



Crl.O.P.No.10976 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 01.07.2024

CORAM

THE HONOURABLE MR. JUSTICE M.S.RAMESH
AND
THE HONOURABLE MR. JUSTICE SUNDER MOHAN

Crl.O.P.No.10976 of 2024

Mrs.M.Parvin

...Petitioner/Accused No.2

Vs.

The Directorate of Enforcement,
Government of India, Chennai Zone - I,
Represented through its Deputy Director,
V & VI Floor of Administrative Building,
Kush Kumar Road, Nungambakkam,
Chennai – 600 006.

...Respondent/Complainant

Prayer: Criminal Original Petition filed under Section 482 of Cr.P.C., to
quash the impugned Enforcement Case Information Report (ECIR)
No.CEZO-I/35/2020 dated 22.06.2020 and its consequent proceedings on
the file of the respondent as against the petitioner.



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For Petitioner : Mr.M.Mubarak Ahmad
for Ahmad Associates

For Respondent : Mr.N.Ramesh
Special Public Prosecutor (ED)

ORDER

(Order of the Court was made by SUNDER MOHAN,J.)

The petitioner/A2 seeks for quashing of the ECIR proceedings against her, which is recorded in ECIR No.CEZO-I/35/2020 dated 22.06.2020.

2. The main ground raised by the petitioner/A2 is that the ECIR proceedings stems out of an FIR, which was registered in Crime No.7 of 2011, which culminated into a final report in C.C.No.14 of 2019 and the same was quashed against the petitioner, by the order of the Hon'ble Supreme Court dated 23.04.2024 made in S.L.P. (Criminal) No(s).13304 of 2023.

3. The learned Special Public Prosecutor for the respondent opposed the prayer sought for by the petitioner and submitted that the offence under the Prevention of Money Laundering Act, 2002 [hereinafter referred to as 'PMLA, 2002'] is a stand alone offence and even if a person is not an



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accused in the predicate offence, he/she could still be prosecuted for an offence under the PMLA, 2002.

4. We have considered the rival submissions and perused all the materials available before us.

5. It is seen from the record that the petitioner, who is shown as 2nd accused in C.C.No.14 of 2019, had filed S.L.P. (Criminal) No(s).13304 of 2023 before the Hon'ble Supreme Court, challenging the dismissal of her quash petition. The Hon'ble Supreme Court had quashed the proceedings against the petitioner by an order dated 23.04.2024. The allegation in the said case is that A1 to A7 have entered into a criminal conspiracy in the commission of offence relating to allotment of housing plots under Government Discretionary Quota; that A1 and A2 were allotted lands under the said quota; that the petitioner, even before the sale deed was executed in her favour, had handed over the possession of the plot to A5 and entered into a joint venture agreement with A5 and unjustly enriched herself.

6. The Hon'ble Supreme Court while quashing the proceedings held as follows:



“ The appellant is accused no.2. A case bearing CC No.14/2019 arises out of an offence was registered against the appellant under Section 120B and Section 409 of the Indian Penal Code, 1860 along with Section 13(2) read with Section 13(1) (c) and (d) of the Prevention of Corruption Act, 1988, As far as the role played by the appellant is concerned, it is an admitted position that she is the allottee of a plot and the allotment was made on 5th june, 2009. At this stage, our attention is invited to the judgment and order dated 29th August, 2023 passed by the High Court on a petition filed by the accused no. 5 praying for quashing the proceedings in CC No.14/2019. By the said judgment, the High Court has quashed the same as against the accused no.5. When we made a query to the learned senior counsel representing the respondent whether the State has challenged the said decision, on instructions, he stated that the State has not challenged the said decision.

A perusal of the findings recorded in paragraph nos.10, 11 and 12 of the said judgment shows that the case of the present appellant is on par with the case of the accused no.5 and there is no material factual



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distinction between the allegations against these two accused. Therefore, even the case of the appellant will be governed by the said judgment of the High Court.

Accordingly, the Appeal is allowed. The proceedings against the appellant in CC No.14/2019 on the file of the Special Court for Trial of Criminal Cases related to Elected Members of Parliament and Members of Legislative Assembly at Chennai, is hereby quashed. The proceedings will continue against the other accused.”

7. This Court has, in similar cases, expressed its view that the proceedings under the PMLA 2002 cannot proceed further, once the FIR/Final Report relating to the predicate offence is quashed. The law is well settled by the larger Bench of the Hon'ble Supreme Court in the case of ***Vijay Madanlal Choudhary and Others v. Union of India and Others***, reported in (2022) SCC Online SC 929, wherein, it is ruled as follows:

“467. ... (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.”

8. In such circumstances, this Court is of the view that in view of the fact that the proceedings against the petitioner/A2 in the predicate offence, has been quashed by the Hon'ble Supreme Court, the impugned proceedings cannot be sustained. Hence, the Criminal Original Petition stands allowed and the impugned proceedings of the respondent in ECIR No.CEZO-I/35/2020 dated 22.06.2020, is quashed, insofar as the petitioner herein is



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concerned.

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[M.S.R.,J.] [S.M.,J.]
01.07.2024
(½)

Index: Yes/No

Neutral Citation: Yes/No

Speaking order/Non-Speaking order
dk

To

1.The Deputy Director,
Directorate of Enforcement,
Chennai Zonal Office-I,
No.2, 5th and 6th Floor,
BSNL Administrative Building,
KushKumar Road, Nungambakkam,
Chennai – 600 006.

2.The Public Prosecutor,
Madras High Court,
Chennai – 600 104.



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M.S.RAMESH,J.
and
SUNDER MOHAN,J.
dk

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