Pankaj Bansal v. Union of India

Whether the Enforcement Directorate must furnish written grounds of arrest under Section 19 PMLA, and the validity of the arrest and remand without them.

Date of Order: October 3, 2023
Case Law No: GIB-SC-2023-16
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Background

Pankaj Bansal and his father were arrested by the Enforcement Directorate in a PMLA case connected with the M3M Group. The ED merely read out, or allowed reading of, the grounds of arrest. They said that Section 19 and Article 22(1) required the grounds to be communicated, and also alleged that the ED had registered a second ECIR immediately after they obtained interim protection in the first. The High Court had dismissed their petitions.

Final Verdict

The Court held that **a copy of the written grounds of arrest must henceforth be furnished to the arrested person as a matter of course and without exception.** Merely reading the grounds out is not adequate compliance with Article 22(1) and Section 19(1). The contrary view of the Delhi and Bombay High Courts was held not to be good law. The Court also criticised the ED's "clandestine conduct" in recording a second ECIR immediately after protection was granted, and said it reeked of arbitrary exercise of power.

The arrest, the remand orders and all consequential orders were set aside, and the appellants were directed to be released forthwith unless required in another case.

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