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C.M.A.No.1776 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 20.07.2026

CORAM :

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE
AND

THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

C.M.A.No.1776 of 2023
and C.M.P.No.17435 of 2023

M.V.Swaminathan
S/o.M.S.Venkataraman,
R/o, A-14, Best Orchid Apartments,
Jayanthi Nagar, 6th Main Road,
Nanganallur, Chennai-600 061

Appellant

Vs

The Deputy Director
Directorate of Enforcement,
No.2, 5th and 6th Floor,
BSNL Administrative Building,
Kushkumar Road, Nungambakkam,
Chennai-600 034

Respondent

PRAYER: Appeal filed under Section 42 of the Prevention of Money Laundering Act, 2002 to set aside the order dated 04.07.2023 in Appeal No.FPA-PMLA-3210/CHN/2019 passed by the Hon'ble Appellate Tribunal, Prevention of Money Laundering (PMLA), New Delhi and consequently allow the present Civil Miscellaneous Appeal.



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For Appellant: Mr.G.Suresh Babu
for M/s.Sri Law Associates

For Respondent: Mr.P.Sidharthan
Special Public Prosecutor
for ED Cases

ORDER

(Order of the Court was made by G.Arul Murugan,J.)

This civil miscellaneous appeal is filed challenging the order dated 04.07.2023 passed in Appeal No.FPA-PMLA-3210/CHN/2019 on the file of the Appellate Tribunal, PMLA, New Delhi.

2. The appellant was charged for the offence under Sections 13(2) read with 13(1)(e) of Prevention of Corruption Act, 1988 and tried in C.C.No.32 of 2009 on the file of XIV Additional Special Judge for CBI Cases, City Civil Court, Chennai. After trial, the appellant was convicted for the aforesaid offences and sentenced to undergo one year rigorous imprisonment along with fine of Rs.40,000/-.

3. Based on the predicate offence, the respondent had registered ECIR on 18.3.2019 and certain properties of the appellant were



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attached and provisional order of attachment was issued on 30.03.2019 and the same was sent to the Adjudicating Authority for confirmation. By the order dated 26.08.2019, the Adjudicating Authority has confirmed the provisional attachment order, which was taken on appeal before the Appellate Tribunal. The Appellate Tribunal, vide order dated 4.7.2023, dismissed the appeal thereby confirming the order of attachment. Assailing the same, the appellant has preferred the present civil miscellaneous appeal.

4. When the appeal is taken up for hearing, learned counsel appearing for the appellant has submitted that challenging the conviction and sentence imposed on the appellant, the appellant has preferred an appeal before this Court in Criminal Appeal No.273 of 2016 and the said appeal came to be allowed on 29.06.2026, whereby the conviction and sentence imposed on the appellant were set aside and the appellant was acquitted of all charges. Learned counsel for the appellant, by placing reliance upon a decision of the Supreme Court in the case of *Vijay Madanlal Choudhary and others v. Union of India and others*¹, submitted that once the conviction in the predicate case is set aside, the proceedings initiated by the

¹(2023) 12 SCC 1



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Enforcement Directorate wherein attachment was made is also liable to be set aside.

5. Learned counsel for the appellant further submitted that, based on the judgment passed in Criminal Appeal No.273 of 2016, the prosecution complaint filed by the Enforcement Directorate in C.C.No.3 of 2022 before the Special Court has also been closed on 02.07.2026 with liberty to revive the same as and when need arises.

6. Learned Special Public Prosecutor for ED Cases does not dispute the position and submits that in fact the conviction imposed on the appellant in the predicate case has been set aside by this Court in Criminal Appeal No.273 of 2016 and in view of the appeal being allowed setting aside the conviction and sentence imposed in C.C.No.32 of 2009, the present appeal may be allowed, however, liberty be granted to the Enforcement Directorate to re-open the case as and when need arises.



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7. We have considered the rival submissions and perused the materials available on record.

8. The appellant was tried for the offences under Sections 13(2) read with 13(1)(e) of the Prevention of Corruption Act, 1988 in C.C.No.32 of 2009 and pursuant to the trial, the appellant was convicted and sentenced for a period one year along with fine of Rs.40,000/-, vide judgment dated 6.4.2016. The appeal filed by the appellant before this Court in Criminal Appeal No.273 of 2016 came to be allowed on 29.06.2026, whereby the conviction and sentence imposed on the appellant has been set aside and the appellant has been acquitted of all charges in the predicate offence.

9. The Enforcement Directorate has registered ECIR based on the predicate offence and has passed provisional attachment order on 30.03.2019, which was confirmed by the Adjudicating Authority and the appeal filed by the appellant challenging the provisional attachment came to be rejected by the Appellate Tribunal, which is assailed in this civil miscellaneous appeal.



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10. It is not in dispute that pursuant to the judgment passed by this Court in Criminal Appeal No.273 of 2016, the prosecution complaint filed by the Enforcement Directorate before the Special Court for CBI Cases has also been closed on 02.07.2026. In view of the undisputed fact that the appellant has been acquitted from the predicate case, the present civil miscellaneous appeal, which challenges the attachment, needs to be entertained.

11. Accordingly, the civil miscellaneous appeal stands allowed. The order of provisional attachment passed in respect of the properties covered under the attachment, which has been confirmed by the Appellate Tribunal, is set aside. It is for the appellant to move the Enforcement Directorate to seek release of the attached properties. In case, the appellant approaches the Enforcement Directorate, the Enforcement Directorate will take a decision for releasing the properties as expeditiously as possible.

12. It is made clear that, in case an appeal is filed as against the judgment passed in the predicate case and the same is allowed, it would be open to the Enforcement Directorate to take further



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steps in accordance to law.

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There shall be no order as to costs. Consequently, connected miscellaneous petition is closed.

(SUSHRUT ARVIND DHARMADHIKARI, CJ) (G.ARUL MURUGAN,J)
20.07.2026

Index : Yes/No
Neutral Citation : Yes/No
bbr

To:

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