

UNLAUNDERED TRUTH: THE HINDU EDITORIAL ON SANJAY RAUT'S BAIL AND THE FUNCTIONING OF CENTRAL AGENCIES

Relevant for: Developmental Issues | Topic: Regulatory & Quasi-Judicial bodies

A Special Court dealing with cases under the [Prevention of Money Laundering Act \(PMLA\)](#) in Mumbai has made some [extraordinarily scathing observations](#) about the way the [Enforcement Directorate](#) (ED) functions. While granting bail to Sanjay Raut, Shiv Sena (Uddhav Thackeray) MP, the court has termed his arrest not only illegal but also one recorded for “no reason” at all. The grant of bail and the observations made by Special Judge M.G. Deshpande have galvanised the ED to file an immediate appeal before the Bombay High Court, but the lengthy order contains enough material to substantiate the charge by Opposition parties that central agencies are being utilised to hound political opponents. The judge has found that the underlying criminal case of cheating concerned another set of people who had committed misdeeds, but they were not arrested. As far as Mr. Raut and his associate, Pravin Raut, who has also been given bail, were concerned, it was essentially a civil dispute, and there was nothing to show that money involved in their transactions were “proceeds of crime”. Their arrest under the PMLA was illegal, the court said, because there was no underlying scheduled offence. The ED has alleged that the proceeds of the fraudulent sale of tenements pertaining to a re-development project at Patra Chawl in Mumbai, amounted to 1,039 crore. It had further alleged that Mr. Pravin Raut was a proxy for Sanjay Raut, and that the latter and his wife had utilised 95 crore out of the proceeds to buy assets.

The [misuse of agencies](#) seems to be an unlaundered truth, going by the court's remarks. There has indeed been a disproportionate targeting of non-BJP political leaders by investigating agencies of the Union government. While lawyers and activists have been arrested under anti-terrorism laws, mainstream political opponents often see tax raids and money-laundering cases. The latter class of cases is made possible by the PMLA that permits the ED to register a money-laundering case whenever there is an FIR by the police involving a given list of offences. In a sardonic comment, the Special judge has noted that the ED works at great speed while making an arrest, but proceeds with the trial at a snail's pace. ED officers seem to be aware only of [Section 19 \(power to arrest\)](#) and [Section 45 \(stringent conditions for bail\)](#), but not the fact that they should also hold a trial. The judge's remarks also drive home the fact that money-laundering prosecutions have an abysmally low rate of convictions. Instead of rushing to file appeals against adverse orders, central agencies ought to reflect on the manner in which they are being utilised for political ends.

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