IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED 08.11.2022

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THE HONOURABLE Mr.JUSTICE P.N.PRAKASH

AND

THE HONOURABLE Mr.JUSTICE RMT.TEEKAA RAMAN

Crl.O.P.No.25445 of 2019
and Crl.M.P.No.13637 of 2019
AND
Crl.O.P.No.1885 of 2020
and Crl.M.P.Nos.1158 & 1159 of 2020

Leon Terattil .. Petitioner in Crl.O.P.25445/19

N.Ramadass .. Petitioner in Crl.O.P.1885/20

Vs.

The Deputy Director
Directorate of Enforcement
(The Prevention of Money-Laundering Act, 2002)
Government of India
Ministry of Finance, Department of Revenue
2nd & 3rd Floor, C-Block,
Murugesa Naicker Office Complex
84, Greams Road, Thousand Lights
Chennai 600 006 .. Respondent in both Crl.O.P.s

Prayer in Crl.O.P.No.25445 of 2019 : Criminal Original Petition filed under Section 482 Cr.P.C. praying to call for the records and quash the proceedings in C.C.No.56 of 2018 on the file of the Principal Sessions Judge, Chennai.

Prayer in Crl.O.P.No.1885 of 2020 : Criminal Original Petition filed under Section 482 Cr.P.C. praying to call for the records and quash the proceedings as against the petitioner in C.C.No.56 of 2018 on the file of the Principal Sessions Judge, Chennai.

For Petitioner in Crl.O.P.25445/19	:	Mr.A.Nagarajan for Mr.P.Kumaresan
For Petitioner in Crl.O.P.1885/20	:	Mr.A.Nagarajan
For Respondent in both Crl.O.P.s	:	Mr.N.Ramesh Special Public Prosecutor (Enforcement Directorate)

COMMON ORDER

[Made by P.N.PRAKASH, J.]

Seeking quashment of the complaint in C.C.No.56 of 2018 on the file of the Principal Sessions Court (Special Court for PML Act Cases), Chennai, these criminal original petitions have been filed.

2. The brief facts of the case are as follows :

2.1 The Central Bureau of Investigation (CBI), BS & FC, Bangalore, registered a case in FIR No.RC-50(A)/2016 dated 28.12.2016 for the offences under Sections 120-B, 420 and Section 13(2) read with Section 13(1)(d) of the Prevention of Corruption Act, 1988 (in short "the PC Act"), against one Leon Terattil and N.Ramadass, apart from others.

2.2 Since the said FIR disclosed the commission of a scheduled offence under the Prevention of Money-Laundering Act, 2002 (in short "the PML Act"), the Enforcement Directorate registered a case in ECIR No.CEZO/01/2017 on 06.01.2017 and after completing the investigation, filed a complaint in C.C.No.56 of 2018 in the Principal Sessions Court (Special Court for PMLA Cases), Chennai, against the said Leon Terattil and N.Ramadass, apart from others, for quashing which, Leon Terattil has filed Crl.O.P.No.25445 of 2019 and N.Ramadass has filed Crl.O.P.No.1855 of 2020, on the short ground that the CBI, after investigation, has filed a closure report followed by Crl.M.P.No.4018 of 2019 under Section 173 Cr.P.C. before the Special Court for CBI Cases, Chennai-I, seeking to accept the closure report and return the documents, *viz*., D1 to D459, which were seized/collected during the course of investigation, to the persons/ departments concerned, which petition has been allowed by the Special Court for CBI Cases, Chennai-I *vide* order dated 30.04.2019.

3. Heard Mr.S.Nagarajan, learned counsel appearing for Leon Terattil and N.Ramadass and Mr.N.Ramesh, learned Special Public Prosecutor appearing for the Enforcement Directorate.

4. This issue is no more *res integra*, in the light of the authoritative pronouncement of the Supreme Court in ***Vijay Madanlal Choudhary and others vs. Union of India and others [2022 SCC OnLine SC 929]***, wherein, it is held as follows :

> "467. In light of the above analysis, we now proceed to summarise our conclusion on seminal points in issue in the following terms:
>
> (i) ... ...
> (v) ... ...
> *(d) The offence under Section 3 of the 2002 Act is dependent on illegal gain of property as a result of criminal activity relating to a scheduled offence. It is concerning the process or activity connected with such property, which constitutes the offence of money-laundering. The Authorities under the 2002 Act cannot prosecute any person on notional basis or on the assumption that a scheduled offence has been*

> *committed, unless it is so registered with the jurisdictional police and/or pending enquiry/trial including by way of criminal complaint before the competent forum. If the person is finally discharged/acquitted of the scheduled offence or the criminal case against him is quashed by the Court of competent jurisdiction, there can be no offence of money-laundering against him or any one claiming such property being the property linked to stated scheduled offence through him."*
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> (emphasis supplied)

In view of the above, these two criminal original petitions deserve to be allowed and accordingly, they are allowed and the proceedings in C.C.No.56 of 2018 on the file of the Principal Sessions Court (Special Court for PML Act Cases), Chennai, are quashed *qua* the petitioners *viz*., Leon Terattil and N.Ramadass. Connected Miscellaneous Petitions are closed.

[P.N.P., J.] [T K R, J.]

08.11.2022

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P.N.PRAKASH, J.

AND

RMT.TEEKAA RAMAN, J.

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To
1.The Principal Sessions Judge
(Special Court for PML Act Cases)
Chennai

2.The Deputy Director
Directorate of Enforcement
(The Prevention of Money-Laundering Act, 2002)
Government of India
Ministry of Finance, Department of Revenue
2nd & 3rd Floor, C-Block,
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84, Greams Road, Thousand Lights
Chennai 600 006

3.The Public Prosecutor
High Court, Madras

Crl.O.P.No.25445 of 2019
AND
Crl.O.P.No.1885 of 2020

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