



REPORTABLE

IN THE SUPREME COURT OF INDIA
CRIMINAL APPELLATE JURISDICTION

CRIMINAL APPEAL NOS. 701-702 OF 2020

ENFORCEMENT DIRECTORATE,
GOVERNMENT OF INDIA

APPELLANT(S)

VERSUS

KAPIL WADHAWAN & ANR. ETC.

RESPONDENT(S)

O R D E R

1. These Appeals are directed against the order dated 20.08.2020 of the Bombay High Court, granting default bail to the respondents under Section 167 (2) (a)(ii) of Code of Criminal Procedure, 1973 (for short "CrPC"). The respondents were arrested on 14.05.2020 for alleged commission of offence under Section 3 of the Prevention of Money Laundering Act, 2002 and were remanded on the same date. On 11.07.2020 through e-mail, the Enforcement Directorate filed a Complaint and subsequently on

13.7.2020, i.e., a Monday, a physical copy thereof was tendered before the Court. The applications for enlargement of bail were moved on 13.07.2020 at 8.53 am with physical filing token being issued by 11 am.

2. It was asserted by the respondents that the period of 60 days from the date of remand i.e., 14.5.2020, expired on 12.7.2020(Sunday) and on the next day, the bail petition was presented before the Court. The learned Special Judge however denied default bail to the respondents taking the view that the 60 days will have to be computed from 15.7.2020, by excluding the date of first remand. However, the High Court, under the impugned judgment felt that, excluding the first date of remand while computing the period of 60 days was erroneous and held that the filing of the Charge Sheet by the ED on 13.7.2020, being on the 61st day, would entitle the respondents to default bail. This order of the High Court was stayed on 3.9.2020.

3. The core issue that arises for consideration is whether while computing the period of 90 days or 60 days as contemplated in Section 167 (2)(a)(ii) of the CrPC, the day of remand is to be included or excluded, for considering a claim for default bail.

4. The moot question has been considered by this Court in various matters, but there is divergence of opinion on how the period available for completing the investigation is to be computed. Some judgements have favoured the exclusion of date of remand, while few other cases have taken a contrary view.

5. The appellants rely inter alia on the line of reasoning in *State of M.P. Vs. Rustom & Ors.*¹, *Ravi Prakash Singh Vs. State of Bihar*² and *M. Ravindran Vs. Intelligence Officer, Director of Revenue Intelligence*³ where it was held that the date of remand is to be excluded for computing the permitted period for completion of investigation.

1 1995 (Supp) 3 SCC 221

2 (2015) 8 SCC 340

3 (2020) SCC OnLine SC 867

6. On the other hand, the Respondents seek to rely inter alia on *Chaganti Satyanarayan Vs. State of Andhra Pradesh*⁴, *CBI Vs. Anupam J Kulkarni*⁵, *State Vs. Mohd. Ashraft Bhat*⁶, *State of Maharashtra Vs. Bharati Chandmal Varma*⁷, and *Pragyna Singh Thakur Vs. State of Maharashtra*⁸ to contend that the date of remand must be included for computing the available period for investigation for determining entitlement to default bail.

7. Because of the conflicting view on the proposition of law for grant of default bail, a judicial conundrum has arisen which is required to be resolved for guidance of the Court. In *Chaganti*⁹, the Court examined the legislative intent for expeditious conclusion of investigation and the consequences of the failure of the prosecution to conclude investigation within the permitted period. However,

4 (1986) 3 SCC 141

5 (1992) 3 SCC 141

6 (1996) 1 SCC 432

7 (2002) 2 SCC 121

8 (2011) 10 SCC 445

9 *Supra* note 4.

the ratio in *Chaganti*¹⁰ and also in *Mhd. Ashraft Bhat*¹¹ was not brought to the notice of the 3 judges bench in *M Ravindran*¹² and the Court took a contrary view in declaring that the date of remand is to be excluded for computing the period of investigation, to facilitate the claim of default bail by an accused.

8. Since the earlier position of law was not considered and the latest decision is of a 3 judges bench, it is necessary for a bench of appropriate strength to settle the law taking note of the earlier precedents. Unless the issue is appropriately determined, the courts across the country may take decision on the issue depending upon which judgement is brought to the Court's notice or on the Courts own understanding of the law, covering default bail under Section 167 (2)(a) II of CrPC.

9. In the above circumstances, we feel it appropriate to refer the above-mentioned issue to a

10 *Ibid.*

11 *Supra* note 6.

12 *Supra* note 3.

larger Bench of this Court for an authoritative pronouncement to quell this conflict of views as the same shall enable the Courts to apply the law uniformly.

10. Accordingly, we direct the Registry to place all the relevant documents before the Hon'ble Chief Justice for constituting a bench of at least 3 judges to resolve the conflict in law on the issue of grant of default bail.

11. In the meantime, as the respondents are praying for benefit of the High Court's bail order, which was stayed on 3.9.2020, this matter be placed before a bench of 3 judges on a near date, for consideration of the interim prayer for the respondents.

.....J.
(SANJAY KISHAN KAUL)

.....J.
(HRISHIKESH ROY)

NEW DELHI
FEBRUARY 23, 2021

ITEM NO.107 Court 9 (Video Conferencing) SECTION II-A

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Criminal Appeal No(s). 701-702/2020

ENFORCEMENT DIRECTORATE GOVERNMENT OF INDIA Appellant(s)

VERSUS

KAPIL WADHAWAN & ANR. ETC. Respondent(s)

([PART-HEARD BY HON'BLE SANJAY KISHAN KAUL AND HON'BLE HRISHIKESH ROY ,JJ.]

[TO BE TAKEN UP BEFORE ITEM NO. 101 I.E. C.A.NO.3592-3593/2020]

Date : 23-02-2021 These matters were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE SANJAY KISHAN KAUL
HON'BLE MR. JUSTICE HRISHIKESH ROY

For Appellant(s) Mr. Surya Prakash V. Raju, ASG
Mr. Zoheb Hossain, Adv.
Ms. Sairica Raju, Adv.
Mr. A. Venkatesh, Adv.
Mr. Guntur Pramod Kumar, Adv.
Ms. Zeal Shah, Adv.
Mr. Vivek Gurnani, Adv.
Mr. Agni Sen, Adv.
Mr. Rajan K. Chourasia, Adv.
Mr. B.V. Balram Das, Adv,
Mr. B. Krishna Prasad, AOR

For Respondent(s) Dr. Abhishek Manu Singhvi, Sr. Adv.
Mr. Amit Desai, Sr. Adv.
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Mr. Shubham Kulshreshtha, Adv.
Ms. Tanvi Manchanda, Adv.
Mr. E.C. Agrawala, Adv.

Mr. Sarad Kumar Singhania, AOR

Mr. Amit K. Nain, AOR

UPON hearing the counsel the Court made the following
O R D E R

The issue is referred to a larger Bench in terms of the reportable signed order.

(ASHA SUNDRIYAL)
ASTT. REGISTRAR-cum-PS

(POONAM VAID)
COURT MASTER (NSH)

[Signed reportable order is placed on the file]