



WEB COPY

Crl.A.No.401 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on : 14.11.2025

Pronounced on : 11.02.2026

CORAM

**THE HONOURABLE MR.JUSTICE S.M.SUBRAMANIAM
AND
THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ**

Crl.A.No.401 of 2022

1.R.Dorairaj

2.S.Sarumathi

... Appellants/Accused 1 & 2

v.

The Directorate of Enforcement,
Represented by its Assistant Director,
2nd & 3rd Floor, Murugesu Naicker Complex,
No.84, Greaves Road, Thousand Lights,
Chennai – 600 018.

... Respondent/Complainant

Prayer: Criminal Appeal filed under Section 374(2) of Criminal Procedure Code, 1973, to set aside the impugned order passed in C.C.No.16 of 2017 dated 10.03.2022 by the Special Court XIV for CBI Case (under PMLA), Chennai.

For Appellants :Mr.S.Ashok Kumar
Senior Counsel
for Mr.G.Sathiaraj

For Respondent : Mr.P.Sidharthan
Special Public Prosecutor



JUDGMENT

WEB COPY *(Judgment of the Court was made by MOHAMMED SHAFFIQ,J.)*

The present appeal is filed challenging the order passed by XIV Additional Special Judge for CBI Cases under Prevention of Money Laundering Act, 2002 (hereinafter referred to as "PMLA"), whereby, appellants were convicted for offences under Section 3 and 4 of PMLA r/w. Section 120B of Indian Penal Code, 1860 (hereinafter referred to as "IPC") and Section 13(2) r/w. 13(1)(e) of Prevention of Corruption Act, 1988 (hereinafter referred to as "PCA").

2. Brief facts:

2.1. First appellant during the check period viz., 01.01.2002 to 30.09.2009 was working with Food Corporation of India, Chennai holding various positions including that of Deputy General Manager, while the second appellant was working as Senior Accountant in the Office of the Accountant General (Accounts & Entitlements), Tamil Nadu. Based on reliable information, Central Bureau of Investigation, Anti-Corruption Branch (hereinafter referred to as "CBI") registered a case in FIR No. RCMA1 2009A 0061 dated 30.11.2009 alleging that Appellants had acquired assets and pecuniary resources disproportionate to their known sources of income.



Crl.A.No.401 of 2022

2.2. In the FIR alleged disproportionate assets of Appellants was calculated on the basis of the sources of income, expenditure and assets acquired by the Appellants during the check period 01.01.2002 to 30.09.2009 as detailed in the Table below:-

S.No.	Description	Amount (Rs)
1	Assets at the begining of the check period	5,52,040
2	Assets at the end of the check period	99,26,038
3	Assets acquired during the check period	93,73,998
4	Expenditure during the check period	16,98,891
5	Total pecuniary resources possessed by the accused	1,10,72,889
6	Income during the check period	55,73,920
7	Disproportion	54,98,969
8	Disproportionate Assets – percentage	99%

2.3. The complainant viz., Directorate of Enforcement on the basis of the aforesaid information and copies of documents available registered an Enforcement Case Information Report (ECIR) No. CEZO/01/2016 dated 11.02.2016 under PMLA for offence of Money Laundering under Section 3 of PMLA.

2.4. During investigation, enquiry was conducted and statements recorded from Appellants, S.Govindarajan, R.Sampathkumar (both partners of M/s.Hari Ragava Planners & Builders, Kolathur).



Crl.A.No.401 of 2022

Investigation revealed that during check period, Appellants purchased a vacant land measuring 3,600 Sq.ft., at 297, 4th Street, Baba Nagar, Villivakkam, Chennai – 600 049 in the name of second Appellant for Rs.18,00,000/- vide Document No. 2531/2002 dated 05.07.2002 registered with SRO, Kannur, Villivakkam. A multi-storied residential complex comprising of seven units /flats was constructed on the said vacant land during 2006-2007 engaging M/s. Hari Raghava Planners and Builders. Investigation revealed that the value of immovable property and construction of multi-storied residential complex was disproportionate to known sources of income, thereby constituting offence under Section 13(2) r/w. 13(1)(e) of PCA and criminal conspiracy under Section 120-B of IPC. The above offences are Scheduled Offences in terms of Section 2(y) r/w. Part-A, Paragraph 8 and Paragraph 1 of PMLA. Investigation also revealed that the proceeds of crime identified by the Law Enforcing Agency viz., CBI has been laundered as untainted in the construction of multi-storied residential complex thereby, committed offence under Section 3 of PMLA, which is punishable under Section 4 of PMLA.

2.5. The Law Enforcing Agency i.e., CBI filed a final report on 18.01.2011 for offences under Section 120-B of IPC r/w. 13(2) r/w. 13(i) (e) of PCA against the appellants in RC MA1 2009(A)0061. It is not in dispute that appellants were convicted and sentenced for offences



under Section 120-B of IPC and Section 13(2) r/w. 13(1)(e) of PCA.

WEB COPY

3. Order of Trial Court:

3.1. Before the Trial Court, the following points were raised for consideration:

"1. Whether the Amendment of PML Act in the year 2009 can be applied to this case?

2. Whether there is any material to constitute the offence amounting money laundering under the PML Act, against the accused?"

3.2. The first question was answered against the appellants by finding that offence of money laundering under PMLA is a continuing offence, the relevant portion is extracted hereunder:

"33. Under PML Act, money laundering offence is continuing offence, it has retrospective effect as well as an overriding effect u/s 71 of PML Act. The Act deals with the process or activity with the proceeds of crime including its concealment, possession, acquisition or use. Hence, under these circumstances, the argument which has been made by the accused that the transaction is prior to the amendment of the Act is not acceptable one."

3.3. An attempt was made to submit that appellants having been convicted and sentenced for offences under Section 120-B IPC and Section 13(2) r/w. 13(1)(e) of PCA, complaint against the same accused



on the same set of facts under PMLA would amount to Double Jeopardy thereby, offending Article 20 of the Constitution of India. The above contention was rejected by the Trial Court finding that offence under Section 3 of PLMA is a distinct and different offence from the Schedule / predicate offence. The relevant portion is extracted hereunder:-

"44. Considering the 2(1) (u) and 3 of the Act and other provisions of PML Act, the money laundering Act has retrospective effect as well as overriding effect Sec. 71 of the Act. The commission of a schedule offence is a fundamental for initiating proceedings under the Act, the offence under money-laundering is an independent offence. The offence u/s 3 of PMLA is a distinct and different offence and Sec. 24 of the Act, states about the burden of proof on a person charged with an offence of Money-laundering u/s 3 of the Act. As per Sec. 24 of the Act, an authority or a court shall presume that such proceeds of crime involved in money-laundering until the contrary is proved. Therefore, burden of proof by discharging the presumption lies upon the person charged. Hence, investigation done by the CBI and investigation done by the Complainant/ED are totally different. Thus, the contention raised by the counsel for the accused that both the accused were already convicted for the alleged offence committed by them and that this court cannot entertain this complaint filed against the very same accused is not at all maintainable. Therefore, even though, the accused were convicted u/s 120B of IPC and Section 13(2) r/w (13) (1) (e) of P.C. Act, 1988, there is no bar in conducting the instant case."



Crl.A.No.401 of 2022

WEB COPY

3.4. Insofar as the second question, the Trial Court found that the offence of money laundering was committed by the appellants.

3.5. The Trial Court vide its order dated 10.03.2022 convicted the appellants under Section 248(2) of Cr.P.C for offence under Section 3 r/w. 4 of PMLA and sentenced to undergo rigorous imprisonment for three years each and to pay a fine of Rs.25,000/- in default to undergo simple imprisonment for three months each. Against the above order, the present appeal is filed.

4.Case of Appellants:

i) The appellants/accused are innocent and not involved in any criminal activity. The case is frivolous and maliciously false, foisted against the appellants/accused.

ii) The order of conviction by the Trial Court without any substantial evidence nor commission of any criminal activity, is against law and unjust.

iii) The impugned order of conviction is not sustainable in law. In other words, the Trial Court has intentionally failed to comply 'Due Process of Law' as contemplated under the PMLA in the present case.



Crl.A.No.401 of 2022

iv) The Order of conviction by the Trial Court under PMLA is without an iota of material evidence, in support of the Scheduled Offence or offence under money-laundering of PMLA.

v) The impugned order for confiscation of property is against law/Act, which violates the constitutional rights of the Appellants.

vi) The allegation and charges in the present case is the replica of FIR and charge sheet made in the earlier CC.No.22/2011 case, which is vexatious and false.

vii) The Trial Court has committed grave error in law by giving undue weight to insufficient evidence adduced by prosecution.

viii) The Trial Court committed grave error, by convicting the appellants in the absence of 'Proceeds of Crime' in the case.

ix) The Trial Court has no jurisdiction for taking cognizance of offence and conviction, in the absence of prosecution sanction thereby resulting in miscarriage of justice.



Crl.A.No.401 of 2022

x) The order of Trial Court below, is perverse, since it acted solely upon presumption, surmises and conjectures and not substantiated in law and evidence on record.

xi) The Trial Court has totally ignored the bristling inconsistency and the contradiction in the evidence of prosecution.

xii) The Trial Court ignored the testimony by PW1, admitting that, there was no 'Proceeds of Crime' involved.

xiii) The Trial Court had ignored PW1's testimonial admission, stating that the Directorate of Enforcement did not adduce credible evidence to prove the statutory presumption against the appellants/accused.

xiv) The Court below, failed to justify reasons for the inordinate delay of 8 years, in filing the ECIR, after receipt of the complaint.

xv) The Order of Trial Court, is ultra vires Article 20 of the Constitution, which prohibits conviction or sentence under "*ex-post-facto-law*".



5. Case of Respondent:

WEB COPY

The Learned Special Public Prosecutor appearing on behalf of the respondent submitted as follows:-

i) That based on the registration of the case by CBI, PMLA launched prosecution under the Act and on completion of investigation filed the complaint under Section 3, 4 and 8(5) of the PMLA against the said accused. During the course of investigation appellants, S.Govindrajan, R.Sampathkumar, partners M/s.Hari Raghava Planners and Builders were enquired.

ii) That investigation revealed that immovable property has been acquired and constructed in the name of second appellant out of the D.A. Income of Rs.78,47,466/- and projected as untainted by appellants.

iii) That first appellant projected on paper that property was in favour of second appellant, but the proceeds of crime was generated by first appellant while discharging his official duty.

iv) That as per statements of second appellant, which was marked as Ex.P5, second appellant has admitted that she entered into a construction agreement with one Hari Raghava Builders dated 01.06.2006 (P-20) to construct 2800 Sq.ft ground floor with underground sump and compound wall in total Rs.19,20,000/-. However, she did not inform the same to her Department about the actual construction carried out by Hari Raghava Builders.



Crl.A.No.401 of 2022

v) That however, second appellant has intimated to her Department by letter dated 20.08.2009 that she is constructing 4000 sq.ft ground floor, first floor at a cost of Rs.20,19,000/-.

vi) That second appellant had not disclosed the actual spending of money in construction to the tune of Rs.47,20,000/- and repayments of housing loan indicates cash deposit beyond known source of income.

vii) That total cost of construction was Rs.47,20,000/-, out of which Rs.15 lakhs was received through cheque and Rs.32 lakhs was received as cash on various dates as detailed in Ex.P21 to Ex.P23, which will clearly show appellants had projected proceeds of crime as untainted.

viii) That the bank account statements of appellants have been found with huge cash deposit during the period to the tune of Rs.9,12,050/- and the above deposit was not found to have been withdrawn by cash from any other account of the appellants as per Ex.P16.

ix) That the respondent/complainant have examined P.W.1 to P.W.5 and marked Ex.A1 to Ex.A32 and proved beyond reasonable doubt that the appellants have laundered the proceeds of crime as untainted.

6. Heard both sides and perused the materials available on record.



7. Before proceeding further, it may be necessary to understand the object of PMLA. The Prevention of Money-Laundering Act, 2002 was introduced, as its Statement of Objects and Reasons mentions, to make money laundering an offence, and to attach property involved in money laundering, so that this serious threat to the financial system of India is adequately dealt with. It is worth setting out the Statement of Objects and Reasons of the Act in full:

“Statement of Objects and Reasons.—It is being realised, world over, that money laundering poses a serious threat not only to the financial systems of countries, but also to their integrity and sovereignty. Some of the initiatives taken by the international community to obviate such threats are outlined below:

(a) the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, to which India is a party, calls for prevention of laundering of proceeds of drug crimes and other connected activities and confiscation of proceeds derived from such offence.

(b) the Basle Statement of Principles, enunciated in 1989, outlined basic policies and procedures that banks should follow in order to assist the law-enforcement agencies in tackling the problem of money laundering.

(c) the Financial Action Task Force established at the summit of seven major industrial nations, held in Paris from 14-7-1989 to 16-7-1989, to examine the problem of money laundering has made forty recommendations, which provide the foundation material for comprehensive legislation to combat the problem of money laundering. The



recommendations were classified under various heads.

Some of the important heads are—

(i) declaration of laundering of monies carried through serious crimes a criminal offence;

(ii) to work out modalities of disclosure by financial institutions regarding reportable transactions;

(iii) confiscation of the proceeds of crime;

(iv) declaring money laundering to be an extraditable offence; and

(v) promoting international cooperation in investigation of money laundering.

(d) the Political Declaration and Global Programme of Action adopted by United Nations General Assembly by its Resolution No. S-17/2 of 23-2-1990, inter alia, calls upon the member States to develop mechanism to prevent financial institutions from being used for laundering of drug related money and enactment of legislation to prevent such laundering.

(e) the United Nations in the Special Session on Countering World Drug Problem Together concluded on 8-6-1998 to 10-6-1998 has made another declaration regarding the need to combat money laundering. India is a signatory to this declaration.

2. In view of an urgent need for the enactment of a comprehensive legislation inter alia for preventing money laundering and connected activities, confiscation of proceeds of crime, setting up of agencies and mechanisms for coordinating measures for combating money laundering, etc., the Prevention of Money-Laundering Bill, 1998 was introduced in the Lok Sabha on 4-8-1998. The



WEB COPY



Crl.A.No.401 of 2022

Bill was referred to the Standing Committee on Finance, which presented its report on 4-3-1999 to the Lok Sabha. The recommendations of the Standing Committee accepted by the Central Government are that (a) the expressions “banking company” and “person” may be defined; (b) in Part I of the Schedule under the Penal Code, 1860 the word offence under Section 477-A relating to falsification of accounts should be omitted; (c) “knowingly” be inserted in Clause 3(b) relating to the definition of money laundering; (d) the banking companies, financial institutions and intermediaries should be required to furnish information of transactions to the Director instead of Commissioner of Income Tax; (e) the banking companies should also be brought within the ambit of Clause II relating to obligations of financial institutions and intermediaries; (f) a definite time-limit of 24 hours should be provided for producing a person about to be searched or arrested person before the Gazetted Officer or Magistrate; (g) the words “unless otherwise proved to the satisfaction of the authority concerned” may be inserted in Clause 22 relating to presumption on interconnected transactions; (h) vacancy in the office of the Chairperson of an Appellate Tribunal, by reason of his death, resignation or otherwise, the seniormost member shall act as the Chairperson till the date on which a new Chairperson appointed in accordance with the provisions of this Act to fill the vacancy, enters upon his office; (i) the appellant before the Appellate Tribunal may be authorised to engage any authorised representative as defined under Section 288 of the Income Tax Act, 1961, (j) the punishment for vexatious search and for false information may be enhanced from three months'



imprisonment to two years' imprisonment, or fine of rupees ten thousand to fine of rupees fifty thousand or both; (k) the words "good faith" may be incorporated in the clause relating to bar of legal proceedings. The Central Government have broadly accepted the above recommendations and made provisions of the said recommendations in the Bill.

3. In addition to above recommendations of the Standing Committee the Central Government proposes to (a) relax the conditions prescribed for grant of bail so that the court may grant bail to a person who is below sixteen years of age, or woman, or sick or infirm, (b) levy of fine for default of non-compliance of the issue of summons, etc. (c) make provisions for having reciprocal arrangement for assistance in certain matters and procedure for attachment and confiscation of property so as to facilitate the transfer of funds involved in money laundering kept outside the country and extradition of the accused persons from abroad.

*4. The Bill seeks to achieve the above objects."*¹

8. Before proceeding further, it may be relevant rather necessary to understand the scope of Section 3 of PMLA, which defines the offence of money laundering. Section 3, as amended, reads thus:

"3. Offence of money laundering.—Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or

¹*Nikesh Tarachand Shah v. Union of India*, (2018) 11 SCC 1



activity connected with the proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming it as untainted property shall be guilty of offence of money laundering.

Explanation.—For the removal of doubts, it is hereby clarified that—

(i) a person shall be guilty of offence of money laundering if such person is found to have directly or indirectly attempted to indulge or knowingly assisted or knowingly is a party or is actually involved in one or more of the following processes or activities connected with proceeds of crime, namely—

- (a) concealment; or*
 - (b) possession; or*
 - (c) acquisition; or*
 - (d) use; or*
 - (e) projecting as untainted property; or*
 - (f) claiming as untainted property,*
- in any manner whatsoever;*

(ii) the process or activity connected with proceeds of crime is a continuing activity and continues till such time a person is directly or indirectly enjoying the proceeds of crime by its concealment or possession or acquisition or use or projecting it as untainted property or claiming it as untainted property in any manner whatsoever.”

9. The Apex Court in ***Vijay Madanlal Chaudary Vs. Union of India*** reported in **(2023) 12 SCC 1** examined the scope of Section 3 of



PMLA and held as under:

WEB COPY

“134. From the bare language of Section 3 of the 2002 Act, it is amply clear that the offence of money laundering is an independent offence regarding the process or activity connected with the proceeds of crime which had been derived or obtained as a result of criminal activity relating to or in relation to a scheduled offence. The process or activity can be in any form — be it one of concealment, possession, acquisition, use of proceeds of crime as much as projecting it as untainted property or claiming it to be so. Thus, involvement in any one of such process or activity connected with the proceeds of crime would constitute offence of money laundering. This offence otherwise has nothing to do with the criminal activity relating to a scheduled offence — except the proceeds of crime derived or obtained as a result of that crime.

...

136. As mentioned earlier, the rudimentary understanding of “money laundering” is that there are three generally accepted stages to money laundering, they are:

136.1. Placement : which is to move the funds from direct association of the crime.

136.2. Layering : which is disguising the trail to foil pursuit.

136.3. Integration : which is making the money available to the criminal from what seem to be legitimate sources.”

10. The Appellants submission that having been convicted under PCA, prosecuting them again under PMLA would attract the vice of



Article 20 of the Constitution of India under the premise that it would amount to Double Jeopardy has been rejected by the Division Bench of this Court in *C.Anandane v. Directorate of Enforcement, Government of India* reported in 2023 SCC OnLine Mad 7479 and the relevant portion is extracted hereunder:

“16. The second submission of the learned counsel for the petitioner was that prosecuting the petitioner for an offence under Section 3 of the PMLA would amount to double jeopardy. As regards the said point, we are unable to agree with the submissions made by the learned counsel. The offence under Section 13(1)(e) PC Act, which is possession of disproportionate assets, can arise even if a public servant spends the entire money derived illegally while holding office as a public servant. However, the ingredients of the offence under Section 3 of the PMLA are different. Section 3 of the PMLA reads as follows:

3. Offence of money-laundering.—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 and projecting it as untainted property shall be guilty of offence of money-laundering.

17. The ingredients of Section 3 of PMLA would indicate that the offence under Section 3 of PMLA has nothing to do with the criminal activity/commission of a scheduled offence. If a person indulges or continues to indulge in dealing with proceeds of crime, he is liable to



be prosecuted under the PMLA. Even in the case of holding disproportionate assets punishable under Section 13(1)(e) of the PC Act, if the offender continues to possess or conceal the proceeds of crime, after the check period, the offence of money laundering is made out. Therefore, the two offences are distinct and different and it cannot be said that the offence under PMLA is subsumed within the PC Act. Hence, the submission of the learned counsel for the petitioner that prosecuting the person accused of an offence under Section 13(1)(e) of the PC Act and for an offence under Section 3 of PMLA would amount to double jeopardy, is untenable.”

11. The second submission of the appellants that the commission of the predicate offence was prior to the introduction of PMLA thus may not be permissible to invoke PMLA, also cannot be countenanced inasmuch as it is contrary to the decision of the Supreme Court in *Vijay Madanlal Choudary (stated supra)* wherein it was held that the offence of money laundering is a continuing offence irrespective of the date and time of commission of Scheduled Offence. The relevant portion is extracted hereunder :

“135. Needless to mention that such process or activity can be indulged in only after the property is derived or obtained as a result of criminal activity (a scheduled offence). It would be an offence of money laundering to indulge in or to assist or being party to the process or activity connected with the proceeds of crime; and such



process or activity in a given fact situation may be a continuing offence, irrespective of the date and time of commission of the scheduled offence. In other words, the criminal activity may have been committed before the same had been notified as scheduled offence for the purpose of the 2002 Act, but if a person has indulged in or continues to indulge directly or indirectly in dealing with proceeds of crime, derived or obtained from such criminal activity even after it has been notified as scheduled offence, may be liable to be prosecuted for offence of money laundering under the 2002 Act — for continuing to possess or conceal the proceeds of crime (fully or in part) or retaining possession thereof or uses it in trenches until fully exhausted. The offence of money laundering is not dependent on or linked to the date on which the scheduled offence, or if we may say so, the predicate offence has been committed. The relevant date is the date on which the person indulges in the process or activity connected with such proceeds of crime. These ingredients are intrinsic in the original provision (Section 3, as amended until 2013 and were in force till 31-7-2019); and the same has been merely explained and clarified by way of Explanation vide Finance (No. 2) Act, 2019. Thus understood, inclusion of clause (ii) in the Explanation inserted in 2019 is of no consequence as it does not alter or enlarge the scope of Section 3 at all.”

12. Now having examined the above contention we shall now proceed to examine the facts and material on record to see if the



ingredients of section 3 of PMLA stands satisfied.

WEB COPY

13. Keeping in view the object behind PMLA and the scope of Section 3 of PMLA as explained by the Supreme Court in *Vijay Madanlal Chaudary's* case and on applying the same to the instant case, we are of the view that appellants were convicted for predicate offence under Section 3 and 4 of PMLA read with Section 13(2) and 13(1)(e) of PCA and Section 120B of IPC. The proceeds of such crime were used in construction of multi-storied building, which clearly establishes that the appellants were directly involved in possession, acquisition and use of the entire building thereby attracting the wrath of Section 3 of Prevention of Money Laundering Act punishable under Section 4 of the said Act, as evident from following reasons, thus the impugned order does not warrant interference:

a) Second Appellant submitted formal prior intimation or sought previous sanction in terms of Rule 18(2) for transaction in respect of immovable property given by her to Department / Employer only after completion of construction of building on 20.08.2009. Importantly, in the said Form², cost of building construction is mentioned as Rs.20,19,000/-. Details of the sources for such construction were furnished as contained in the Table below:

² Ex.P25



Crl.A.No.401 of 2022

1.	Housing loan from Bank of Baroda, Kolathur Brnch	7,49,000
2.	Shriram Chit Funds	2,40,000
3.	Jewel Pledged	3,50,000
4.	AG's Society loan	1,80,000
5.	Hand Loan from his father	95,000
6.	Husband Monthly Salary saving	2,25,000
7.	Personal savings	1,80,000
		20,19,000

b) Cash book³ and Statement of construction cost⁴ furnished by the builder viz., M/s.Hari Ragava Planners & Builders, would show that the said builder had claimed the total cost of construction as Rs.47,93,620/- and received Rs.46,93,000/- from the second appellant, which was retained towards defective construction.

c) Valuation Report⁵ of the Assistant Valuation Officer, Income Tax Department estimates the cost of construction at Rs.62,66,946/-.

d) Invoice dated 31.03.2007⁶ reveals that a sum of Rs.47,93,620/- was charged for construction.

e) Statement of partners of builders were recorded⁷ and one of

3 Ex.P23

4 Ex.P22

5 Ex.P24

6 Ex.P21

7 Ex.P6 & Ex.P7



Crl.A.No.401 of 2022

the partners, Mr.Sampathkumar was examined as P.W.4, wherein, he had deposed that the total bill value for construction was Rs.47,93,620/- raised on the second appellant, of which, they received Rs.46,93,000/-.

f) Second Appellant, in her statement had admitted that the cost of construction incurred for the ground floor, first floor and unfinished pillars on second floor would be around Rs.30,00,000/-.

g) Apparently, there are varying value of construction as could be seen from the tabulation below :

Value of the building stated by A2 in her statement/Ex.P5	Value of the building stated by A2 in Ex.P.25 Form under Rule 18(2)	Construction cost stated by Hari Ragava Planners and Builders/Ex.P22	Construction cost stated by the valuer/Ex.P24
Rs.30,00,000/-	Rs.20,19,000/-	Rs.47,93,620	Rs.62,66,946/-

h) First appellant would submit that he had borrowed a sum of Rs.2,35,000/- from his brother Thiyagarajan and executed a pronote on 25.04.2007⁸. However, the receipt⁹ given by second appellant would reveal that second appellant borrowed a sum of Rs.4,25,000/- by cash and Rs.2,05,000/- from cheque from first appellant's brother without interest. Though learned counsel for the appellant herein had contended

⁸ Ex.D2

⁹ Ex.D1



Crl.A.No.401 of 2022

that the loan availed by the second appellant was duly informed to the Department, it was found by the Trial Court that the alleged loans were granted/extended some time in the year 2002 and according to first appellant's brother, it was meant for purchase of plot at Baba Nagar while the construction agreement between second appellant and the builder was executed only on 11.08.2006, thus the said explanation offered by appellants as a source for funding construction is of no avail rather unacceptable.

i) While the first Appellant, in his statement submitted that he had no sources of income other than salary and rent from house property at Akbar Square, Villivakkam, Chennai, second appellant stated that first appellant also used to earn a small portion of income through agriculture. D.W.1, brother of appellant herein had deposed that first appellant is the owner of the agricultural property, which was being cultivated by her sister, on his instructions. However, no revenue records like Chitta, Adangal was produced to show that the first appellant is in fact the owner of the said agricultural land. Thus the contention/explanation that income derived from agricultural land also part of the income of the first appellant is not based on evidence.

14. From the records, it is discernible that appellants were convicted for predicate offence under Section 3 and 4 of PMLA read with Section 13(2) and 13(1)(e) of PCA and Section 120B of IPC. The



Crl.A.No.401 of 2022

proceeds of such crime was used in construction of multi-storied building, which clearly establishes that the appellants were directly involved in possession, acquisition and use of the entire building thereby attracting the wrath of Section 3 of Prevention of Money Laundering Act punishable under Section 4 of the said Act. We find that the Trial Court has in fact found that the prosecution has established and proved through oral and documentary evidence that accused have committed the offence u/s 3 of PML Act, punishable u/s 4 of PML Act, and therefore, the accused are found guilty of the offence under Section 4 of Prevention of Money Laundering Act, 2002 only on considering the above material on record. We agree with the findings of the Trial Court and are of the view that the impugned order does not warrant interference.

15. At this stage, learned counsel for the appellants would submit that the Court may consider concurrent running of sentence. We are not inclined to accede to the above request, as offences are distinct.

16. In view of the above, the Criminal Appeal stands dismissed.

[S.M.S.,J.]

[M.S.Q,J.]

11.02.2026



Crl.A.No.401 of 2022

Speaking (or) Non Speaking Order
Index : Yes/ No
Neutral Citation : Yes/ No
Lm

To:

- 1.The XIV Additional Special Judge
for CBI Cases under PMLA,
Chennai.
- 2.The Assistant Director,
The Directorate of Enforcement,
2nd & 3rd Floor, Murugesu Naicker Complex,
No.84, Greaves Road, Thousand Lights,
Chennai – 600 018.
- 3.The Public Prosecutor,
Madras High Court.



WEB COPY



Crl.A.No.401 of 2022

S.M.SUBRAMANIAM, J.
AND
MOHAMMED SHAFFIQ, J.
Lm/spp

Crl.A.No.401 of 2022

11.02.2026