



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CRIMINAL APPELLATE JURISDICTION**

CRIMINAL WRIT PETITION (ST) NO. 1823 OF 2026

Dr. Prateek Kanakia	}	Petitioner
Versus		
Directorate of Enforcement & Anr.	}	Respondents

Mr. Adithya Iyer with Mr. Advait Helekar, Mr. Veertej Patil, Mr. Vijit Shinde and Mr. Jayesh Bhosale, Advocates for Petitioner.

Dr. Nilesh V. B. Pawaskar with Ms. Aparna D. Vhatkar & Ms. Mitalee M. Gaikwad, Advocates for Respondent No. 1.

Mr. S. V. Gavand, APP for Respondent No. 2.

Mr. Venkata Naren, Assistant Director, ED present.

**CORAM: SHREE CHANDRASHEKHAR, CJ. &
GAUTAM A. ANKHAD, J.**

DATE: 24th FEBRUARY 2026

Per, Shree Chandrashekhar, CJ.

The petitioner is an accused in the First Information Report lodged by the Central Bureau of Investigation, Anti Corruption Branch, Mumbai (in short, CBI) vide FIR No. RC0262024A0037 dated 3rd September 2024. He is seeking a declaration that his arrest made by the Directorate of Enforcement (in short, ED) on 5th January 2025 is illegal.

2. A crime was registered on the basis of a written complaint dated 3rd September 2024 for commission of offences under sections 120-B read with 201, 420, 467, 468, 471 of the Indian Penal Code, 1860 (in short, IPC) and section 7 of the Prevention of Corruption Act, 1988 (in short, PC Act) against six persons including the petitioner and unknown others. The allegation in short is that the Indian Renewable Energy Development Agency Limited (in short, IREDA) sanctioned a loan of Rs. 80 crores to the

Broadcast Engineering Consultants India Limited (in short, BECIL) for execution of the projects related to waste management/LED smart lighting/smart metering and other projects. For execution of the project, an agreement was executed between the BECIL and M/s. The Green Billions Limited (in short, TGBL), Mumbai for Pune Municipal Solid Waste Management works. The allegation against the TGBL led by the petitioner is that a large part of the loan amount of Rs. 50 crores has been diverted and utilised by the petitioner for his personal use. The relevant portions of the FIR read as under:-

“Out of the loan amount of Rs. 80 Cr. sanctioned by IREDA, BECIL sanctioned a loan of Ra.50.00 Cr. to M/s. TGBL, Mumbai for Pune Waste Management Project of Pune Municipal Corporation. The disbursement of the loan to M/s. TGBL, Mumbai occurred in three installments totaling to Rs 50 Cr. As per the terms and conditions, M/s TGBL, Mumbai was to execute Performance bank Guarantee of Rs.25.00 Cr. Indemnity bond, blank dated cheques totaling to Rs.45.00 Cr. Consent or hypothecation of Plant and Machinery, and Lease Deed for the land.

M/s. TGBL, Mumbai has produced the said BG from PNB Bank, Ghatkopar East Branch, Mumbai. During enquiry, it was revealed that the PNB Bank, Ghatkopar East Branch. Mumbai has not issued any BG in favour of BECIL on behalf of M/s. TGBL. Mumbai. The said Bank Guarantee, created in Mumbai was found to be forged in nature. Further the original file containing crucial project documents, such as the Performance Bank Guarantee, Indemnity Bond, Blank dated cheques, and consent for hypothecation is missing from the office of BECIL, New Delhi.

In view of the above complaint, it is clearly revealed that the officers of BECIL namely Shri George Kuruvilla, the then CMD, BECIL, Shri W.B. Prasad, GM (P-1), BECIL, Shri Ashish Pratap Singh, the then Legal Advisor, BECIL, Shri Sudhir Chauhan, the then Consultant, BECIL in conspiracy with Shri Prateek Kanakia, CEO & Founder of M/s. TGBL, Mumbai, M/s. TGBL, Mumbai and unknown others have committed offences u/s 120-B r/w Sec 201, 420, 467, 468, 471 of IFC and Sec 7 of PC Act, 1988 (as amended in 2018). The branch has received the approval u/s 17-A of PC Act, 1988 (as amended in 2018) against Shri George Kuruvilla, the then CMD, BECIL, Shri W.B. Prasad, GM (P-1), BECIL and Shri Ashish Pratap Singh, the then Legal Advisor, BECIL.

Hence, a regular case u/s 120-B r/w Sec 201, 420, 467, 468, 471 of IPC and Sec 7 of PC Act, 1988 (as amended in 2018) is being registered and the said case is entrusted to Sh. Arun Bhaskar, DSP, CBI, ACB, Mumbai for investigation.”

3. The petitioner was arrested on 24th March 2025 by the CBI and he was released on bail by an order dated 4th August 2025 by the Special Judge (CBI) in CBI Special Case No. 1119 of 2025. The petitioner has been shown as a money launderer by the ED in the ECIR registered on 25th October 2024. This is the case set up by the petitioner that he received several summons from the ED for recording his statements and he duly attended the office of the ED.

4. In the counter filed on behalf of the ED, it is stated that the statements of the witnesses were recorded under section 50 of the Prevention of Money Laundering Act, 2002 (in short, PMLA) from 18th February 2025 to 9th January 2026. It is further stated that the statement of the petitioner who is the Chief Executive Officer of the TGBL was recorded on seven times. The ED has also produced the transactions in the bank accounts of the petitioner and the TGBL. Dr. Nilesh V. B. Pawaskar, the learned counsel for the ED states that there was sufficient material collected in course of the inquiry to arrive at a conclusion that the petitioner is guilty of money laundering.

5. Section 19 of the PMLA provides that if the arresting officer forms the reason to believe that any person has been guilty of an offence punishable under the Act, he may arrest such person and inform him all the grounds of such arrest as soon as possible.

6. In the grounds of arrest, the Investigating Officer has stated that there exists sufficient reasons to believe that the arrest of the petitioner is necessary to (i) prevent the destruction of evidence; (ii) confront him with statements of various persons who are

involved in these activities; (iii) trace out the diverted funds which is the proceeds of crime; (iv) prevent him from influencing the witnesses and (v) identify other persons involved in these activities. This is the specific case of the ED that there has been diversion of funds through transactions to the bank accounts. The case of the ED shall therefore pertain to documentary evidence which are already in possession of the ED since 7th August 2025. As to confronting the petitioner with the statements of other persons who are allegedly involved in money laundering activities, we may indicate that so called confrontation with the other persons if at all necessary can be done even if the petitioner is not arrested. There is no allegation made by the ED that the petitioner did not cooperate with the ED when he was called for recording his statement under section 50 of the PMLA on seven occasions. The ground for arrest as to tracing the diverted funds is also irrelevant in face of the bank transactions, the documents in relation to which have already been seized by the ED. As to influencing the witnesses, there is no allegation that the petitioner has attempted to influence the witnesses and this apprehension is allayed by the conditions imposed in the order passed by the CBI Court. Furthermore, on 9th February 2026, when the original records of the case were produced in the Court, we noted that the the Investigating Officer had proposed to give a notice to the petitioner and others on 2nd January 2026 but soon thereafter he was arrested on 5th January 2026; exactly five months after he was granted bail by the CBI Court. In the order dated 4th August 2025, the CBI Court has recorded that nothing was recovered and no money was seized from the petitioner to establish the money trail. The CBI Court further observed that there is no serious apprehension of the accused posing a flight risk or threatening the witnesses. The order dated 4th August 2025 passed in CBI Special Case No. 1119 of 2025 has

not been challenged. The relevant portions of the said order read as under:-

“6] The allegation against the applicant is that an amount of Rs.50 Crores was transferred to the TGBL for undertaking work of hydrogen generation at Pune and that BECIL had no legal mandate to fund such ventures. Admittedly, the loan amount has not been repaid. At the same time, the charge-sheet is conspicuously silent as to whether the amount was at all used by the TGBL for erecting the plant or whether the entire amount was siphoned of. The charge-sheet does not show that bank guarantee which was alleged to be forged was not recovered. Also the aspect of submission of bank guarantee is itself shrouded in mystery. It is settled position that bail cannot be refused only because the applicant owes an amount to the Government or that public money is involved. The investigating machinery has not been able to show that any amount was seized and that such seizure was the result of following the money trail from the account of the TGBL. On going through the reply, there is no serious apprehension of the applicant posing a flight risk or threatening the witnesses. The investigation is concluded. The documents have been seized by the C. B. I. and there is no likelihood of the applicant tampering with the evidence. The applicant can be released on bail by imposing stringent conditions. Hence the order :-

ORDER

- 1] Bail Application exhibit-13 is hereby allowed.*
- 2] Applicant/accused Prateek Suresh Chand Kanakia be released on bail on executing solvent surety and Personal Bond in the amount of Rs. 2,00,000/- (Rupees Two Lakhs Only).*
- 3] Applicant/accused shall not directly or indirectly make any inducement, threat, or promise to any person acquainted with the facts of the case so as to dissuade him from disclosing such facts to the Court or to any Police Officer or tamper with the evidence.*
- 4] Applicant/accused shall not commit similar offence while on bail.*
- 5] Applicant/accused is directed not to leave India, without obtaining prior permission from this Court.*
- 6] Applicant/accused is directed to submit his permanent residential proof alongwith Aadhaar card and permanent residential address of two relatives preferably residing in Mumbai, along with their mobile numbers.*
- 7] Applicant/accused shall attend each and every date of trial in the Court.*
- 8] Applicant/accused shall provide specimen voice samples, as well as handwriting and signatures, if required by the Investigating Officer.*

9] Applicant/accused to surrender passport with the C. B. I. prior to release.”

7. In the background of these facts, we have formed an opinion that the Investigating Officer has exercised the powers of arrest in an illegal manner. There seems to be no justifiable reason for making arrest of the petitioner on 5th January 2026, particularly in reference to the “reasons to believe” projected by the Investigating Officer. In fact, the Investigating Officer has attempted to provide false reasons to believe and there seems no plausible reason to arrest the petitioner.

8. Consequently, we hereby hold that the arrest of the petitioner on 5th January 2026 was illegal. The impugned remand orders dated 6th January 2026 and 9th January 2026 are set aside. The petitioner shall be released forthwith on production of a certified copy of this order and on his filing an affidavit in the Court concerned that he shall not tamper or attempt to tamper evidence, shall not influence or attempt to influence the witnesses and shall remain present within the jurisdiction of this Court at all times and shall not leave the country without prior permission of this Court.

9. The petitioner shall deposit his passport with the concerned Court.

10. Criminal Writ Petition (St.) No. 1823 of 2026 is allowed to the aforesaid extent.

JAYANT
VISHWANATH
SALUNKE

Digitally signed by
JAYANT VISHWANATH
SALUNKE
Date: 2026.02.24
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[GAUTAM A. ANKHAD, J.]

[CHIEF JUSTICE]