



CRL.R.C.No.1153 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 25.09.2024

PRONOUNCED ON : 04.10.2024

CORAM

THE HONOURABLE MR.JUSTICE S.M.SUBRAMANIAM

AND

THE HONOURABLE DR.JUSTICE A.D.MARIA CLETE

CRL.R.C.No.1153 of 2023

and

CRL.M.P.No.9042 of 2023

S.Srinivasan

... Petitioner

Vs.

The Assistant Director,
Director of Enforcement,
Chennai.

... Respondent

Prayer: Criminal Revision Case has been filed under Section 397 read with Section 401 of Criminal Procedure Code, to call for the records and set aside the order passed in CrI.M.P.No.20511 of 2021 in C.C.No.5 of 2018 dated 02.06.2023 by the Principal Sessions Court, Chennai and allow the revision.

For Petitioner

: Mr.R.Raja Rathinam
Senior Counsel
For Mr.K.Shankar

For Respondent

: Mr.P.Sidharthan



WEB COPY



CRL.R.C.No.1153 of 2023

Special Public Prosecutor
[For Enforcement Directorate]

ORDER

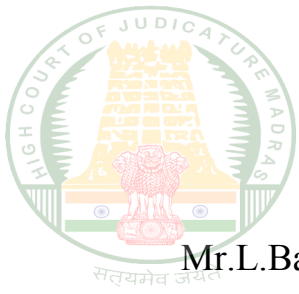
S.M.SUBRAMANIAM, J.

Under assail is the order dated 2nd June, 2023 passed in Crl.M.P.No.20511 of 2021 in C.C.No.5 of 2018.

2. The petitioner is the Accused No.2.

BRIEF FACTS OF THE CASE:

3. The Central Bureau of Investigation (CBI) registered FIR No.RC.MA1 2014 A 0004 dated 31.01.2014 under Section 120B read with Section 420 of Indian Penal Code (IPC) 1860, 468 read with 471 of IPC, Sections 7, 8, 13(2) read with 13(1)(d) of the Prevention of Corruption Act, 1988 against Mr.L.Balasubramanian and others for collecting money from various persons from lower level cadre in Indian Overseas Bank. Another FIR No.RC.MA1 2014 A 0051 dated 30.12.2014 was registered by the CBI, ACB for the offences under Section 120B of IPC and Section 13(2) read with Section 13(1)(e) of the Prevention of Corruption Act, 1988 against



CRL.R.C.No.1153 of 2023

Mr.L.Balasubramanian for amassing huge assets disproportionate to his known source of income. As per the FIR Mr.L.Balasubramanian had amassed huge wealth in the form of Fixed Deposits and immovable properties to the tune of Rs.2,03,84,378/- disproportionate to his known sources of income during the period 01.01.2010 to 30.06.201. Another FIR in Crime No.21 of 2014 dated 11.01.2014 was registered by the Central Crime Branch, Chennai City under Sections 406, 408, 471, 420 and 506(ii) IPC against Mr.L.Balasubramanian, Mr.S.Srinivasan / petitioner and other person belonging to All India Indian Overseas Bank Employees Union for diverting the funds collected from the members of All India Indian Overseas Bank Employees Union and purchasing property in the name of Mr.L.Balasubramanian.

4. The CBI, Chennai in FIR No.4 of 2018 and 51 of 2014 filed chargesheets while C.C.No.7 of 2016 and 3 of 2019 respectively under Section 120B read with Section 420 of IPC, Sections 7, 8, 13(2) read with Section 13(1)(d) of the Prevention of Corruption Act, 1988 against Mr.L.Balasubramanian and other before the Learned Special Court for CBI Cases, Chennai. The Designated Court, after considering the chargesheets and the connected materials, has taken the cognisance of the same and the



trial is in progress.

WEB COPY

5. The offences under Sections 120B, 420 and 472 of IPC and offences under Sections 7, 9 and 13 of the Prevention of Corruption Act, 1988 are scheduled offences under the Prevention of Money-Laundering Act, 2002 [hereinafter referred as “PMLA”], which empowers the Enforcement Directorate to investigate in respect of offences committed under Section 3 of PMLA.

6. The respondent after receiving the documents from the CBI, Chennai and having found that there is *prima facie* case made out under the provisions of PMLA recorded Enforcement Case Information Report (ECIR) No.5 of 2015 dated 16.04.2015 and took up the investigation.

7. During the course of investigation under the provisions of the PMLA, the depositions were recorded under the provisions of Section 50(2) and (3) of PMLA and obtained documents from the Bank, Sub Registrar Office, etc. The Deputy Director, Directorate of Enforcement, Chennai issued a Provisional Attachment Order No.13 of 2015 dated 20.10.2015 under Section 5(1) of PMLA and provisionally attached Bank Fixed Deposits and

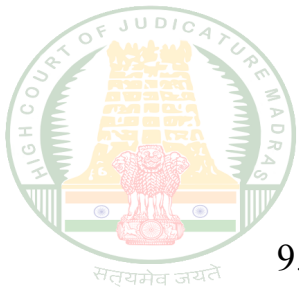


CRL.R.C.No.1153 of 2023

Bank balances worth Rs.2.19/- Crores held with the name of All India Indian Overseas Bank Employees Union Welfare Charitable and Endowment Trust besides two Cars and an Apartment at No.B1, Plot No.2, Second Floor, AR Regalia General Patters Lane, Chennai – 600 002, in the names of Mr.L.Balasubramanian / A1 and All India Indian Overseas Bank Employees Union Welfare Charitable and Endowment Trust / A4, in which the petitioner / A2 was a trustee. Considering the same as ‘proceeds of crime’ in terms of Section 2(1)(u) of PMLA.

8. Original complaint No.531 of 2016 was filed before the Adjudicating Authority under PMLA, New Delhi seeking confirmation of the Provisional Attachment Order No.13 of 2015 dated 20.10.2015 under Section 8(3) of PMLA. The Adjudicating Authority vide order dated 11.04.2016 confirmed the Provisional Attachment of movable and immovable properties. The possession had been taken. The respondent subsequently filed prosecution complaint in C.C.No.5 of 2018 before the Learned Principal Sessions Judge cum Special Court, Chennai under Section 45 of PMLA. The case is pending for trial.

CONTENTIONS OF THE PETITIONER:



9. Mr.Raja Rathinam, learned Senior Counsel appearing on behalf of the petitioner would mainly contend that the petitioner / A2 is no way connected with the money collected by A1 on behalf of A4 Trustee. He had not involved in the administration of the Association. Therefore, implicating the petitioner as an accused is beyond the scope of the provisions of PMLA.

10. The learned Senior Counsel drew the attention of this Court with reference to the allegation in paragraph 10.2 of the complaint and contended that the averments in paragraphs 7.2, 7.3 and 10.1 are running counter to the said paragraphs. Thus, there is no material to establish that the allegations set out in paragraph 10.2 of the complaint. ECIR was recorded under PMLA based on the predicate offence registered in FIR Nos.25A 2013, 6A 2014 and 4A 2014. Even as per the complaint under PMLA, Mr.L.Balasubramanian / A1 had constituted two trust and he was the life time managing trustee along the petitioner and one Mr.R.Masilamani as nominated trustees. Further allegation is that Mr.L.Balasubramanian used the trust as conduit for siphoning of funds legitimately due to the Union and its members and the said Mr.L.Balasubramanian / A1 colluded with many regional union representatives to collect the illegal gratification for the absorption of the employees to the lower level posts. Further money was collected for transfer

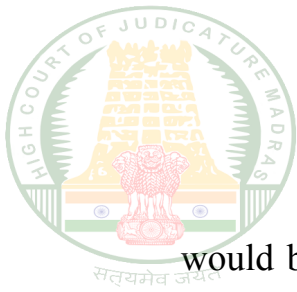


CRL.R.C.No.1153 of 2023

etc. There is no specific allegation against the petitioner / A2 that he had received any illegal gratification and transferred the amount to the said trust were he was one of the trustees. Even under the statement given by Mr.L.Balasubramanian / A1 under Section 50 of PMLA, there is no incriminating materials made available against the petitioner / A2. A1 and A3 died and therefore, the statement under Section 50 of PMLA cannot be used against the petitioner. Admittedly, the petitioner / A2 had not purchased any movable or immovable property out of the funds of the trust and he was not enjoying any benefits as a trustee. He was neither in possession nor in use any of the property purchased by the trust at the instances of A1, A3 and A4. The element of “knowingly assist” or “knowingly is a party” or “is actually involved in any processes of activity connected with the proceeds of crime and projecting it as untainted property” as contemplated under Section 3 of PMLA is missing in the case of petitioner and the Trial Court failed to consider this aspect, while passing the impugned order.

REPLY BY THE RESPONDENT:

11. With reference to the arguments advance on behalf of the petitioner, Mr.P.Sidharthan, learned Special Public Prosecutor for Enforcement Directorate opposed by stating that the prosecution complaint



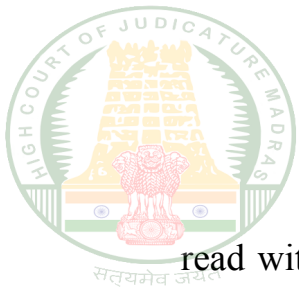
would be sufficient to form an opinion that *prima facie* case has been made out against the petitioner / A2. Paragraph 6.1 of the prosecution complaint would reveal that the role of the petitioner for invoking the provisions of PMLA. Therefore, the contention of the petitioner that there is no material on record to prosecute the petitioner under PMLA is incorrect.

12. It is contended that based on the scheduled offence, ECIR was recorded and the Enforcement Directorate took up the investigation independently and found that the alleged offence of money laundering is made out against the accused persons and after recording statement under Section 50 and collection of materials, complaint in C.C.No.5 of 2018 has been filed before the Special Court for PMLA. Therefore, there is no infirmity and the impugned order was rightly rejected by the Trial Court.

ANALYSIS:

13. In discharge petition, this Court has to find out, whether any *prima facie* materials are made available against the petitioner in the complaint filed or not?

14. The complaint against the petitioner was filed under Section 45(1)



read with Sections 3 and 4 and 8(5) of PMLA. The following paragraphs in the complaint would throw light on the *prima facie* case made against the petitioner as they are extracted hereunder;

“6.1 Shri. R. Parthasarathy, the then General Secretary of the All India Overseas Bank Union in his statements dated 19.05.2015, 21.05.2015, 03.06.2015 and 06.10.2015 had stated inter-alia that the purpose of the formation of AIOBEU Trust was to do charitable activities; that S/Shri. L. Balasubramanian and S.Srinivasan who were the then President and the General Secretary of the Union respectively, mooted the idea and the AIOBEU Trust was formed on 13th July 2005 with Shri. L. Balasubramanian as the Fonder Trustee along with the aforesaid Shri. S. Srinivasan and Shri. Masilamani, the then Treasurer of the Union, as the Trustees; that the Union had provided 5% of the monthly subscription received by the Union from its members during the years 2007 and 2009; that the AIOBEU Trust had taken a property belonging to the Union on lease for a period of 29 years at a very nominal rent of Rs. 5000/- per month; that this property comprised of six grounds land with a building of 28000 square feet; that the AIOBEU Trust had leased this property (from the Union') initially for the purpose of having their office (in the property); that Shri. L. Balasubramanian, the Founder Trustee controls the activities of the AIOBEU Trust; that the AIOBEU Trust



WEB COPY



CRL.R.C.No.1153 of 2023

had without informing the Union or taking the Union's permission /approval to let out the property as a Marriage Hall, had started giving the property on commercial rates for rent to the Public for conducting functions like marriage etc.; that the AIOBEU Trust did not enter into any fresh agreement with the Union for converting their (Union) premises into a commercial Marriage cum Function Hall and thereby earning a huge amount of profit; that none of the IOB Union members, staff members were benefitted out of these earnings (from the Marriage Hall); that the initial lease amount was Rs. 5000/- which was increased to Rs. 50,000/- after a few months till the middle of the year 2013; and that it was presently Rs. 1,00,000/- per month currently; that the said property was constructed at a cost of Rs. 8 crores out of the members' subscription and the special levy collected exclusively from the members for the construction; that financial support was given by the Union to the said Trust thinking that it (the AIOBEU Trust) would spend the money in helping the poor and the downtrodden and in educational activities; that the then President and the General Secretary, i.e, S/Shri. L. Balasubramanian and S. Srinivasan respectively, had proposed and approved the formation of a Trust for the furtherance of the aims and objects of the Union and also approved of the setting aside of 5% of the monthly subscription from the Union to the proposed Trust; that the aforesaid Union property at Mylapore, Chennai was



WEB COPY



CRL.R.C.No.1153 of 2023

purchased and constructed with an intention to make it a community welfare center for the benefit of the members and to use it as a guest house for the members visiting Chennai; that the decision to let out this property to the Trust was taken by S/Shri. L. Balasubramanian and S.Srinivasan, then President and General Secretary of the Union who were also the Trustees of the Trust; that a total amount of Rs.31 lakhs was given from the Union to the Trust during the years 2007 and 2009 for the furtherance of the objects of social vision of the Union; that he had no idea about the utilization of these funds; that no questions or queries were raised by the President and the General Secretary of the Union about the utilization of these funds as they were also the Trustees of the Trust during that period; that presently the Trust was charging a rent of Rs. 60000/- per day for clerical staff, Rs. 50000/- per day for sub-staff and Rs.1,75,000/- per day from the Public including service tax; that the receipts for these rents were split and issued under two categories as Rent and donation to Corpus Fund; that apart from this rent, the AIOBEU Trust also takes cash of Rs. 1,00,000/- for which no receipt is issued; that the Union members have not benefitted from the Marriage Hall which was let out mainly to the general public at lucrative rates; that the Union was also put to monetary loss as the rent paid to the Union by the Trust was very less compared to the prevailing market rates for a property located in a



WEB COPY



CRL.R.C.No.1153 of 2023

prime locality; that the money earned by the Trust out of the Marriage hall had not benefited either the Union or its members till date; that the word "AIOBEU" in the name of the Trust, i.e., All India Overseas Bank Employees Union Welfare Charitable and Endowment Trust is misleading giving an impression that the object of the Trust is meant for the welfare of the members, whereas till date no welfare activity for the members of the Union had taken place either monetarily or otherwise; that the principal office bearers of the Union were also the Trustees of the AIOBEU Trust; that they only took the decision to lease out the Union's property for a period of 29 years; that this lease Deed was a means to diversify the funds of the Union to the said Trust which were due to it from its property i.e., the aforesaid Marriage Hall; that the AIOBEU Trust is managed and controlled by its Managing Trustee Shri. L. Balasubramanian; that the AIOBEU Trust is nothing but a front for the said Shri. L. Balasubramanian who is enjoying the money generated in the name of the AIOBEU Trust; that the AIOBEU Trust was used and is still being used by the said person to show the money as legal which was obtained out of the marriage hall by cheating the Union and its members; that the Union had written a letter dated 09.04.2015 to the AIOBEU Trust through which notice was given for the cancellation of the Lease Deed dated 06.03.2009 and hand over the possession of the property; that the Union proposes to



WEB COPY



CRL.R.C.No.1153 of 2023

cancel the Lease Deed and take back the said property ;
that Shri. L. Balasubramanian had also purchased a high end flat situated at B1, Plot 2, AR Regalia, Old No. 87/1, New No. 173, General Patters Lane, Chennai 600 002 in the name of the aforesaid Trust using the funds generated out of the rental income of the marriage hall belonging to the Union and he (L. Balasubramanian) had proposed to use it for his personal needs.

.....
.....
.....

7.4. The Union, which was the owner of the property, was not informed officially about the change in the use of the property. This property was initially leased out to the Union for a meager monthly rent of Rs.5000/- which was later increased to Rs. 50,000/- per month and thereafter to Rs. 1,00,000/- per month.

7.5. The AIOBEU Trust had earned a huge amounts of money (as is evidenced by the Bank accounts statements and the Society Deposit details) by letting out the said property as a Function Hall on commercial rates, whereas the owner of the Property, i.e. the Union was cheated of its legitimate money. The Union was being paid only a small amount as monthly rent, initially Rs. 5,000 late on Rs. 50,000/- and for the past few years Rs. 1,00,000/-, whereas the AIOBEU Trust was earning more than a lakh rupees per day as



WEB COPY



CRL.R.C.No.1153 of 2023

rent. It may be noted that the donation given to the AIOBEU Trust was also utilized to convert the building into a Functional Hall. Hence, it can be seen that the premises along with the building and the fixtures therein were totally funded by the Union, but neither the Union nor its members were deriving any benefit out of the same.

7.6. Although the Trust was initially registered as a Public Charitable Trust and was granted Income Tax exemption, since it started indulging in commercial activities, it lost its Income Tax exemption and had to pay Income Tax and Service Tax to the tune of many lakhs of rupee annually.

7.7. As per the statements given by S/Shri. L. Balasubramanian and R. Masilamani (one of the Trustees and who was later looking after the accounts cum administration, of the said property which is being used as a Function Hall), no significant charity work was being done by the Trust.

7.8. Shri. R. Masilamani, who was one of the Trustees, was also being paid a monthly salary for looking after the accounts of the AIOBEU Trust and he had stated that the AIOBEU Trust was collecting the rent for the Marriage Hall in the form of two cheques, i.e. one would be deposited as rent, and the other would be deposited as Corpus fund. An examination of the bank statements of the two accounts of the AIOBEU Trust confirmed the same. The rent was being deposited



WEB COPY



CRL.R.C.No.1153 of 2023

in a/c no. 34567 and the amount collected as corpus fund was being deposited in a/c no. 70000 which was designated as Corpus account.

7.9. The money thus accumulated had been deposited as Fixed Deposits in the All India Overseas Bank Employees Co-operative Credit Society, which was partially used to purchase a deluxe flat measuring around 1500 square feet at AR Regalia, General Patters Lane, General Patters Road, Chennai - 600 002.

7.10. The AIOBEU Trust funds were also used to purchase a Maruti Swift Car which was being used by Shri. L. Balasubramanian.

7.11. The Trust had also collected money in cash as part of the rent for the Function Hall for which no receipt was given as stated by Shri. R. Parthasarathy, current General Secretary of the Union.

7.12. The above All India Overseas Bank Employees Union had purchased a Toyota Innova Car on 07.01.2010, out of its own funds which was registered in the personal name of Shri. L. Balasubramanian giving his residential address and the said car was used by Shri. L. Balasubramanian with the diesel charges being paid for out of the Union funds.

7.13. Shri. L. Balasubramanian was arrested on 04.12.2014 by the CBI, Anti Corruption Branch, Chennai in connection with FIR No. RC. MAI 2014 A 0004 dated 31.01.2014 registered against him and various other Office bearers of the All India Overseas



WEB COPY



CRL.R.C.No.1153 of 2023

'Bank Union along with Shri. S. Srinivasan, General Secretary of the Union for various irregularities in the appointment of Sweepers and Messengers in IOB. Shri.L.Balasubramanian was also named as Accused in a Disproportionate Assets Case registered by the CBI, Anti Corruption Branch, Chennai in FIR No. RC. MA1 2014 A 0051 dated 30.12.2014 against him, his wife, his sister and a Trust by name M/s. VLCSAPPPK Trust.

.....
.....
.....

10.2 Shri.S.Srinivasan, Ex- Trustee of AIOBEU Trust and Accused No. 2 herein, by being the then Trustee of AIOBEU Trust, had entered into a criminal conspiracy with Accused No. 1 herein, by floating & discharging the affairs of the AIOBEU Trust and had knowingly assisted and actually involved with Accused No. 1 in the acquisition, possession and use of the Proceeds of Crime and projection of the Proceeds of Crime as untainted, and had committed the offence of Money-laundering as defined in Section 3 and punishable under Section 4 of the PMLA.”

15. As per the complaint, the petitioner / A2 was a First Trustee as per the Trust Deed dated 13.7.2005 and its subsequent Amendment Deed dated 17.7.2009 to the Trust Deed.



WEB COPY16. In his capacity as a First Trustee, along with A1, had entered into various agreements such as Agreement for Sale dated 19.6.2013 with M/s Balaji Real Estates for purchasing of property worth Rs.87,30,000/-. A Deed of Sale of Undivided Shares in Land dated 15.07.2016 with M/s Balaji Real Estates and Lease Deed dated 06.03.2009, Construction Agreement dated 19.6.2019 with M/s A.R Estates and Investments.

17. Subsequent to the registration of FIR, out of apprehension and anticipation, the petitioner has submitted his resignation letter on 11.8.2014. However, no document produced in support of his contention nor there is any such confirmation as to if the resignation letter has been accepted by the Founder Trustee Shri.L.Balasubramanian. By virtue of Section 46 of Indian Trusts Act, 1882, a trustee, who has accepted the trust cannot afterwards renounce it except (a) with the permission of a Principal Civil Court of Original Jurisdiction, or (b) if the beneficiary is competent to contract, with his consent, or (c) by virtue of a special power in the instrument of trust.

18. Further, Section 72 of the Act vested the power with the Principal Court of Civil Jurisdiction to discharge a Trustee from his office if sufficient



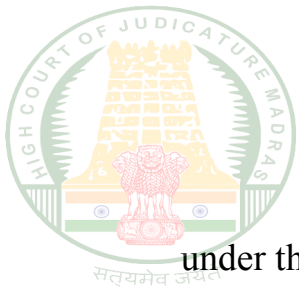
reasons or cause is made out. The petitioner herein cannot unilaterally claim that he had relinquished his office, when the Trust instrument of Accused No.4 has not specifically authorized petitioner / Accused No.2 to relinquish his office. A Trust, either private or public / charitable or otherwise, is a juristic person and a body corporate, which is liable u/s 71 of the PMLA, 2022 and the same constitutes an offence punishable under the Prevention of Money Laundering Act, 2002.

AS PER "SECTION 11 INDIAN PENAL CODE 1860 (IPC)":

19. The word "person" includes any Company or Association or body of persons, whether incorporated or not?

Definition of "Person": According to Section 11 of the IPC, the term "person" includes any company or association or body of persons, whether incorporated or not. This definition is significant as it clarifies that the provisions of the IPC apply not only to individuals but also to other entities like companies and associations. The definition of "person" is wide-ranging and comprehensive, covering both incorporated and unincorporated entities.

20. This means that the IPC can be used to prosecute companies, partnerships, societies, and other bodies of persons for offences committed



under the Code.

WEB COPY

21. The definition of “person” in Section 11 of the Indian Penal Code 1860 is essential for two main reasons.

22. Firstly, it ensures that the IPC's provisions are applied equally to all entities, including individuals and organizations. The IPC is a comprehensive statute that deals with a wide range of criminal offences, and it is necessary that it can be applied to all entities that engage in such activities.

23. Secondly, the definition of “person” in Section 11 is consistent with the legal principle that companies and associations are separate legal entities from their members. As a result, these entities can be held liable for their actions, and individuals within the organization may be prosecuted for criminal offences committed on behalf of the entity.

AS PER SECTION 2(S) OF PMLA, 2002 PERSON INCLUDES:

24. “An association of persons or a body of individuals, whether incorporated or not” As such there is no ambiguity that trust is included or falls under the ambit of the definition for person as defined under PMLA, 2002. Further a conjoint reading of Section 2(s) and Section 70 of PMLA,



2002 makes it clear that trust is also an artificial person, as it is an association of parties who jointly fulfil a common purpose.

25. The respondent Department, after a thorough and detailed investigation, had filed a complaint along with necessary annexures, detailing the proceeds of crime before this court.

26. The PMLA, being a special and standalone statute, the trial proceedings under this Act does not have any bearing on the trial proceedings or the outcome of the trial proceedings of the Scheduled Offence.

27. The petitioner herein had abetted the Accused-1 in acquisition, possession and use of the proceeds of crime and in projecting such proceeds of crime as untainted properties.

28. Section 24 of the Prevention of Money Laundering Act places the burden of proof on the person charged with the offence of money laundering under Section 3.

LEGAL POSITION:

29. Section 2(1) (u) defines “proceeds of crime means any property



WEB COPY

derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to a scheduled offence or the value of any such property or where such property is taken or held outside the country then the property equivalent in value held within the country or abroad”. Thus, it is relevant to consider the scope of Section 3 which provides offence of money laundering.

30. Section 3 stipulates that “Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime including its concealment, possession, acquisition or using and projecting it as untainted property shall be guilty of offence of money laundering”.

31. The expression “money-laundering”, ordinarily, means the process or activity of placement, layering and finally integrating the tainted property in the formal economy of the country. However, Section 3 has a wider reach. The offence, as defined, captures every process and activity in dealing with the proceeds of crime, directly or indirectly, and not limited to the happening of the final act of integration of tainted property in the formal economy to constitute an act of money- laundering. This is amply clear from the original



provision, which has been further clarified by insertion of Explanation vide Finance (No. 2) Act, 2019, Section 3, as amended. The act of projecting or claiming proceeds of crime to be untainted property presupposes that the person is in possession of or is using the same (proceeds of crime), also an independent activity constituting offence of money-laundering. In other words, it is not open to read the different activities conjunctively because of the word “and”. If that interpretation is accepted, the effectiveness of Section 3 of the 2002 Act can be easily frustrated by the simple device of one person possessing proceeds of crime and his accomplice would indulge in projecting or claiming it to be untainted property so that neither is covered under Section 3 of the 2002 Act. Thus, a person who is as long as in possession and enjoyment of Proceeds of Crime, PMLA can certainly be invoked. It is also submitted that the subsequent amendments made to the PMLA in respect of Section 3 of PMLA has been upheld by the Hon'ble Supreme Court of India on the premise that all the said amendments are in clarificatory in nature.

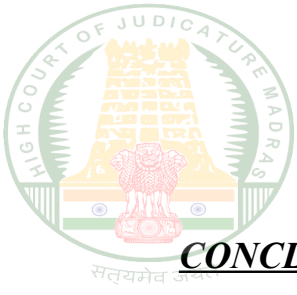
32. Therefore, mere possession of proceeds of crime would be sufficient to invoke the provisions of PMLA. Using the proceeds of crime by itself is an offence. Since the scope of Section 3 is wider enough to cover



CRL.R.C.No.1153 of 2023

various circumstances in order to curb the economic offences, High Court cannot restrict its meaning so as to restrain the Authorities from invoking the provisions of PMLA.

33. Section 24 of PMLA denotes “Burden of Proof”. “In any proceeding relating to proceeds of crime under PMLA in a case of a person charged with offence of money laundering under Section 3, the authority or Court shall unless the contrary is proved presume that such proceeds of crime are involved in money laundering and in the case of any other person, the authority or Court may presume that such proceeds of crime involved in money laundering”. Therefore, the presumptions of the authorities, investigation conducted and documents collected would be sufficient to proceed against a person under PMLA. Unless contrary is proved, presume that such proceeds of crime are involved in money laundering. Therefore, the burden of proof lies on the affected person, who in turn has to prove his innocence during the course of trial. Adjudication of those materials placed by the petitioners would be unnecessary for this Court, while dealing with the discharge petitions.



CRL.R.C.No.1153 of 2023

CONCLUSION:

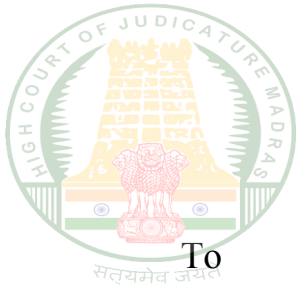
WEB COPY

34. The Trial Court considered the allegations set out in the complaint and formed an opinion that the petitioner has failed to made out *prima facie* case for discharge. We do not find any infirmity or perversity with reference to the findings made by the Special Court rejecting the discharge petition.

35. Accordingly, the impugned order passed in Crl.M.P.No.20511 of 2021 in C.C.No.5 of 2018 dated 02.06.2023 by the Principal Sessions Court, Chennai stands confirmed and consequently, the Criminal Revision Case is dismissed. Connected Miscellaneous Petition is closed.

[S.M.S., J.] [A.D.M.C., J.]
04.10.2024

Jeni
Index : Yes / No
Speaking order / Non-speaking order
Neutral Citation : Yes / No



CRL.R.C.No.1153 of 2023

To

WEB COPY

- 1.The Learned Principal Sessions Court,
Chennai.
- 2.The Assistant Director,
Director of Enforcement,
Chennai.
- 3.The Special Public Prosecutor,
High Court of Madras.



WEB COPY



CRL.R.C.No.1153 of 2023

S.M.SUBRAMANIAM, J.
and
A.D.MARIA CLETE, J.

Jeni

CRL.R.C.No.1153 of 2023

04.10.2024