

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGSWrit Petition(s) (Civil) No(s). 1217/2025

EAS SARMA

Petitioner(s)

VERSUS

UNION OF INDIA & ORS.

Respondent(s)

Date : 04-02-2026 This petition was called on for hearing today.

CORAM : HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE JOYMALYA BAGCHI
HON'BLE MR. JUSTICE VIPUL M. PANCHOLIFor Petitioner(s) : Mr. Prashant Bhushan, AOR
Mr. Pranav Sachdeva, Adv.
Mr. Sanyam Jain, Adv.

For Respondent(s) : Mr. Raj Bahadur Yadav, AOR

Mr. Tushar Mehta, Solicitor General
Mr. Bhuvan Kapoor, Adv.
Mr. Madhav Singhal, Adv.
Mr. Arvind Kumar Sharma, AOR
Ms. Anushka Gupta, Adv.
Ms. Aakriti Mishra, Adv.
Mr. Prakhar Bharadwaj, Adv.
Ms. Tuhina Misra, Adv.
Ms. Divya S.rao, Adv.
Mr. Shyam Bhageria, Adv.
Ms. Bhushita Sharma, Adv.
Ms. Nidhi Singh, Adv.Mr. Tushar Mheta, Solicitor General
Mr. Mukesh Kumar Maroria, AOR
Ms. Mili Joy Baxi, Adv.
Ms. Astha Singh, Adv.
Mr. Bhuvan Kapoor, Adv.
Ms. Priyanka Tyagi, Adv.
Mr. Aman Mheta, Adv.
Mr. Zoheb Hossain, Adv.
Mr. Annam Venkatesh, Adv.
Ms. Sairica Raju, Adv.
Mr. Arkaj Kumar, Adv.
Mr. Raj Bahadur (aor), Adv.

Mr. Shyam Divan, Sr. Adv.

Mr. Dhruv Mehta, Sr. Adv.
Mr. Hasan Murtaza, AOR
Mr. Sameer Sharma, Adv.
Mr. Ankit Kumar Sinha, Adv.

Mr. Mukul Rohatgi, Adv.
Mr. Ameet Naik, Adv.
Mr. Abhishek Kale, Adv.
Mr. Harshvardhan Jha, Adv.
Mrs. Yugandhara Pawar Jha, AOR
Mr. Sanjeevi Seshadri, Adv.
Ms. Shruti Sharma, Adv.
Mr. Anshuman Srivastava, Adv.
Mr. Himanshu Saraswat, Adv.

UPON hearing the counsel the Court made the following

O R D E R

1. In deference to the order dated 23.01.2026, respondent Nos.4 and 5 have entered appearance. Learned senior counsel appearing for respondent Nos.4 and 5 seeks and is granted two weeks' time to file the counter affidavit.

2. The Directorate of Enforcement (ED) and the Central Bureau of Investigation (CBI) have also entered appearance through Mr. Tushar Mehta, learned Solicitor General of India. The ED has also filed a counter affidavit, in sum and substance, suggesting that the investigations for the purpose of detecting the offences under the PMLA Act, as well as the investigations into the affairs of the group companies, are ongoing. It is pointed out that ECIR/STF/17/2025 has been registered in relation to Reliance Commercial Finance Ltd. (RCFL) and Reliance Home Finance Ltd. (RHFL). The investments made by Yes Bank between 2017 and 2019 in non-convertible debentures and commercial papers of both RCFL and RHFL are being examined. According to the ED, it has been found that RHFL borrowed public funds from 33 banks/financial

institutions and committed a default of Rs. 7,523.46 crores. It is further claimed that 33 lenders have been able to recover only Rs. 2,116.28 crores, with a net default of Rs. 5,407.18 crores, which constitutes the proceeds of crime. As regards the default committed by RCFL, it is pointed out that 21 banks/financial institutions have been defaulted to the tune of Rs.6,280.57 crores, as out of 8,226.05 crores, only a sum of Rs.1,945.48 crores has been paid.

3. Another case, ECIR/STF/26/2025, has been registered in relation to Reliance Communications Ltd. (RCOM), *inter-alia*, pointing out that the total outstanding amount is Rs.40,185.55 crores, which constitutes the proceeds of crime. It seems that one ex-Director of the company has been arrested recently and is in custody till 07.02.2026.

4. The third case, i.e., ECIR/STF/14/2025, pertains to Reliance Power Ltd. (RPOWER), alleging that RPOWER entered into a power project agreement, wherein forged bank guarantees were submitted. The total loss said to have been caused to the public exchequer is Rs.105.98 crores. Three individuals, who are said to have been associated with the aforesaid company, have been arrested.

5. The ED has further explained that it has searched 46 premises, issued 13 Provisional Attachment Orders, and has attached 204 properties, valued at Rs.12,012.45 crores.

6. Having gone through the counter affidavit of the ED, it appears to us that the aforesaid agency ought to look into every possible financial transaction which might have led to siphoning of the funds, and must determine the estimated value of the proceeds

of crime. In this regard, the ED is well advised to constitute a Special Investigation Team (SIT) comprising its senior officers assisted by forensic auditors etc. and to take all lawful measures to ensure that the ongoing investigations are brought to a logical conclusion.

7. Similarly, a report in sealed cover has been filed by the CBI (respondent No.3), which has been opened and perused. It seems that a formal FIR was registered on the basis of a complaint received from the State Bank of India. According to the CBI, the complaints received from other banks/financial institutions are also being investigated by enlarging the scope of the said FIR. Such a recourse adopted by the CBI, apparently, does not seem to conform with procedural law, as each complaint, even if it pertains to the defalcation of public funds, is based upon its own unique set of facts.

8. Furthermore, it is imperative upon the CBI to investigate the conduct of the bank authorities to determine whether financial assistance was released in collusion and connivance with the management of the defaulter company. In this vein, the reference by the CBI to Section 17A of the Prevention of Corruption Act is totally misconceived. We direct that, regardless of any such provision, the CBI must look into the nexus/collusion/connivance/conspiracy, if any, and for that purpose, all lawful measures for taking the investigations to their logical conclusions must be adopted.

9. We may hasten to add that both agencies, namely, the ED and the CBI, have already taken their own time before swinging into

action. Therefore, we now expect that both agencies will act promptly, independently, fairly, and in a dispassionate manner.

10. Let a status report by both agencies be filed within four weeks.

11. Post the matter for further consideration on 10.03.2026.

12. At this stage, Mr. Prashant Bhushan, learned counsel for the petitioner states that owing to the amount of alleged fraud involved and the matter having been investigated under the supervision of this Court, there is every likelihood of the principal accused fleeing the country. On this, Mr. Mukul Rohatgi, learned senior counsel representing respondent No.5, states that his client will not leave the country without the prior permission of this Court.

13. Mr. Tushar Mehta, learned Solicitor General of India, assures that all preventive and remedial action will be taken to ensure that no impediment is caused to the ongoing investigations.

(NITIN TALREJA)
ASTT. REGISTRAR-cum-PS

(PREETHI T.C.)
ASSISTANT REGISTRAR