coupled with the alleged utilization and concealment of proceeds of crime, has had an enduring impact. The act of laundering money is not a one-time occurrence but rather a process that continues so long as the benefits derived from criminal activity remain in circulation within the financial system or are being actively utilized by the accused. The respondent has submitted that fresh instances of the utilization of the proceeds of crime have surfaced even in recent times, thereby extending the offence into the present and negating the appellant's contention that the act was confined to a particular point in the past.

25. The law recognizes that money laundering is not a static event but an ongoing activity, as long as illicit gains are possessed, projected as legitimate, or reintroduced into the economy. Thus, the argument that the offence is not continuing does not hold good in law or on facts, and therefore, the judgment of the High Court cannot be set aside on this ground. Even if examined in the context of the present case, the appellant's contention does not hold water. The material on record indicates the continued and repeated misuse of power and position by the appellant, resulting in the generation and utilization of proceeds of crime over an extended period. The respondent has successfully demonstrated prima facie that the appellant remained involved in financial transactions linked to proceeds of

crime beyond the initial point of commission. The utilization of such proceeds, the alleged layering and integration, and the efforts to project such funds as untainted all constitute elements of a continuing offence under the PMLA. Thus, the proceedings initiated against the appellant are well within the legal framework and cannot be assailed on this ground.

11.3 It is clear that in the present case, though both the assets (Yacht and Apartment) were acquired in the year 2008 and 2010 but these assets were continued to be occupied and concealed and finally in the year 2021 and 2023, both these assets were disposed off by accused Punit Narendra Garg which has already been discussed in detail in the preceding paras. Thus, it is clear that till the time, the FIR of the scheduled offence was registered, the possession of both these assets was enjoyed and both the assets were projected as legitimate and untainted and despite ongoing CIRP proceedings, both these assets were disposed off in a clandestine manner and without taking the due approval from the authorities concerned rather without bringing the factum of existence of both these assets to the notice of the authorities concerned and only therefore, in relation to the disposal of apartment, the necessary proceedings were sought to be initiated against the accused.

11.4 It was further submitted by Ld.Sr. Counsel that the allegedly, both the assets were acquired prior to amendment of Sec. 3, therefore, the unamended Sec. 3 of PMLA as it stood in 2010, must govern the allegations in the complaint. This court does not find any substance in this submission in view of the facts and circumstance of the present case. As already discussed, it is well settled law that the offence of Money Laundering is a continuing

offence and the accused is liable for prosecution u/s 3 of PMLA till the time, the proceeds of crime are held and dealt with in terms of section 3 PMLA. As discussed, both these assets were disposed of in the year 2021 and 2023, thus, in view of Judgement titled **Enforcement Directorate v. Mahanivesh Oils & Foods (P) Ltd., 2026 SCC OnLine Del 1434**, the amended definition of Section 3 would apply. Even otherwise, it is clear that even if the unamended definition is seen yet the actions taken by the accused are well covered under the unamended provisions of money laundering as he was directly involved in the important process and activity related to the proceeds of crime and despite being a Non Executive Director, he concealed the same and projected these assets as untainted property as instead of notifying about the presence of these assets or their disposal or availability of their sale proceeds, he qua the first asset, got the sale proceeds parked abroad and regarding the second asset, got the same invested with a foreign entity.

11.5 It was further submitted that ED by relying upon the letter dated 31.02.2026 (RUD-184) sent by them u/s 66(2) of PMLA to CBI, cannot expand the scope of predicate offence to the year 2007 as till date, no FIR has been registered by CBI in relation to the period 2007-13 and existence of a scheduled offence is a sine qua non for existence of POC. In this regard, it has also been submitted that in their remand application dated 30.01.2026, the ED had also mentioned the period of scheduled offence to be 2013-17. It is also stated that simply by sending the said information to the CBI u/s 66(2) of PMLA would not provide jurisdictional foundation which are not present in this case. Thus, it is submitted that on the basis of aforesaid action of ED, the scope of period of predicate offence

cannot be extended to 2007 when ED itself had not sought the same. In regard to the aforesaid submissions also a detailed discussions have been made while discussing as to how both these assets which were acquired in the year 2008 and 2010 can be connected to the period of scheduled offence, mentioned in the FIR. It is prima facie clear from the allegations in the complaint that ED has specified both these assets as POC on the basis of their inextricable link with the fresh loans through which the POC were refinanced. Further, as already discussed, the investigation is already underway in five FIR cases and section 66(2) PMLA cannot be said to be an empty formality and seems to have been incorporated keeping in view of these peculiar eventualities also and therefore, the evidence related to the funds diversion (which prima facie started from 2007) submitted by ED u/s 66(2) PMLA to CBI are likely to be taken into consideration by the CBI for proceeding in accordance with law.

11.6 It was further submitted on behalf of the accused in reference to Sec.70 of PMLA that an incomplete complaint has been filed by ED as RCOM, Globalcom, GNTPL, Reliance Capital, RCI and RCII have not been arrayed as accused in the present complaint. The applicant was neither a director or KMP nor having any financial power over RCOM yet he has been arrayed as an accused. Thus, it was also submitted that ED has adopted pick and choose policy, therefore, the accused is entitled to bail on this ground also. In support his arguments, Ld.Sr.Counsel has relied upon the Judgement of Hon'ble Apex Court titled as **Aneeta Hada Vs. Godfather Travels & Tours Pvt.Ltd.** As far as this particular contention is concerned, in order to see whether the provision of section 70 PMLA would apply to a particular case, the allegations

against a particular accused are required to be seen. In view of the allegations against the accused, the provision of Sec.70 PMLA would not apply to the case of the applicant as in view of the provision of section 3 PMLA whosoever does any specific act, as specified in this provision, would be liable for the offence of Money laundering and as already discussed in detail, the accused has played an active role in relation to all POCs, therefore, he is liable to be prosecuted in his individual capacity, may be besides other co accused (RCOM etc) as has been pointed out by the applicant. Though, in view of the allegations made in the complaint, the involvement of some other accused persons/entities cannot be ruled out and in this regard, during arguments, it was also contended by the Ld. Special PP of ED that investigation is still going on and in case, any other person is found involved appropriate action will be taken against them as well. As far the submission related to the status of accused is concerned, in order to invoke the offence of money laundering against him, in the present case, it was not necessary for the prosecution to show that he was a KMP. The ED, in view of the allegations made in the complaint, was required to prima facie show that accused had directly dealt with the POCs for their disposal and dissipation of the proceeds of crime for which prima facie sufficient material has been brought on record. Thus, even if he was not officially assigned with any financial powers yet the actions taken by him in relation to the POC would make him liable for the offence of money laundering which prima facie is the position in the present case, which has also been discussed at length in the preceding paras. Keeping in view of the facts and circumstances of the case, it is most respectfully observed that the ratio of case law (*Aneeta Handa Vs.*

Godfather Travels & Tours Pvt.Ltd.) would no apply to the peculiar facts and circumstances of the present case.

11.7 It was further submitted that ED has filed an incomplete complaint as it has been stated in the complaint that the further investigation is going on. It is prima facie clear from perusal of the averments made in the complaint that according to ED, the relevant material related to the involvement of the accused persons arrayed in the present complaint for the offence of the money laundering has been placed on record and similar contention has been made by the Ld. Special PP during arguments. This court has also perused the record and it is prima facie clear that the ED has already placed on records sufficient material related to the involvement of the accused persons in the present case, therefore, even if some further investigation is being carried out by the ED regarding involvement of other accused person as submitted by the ED, the complaint cannot be said to be incomplete as far as the accused, already arrayed are concerned. Furthermore, the ED is always at liberty to file the subsequent complaint in terms of Sec.44 (ii) of PMLA, in case, any other accused is found involved related to the offence committed in the present case. Since the investigation qua the present accused is complete and complaint has already been filed alongwith the sufficient material, therefore, the complaint cannot be said to be incomplete and therefore, the accused will not be entitled to statutory bail on this ground.

11.8 It was also submitted on behalf of the accused that there is no allegation against the accused in relation to buying of any of the assets and as far as the sale proceeding as suggested through the

whatsapp communication is concerned, it can be said that he was simply aware of the same and he had limited role in connecting the concerned personnel in respect of transactions of subsidiary entities and from the said whatsapp chat, it cannot be said that there was an active involvement of the accused. In view of the settled law, a person is liable for money laundering for acquisition and also for disposal of POC if the parameters as specified u/s 3 of PMLA are met. As already discussed, it is prima facie clear that accused was actively involved in the sale of both these assets as major decision related to sale of both these assets were taken by the accused which is also clear from the disclosure of RCOM submitted under SEBI Regulation qua the sale of apartment by the accused Punit Narendra Garg.

11.9 During further arguments, in order to show that accused had no role in buying the Yacht, Ld. Sr.Counsel referred to the statement of Mr. Hari S. Nair, Sr. Vice President, Group Finance M/s Reliance, ADAG given to the custom authorities on 26.02.2009 to contend that the aforesaid employee of the Reliance Group of Cos. had categorically stated in the statement that he had taken the decision to buy the Yacht. Thus, it was submitted that applicant cannot be said to be involved in acquisition of the Yacht. Further, it was submitted that in regard to the Yacht, the Custom and FEMA proceedings were initiated in 2009 and 2011 and ED was well aware of the acquisition of this asset yet after 15 years, ED has attempted to allege about the acquisition of the Yacht which does not constitutes an offence u/s 3 of PMLA. It was also submitted that the ED cannot rely upon the proceedings related to FEMA proceedings unless an independent inquiry is conducted by them qua the same. As already

discussed, the allegations against the applicant/accused Punit Narendra Garg (as far as Yacht is concerned) are not only related to his role qua the acquisition of the Yacht (on the basis of authorization qua transfer of shares of GNTPL) but in order to show his involvement in the offence, ED has mainly relied upon the actions taken by him related to the sale of the Yacht and parking of the sale proceeds abroad. Thus, in case it appears that Mr. Hari S. Nair has admitted that he had taken a decision to buy the Yacht then at the most, it would show that there may be more persons/entities involved qua acquisition of the POCs and they may also be said to be liable for prosecution qua these POCs besides the applicant. Moreover, in relation to one specific asset (POC), there may be more than one accused involved in the offence of money laundering on the basis of their individual actions but for the reason that some other person is also allegedly involved, same would not by itself exonerate the accused from his culpability qua the POC (Yacht). Furthermore, as far as the authenticity of documents of FEMA proceedings are concerned, at this stage, only a prima facie view of the documents relied upon by the ED is to be taken and the admissibility of these documents is required to be considered at the appropriate stage.

11.10 It was further submitted by Ld. Sr. Counsel that ED cannot rely upon the statement of the accused recorded u/s 50 of PMLA during his PC remand as same is hit by Article 20(3) of Constitution of India while on the other hand Ld. SPP for ED submitted that the aforesaid statement can be relied upon. Both the Learned Senior Counsels have relied upon the relevant case laws in this regard.

11.11 As far as this issue is concerned, no detailed discussion is required at this stage as in order to show the involvement of the accused, the ED has mainly relied upon the independent material which has been placed on record alongwith the present complaint and which has already been discussed at length in the preceding paras. Therefore, even if these statements are not taken into consideration, same will not make much difference on the present proceedings.

11.12 Ld. Sr. Counsel also submitted that the rigor of Sec 45 (1) of PMLA does not apply to the present case as both the assets pertaining to the year 2008 and 2010 cannot be taken into consideration for assessing the value of the alleged POC as same do not pertain to the schedule offence. He further submitted that in case, for the sake of arguments, the accused is assumed to be involved in the third POC (utilization of the funds) of Rs. 49 Lac approximately, the same is well below the threshold of one crore rupees to apply to rigors of Section 45(1) PMLA, therefore, on this ground also the applicant is entitled to bail. As already discussed, both the assets prima facie appears to be part of POC, therefore, while assessing the value of the POC, the value of both these assets are also required to be taken into consideration alongwith the third one. Thus, in order to see the threshold of the POC in the present case, the value of all the three POCs which comes to about INR 149 Cores, is to be taken into consideration.

11.13 It was also submitted by the Ld. Senior Counsel that there is no material to establish that subject assets were acquired from the Chinese/ Foreign bank loans as in view of the audited

annual report of F.Y. 2007-08 (RUD-47), RCOM had reserve and surplus far in excess of the loans availed. Thus, he submitted that whether the subject assets were acquired from the foreign bank loans or from the reserve and surplus is a matter of evidence and therefore, the same cannot be the basis to deny the bail to the applicant. As already discussed in detail that as to how and in what manner both the assets were acquired by RCOM by diversion of funds of loan-1, therefore, at this stage, without there being any material on record to show that both the assets (POCs) were purchased by RCOM through their reserves and surpluses, it cannot be assumed that RCOM had acquired the same through their own funds.

11.14 Besides on the strength of the aforesaid arguments which were addressed on the factual aspects of the matter as well as legal aspects, it was also submitted that the accused is entitled to bail as he falls within the definition of sick or infirm as he is suffering with various ailments. He requires the necessary treatment for his several ailments and therefore, he is entitled to the bail on medical ground also. As far as this specific ground is concerned, this issue has already been discussed in detail when the accused had earlier sought interim bail on medical ground and on his application, the opinion of the Medical Board of AIIMS was sought twice, wherein it was submitted that accused is hemodynamically stable and the necessary medicines were prescribed to him keeping in view of his health issues and after taking into consideration of these all aspects, vide detailed order his application for grant of interim bail was dismissed.

11.15 It was also submitted by Ld. Sr. Counsel that the trial of the present case will take substantial time and there is no possibility

of commencement of trial in the present case as four months have already elapsed and the matter is pending at the stage of cognizance. The ED has also taken substantial time to provide the documents of the present case. The second accused arrayed in the present complaint is US citizen and therefore, it will take substantial time to complete the proceedings qua her. Ld. Sr. Counsel has also relied upon the case laws to contend that accused have been granted bail under the circumstances where they were in custody for a period of four months and above. In this regard, Ld. Special PP for ED has submitted that there is no delay in the present case and the accused was provided with the copy of the complaint and documents immediately after the same were scrutinized by this court. It was also submitted that though there is no delay, however, the accused cannot seek bail as a matter of right on the ground of delay as the Hon'ble Supreme Court has also dismissed the bail application of the accused (facing trial for money laundering) where they were in custody for one and half year to two and half years. Besides, it was also submitted by Ld. SPP that accused cannot seek the bail on the ground of delay as in order to seek the bail in the present case, accused has to satisfy the twin conditions mentioned in Section 45(1) of PMLA. Both the Counsels have relied upon the relevant case laws in this regard. As far this ground is concerned, it is required to be placed on record that there has not been any delay as far as the prosecution of the present case is concerned as the complaint was filed by the ED within the statutory period and thereafter, the accused was granted an opportunity for addressing arguments on the issue of cognizance in terms of Sec. 223(1) of BNSS and during these arguments, the accused filed the present bail application and both the sides have preferred lengthy arguments on the issue of bail

as well as cognizance and both these issues are now being disposed off on the same day and matter is now being listed for the arguments on the issue of charge.

11.16 In view of the aforesaid detailed discussions, it is prima facie clear that accused was having knowledge of acquisition of both the assets (POC), though, it seems that he had no direct role in acquisition of the same but prima facie, it has come on record that despite knowing that both these assets relates to POC, he disposed of these assets by playing an active role. Besides, he also concealed both these transactions during insolvency proceedings which shows that these assets were always projected as untainted properties. Further, he also utilized the funds which were related to the rental income of the apartment bought with POC, for his personal expenses. In total, he dealt with the POCs worth INR 149 Crores (approx). Thus, under these circumstances, prima facie, it cannot be said that accused Punit Narendra Garg was not involved in disposal, concealment and dissipation of POCs. Consequently, it cannot be said that he was not involved in the offence of money laundering. Thus, it is held that accused has failed to satisfy the mandatory conditions as mentioned u/s 45(1) of PMLA. Therefore, accused Punit Narendra Garg is not entitled to bail and consequently, the bail application filed by the accused Punit Narendra Garg is hereby dismissed.

11.17 Before parting with this order, it is made clear that the discussions made in this order have only been made in order to form a prima facie opinion related to the allegations of money laundering

against the accused and therefore, the discussions made in the order may not be construed to be an opinion on the merits of the case.

11.18 Application stands disposed of.

11.19 Dasti.

**Announced in the Open
Court on 15.06.2026.**

**(Ajay Gupta)
Special Judge (PC Act) CBI-15
RADC/New Delhi/15.06.2026**