2026:CGHC:18260-DB

AFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

MA No. 21 of 2026

Tushar Sahu S/o Yoganand Sahu, Aged About 32 Years R/o Panduka, Tehsil Rajim, Distt. Gariyaband (C.G.)

--- **Appellant(s)**

Versus

The Deputy Director Directorate of Enforcement, Raipur, Government of India, A-1 Block, Pachpedi Naka, Pujari Chambers, Raipur C.G. 492001

--- **Respondent(s)**

MA No. 22 of 2026

Pankaj Kumar Sahu S/o Arun Kumar Sahu Aged About 32 Years Gram Panduka, Thana- Panduka, Tehsil Chhura, Dist- Gariyaband C.G. 493887.

---**Appellant(s)**

Versus

The Deputy Director Directorate of Enforcement, Raipur, Government of India A-1 Block, Pachpedi Naka, Pujari Chambers, Raipur C.G. 492001.

--- **Respondent(s)**

MA No. 23 of 2026

Poonam Sahu D/o Arun Kumar Sahu Aged About 35 Years Gram - Panduka, Thana - Panduka, Tehsil - Chhura, Distt. Gariyaband Chhattisgarh 493887

---**Appellant(s)**

Versus

The Deputy Director Directorate of Enforcement, Raipur Government of India A-1 Block, Pujari Chamber, Pachpedi Naka, Raipur 492001

--- **Respondent(s)**

MA No. 24 of 2026

Piyush Kumar Sahu S/o Arun Kumar Sahu Aged About 36 Years Gram - Panduka, Thana - Panduka, Tehsil Chhura, Distt. Gariyaband Chhattisgarh 493887

---**Appellant(s)**

Versus

The Deputy Director Directorate of Enforcement, Raipur Government of India A-1 Block, Pujari Chambers, Pachpedi Naka, Raipur 492001

--- **Respondent(s)**

MA No. 25 of 2026

Arun Kumar Sahu S/o Late Sri Lalji Sahu Aged About 69 Years Gram- Panduka, Thana- Panduka, Tehsil Chhura, Dist. Gariyaband Chhattisgarh 493887

---**Appellant(s)**

Versus

The Deputy Director Directorate of Enforcement, Raipur Government of India A-1 Block, Pujari Chambers, Pachpedi Naka, Raipur, C.G. 492001

--- **Respondent(s)**

MA No. 26 of 2026

Ranu Sahu W/o Jai Prakash Maurya, Aged About 41 Years R/o D-2, Officers Colony, Devendra Nagar, Raipur C.G.

---**Appellant(s)**

Versus

The Deputy Director Directorate of Enforcement, Raipur, Government of India, A-1 Block Pujari Chambers, Pachpedi Naka, Raipur C.G. 492001

--- Respondent(s)

MA No. 27 of 2026

Shalini Sahu W/o Piyush Kumar Sahu Aged About 31 Years R/o Gram- Panduka, Thana- Panduka, Tehsil- Chhura, District- Gariyaband, Chhattisgarh- 493887

---**Appellant(s)**

Versus

The Deputy Director, Directorate of Enforcement, Raipur, Government of India, A-1 Block, Pachpedi Naka, Pujari Chamber, Raipur, Chhattisgarh- 492001

--- **Respondent(s)**

MA No. 28 of 2026

Laxmi Sahu W/o Arun Kumar Sahu Aged About 62 Years R/o Gram- Panduka, Thana- Panduka, Tehsil- Chhura, District- Gariyaband, Chhattisgarh- 493887

---**Appellant(s)**

Versus

The Deputy Director Directorate of Enforcement, Raipur, Government of India, A-1 Block, Pachpedi Naka, Pujari Chambers, Raipur, Chhattisgarh- 492001

--- Respondent(s)

MA No. 29 of 2026

Revti Sahu W/o Yoganand Sahu Aged About 53 Years R/o Panduka, Tehsil- Rajim, District- Gariyaband, Chhattisgarh.

---**Appellant(s)**

Versus

The Deputy Director Directorate of Enforcement, Raipur, Government of India, A-1 Block, Pachpedi Naka, Pujari Chambers, Raipur, Chhattisgarh- 492001

--- **Respondent(s)**

(Cause Title Taken from Case Information System)

For Appellant(s)	:	Ms. Somaya Gupta (through Video Conferencing) and Ms. Khushboo Naresh Dua, Advocates.
For Respondent(s)	:	Dr. Saurabh Kumar Pande, Advocate
Date of Hearing	:	15/04/2026
Date of Judgment	:	22/04/2026

Hon'ble Mr. Ramesh Sinha, Chief Justice

Hon'ble Mr. Ravindra Kumar Agrawal, Judge

C.A.V. Judgment

Per Ramesh Sinha, Chief Justice

1. Heard Ms. Somaya Gupta, learned counsel appearing for the appellant(s) through Video Conferencing as well as Dr. Saurabh Kumar Pandey, learned counsel for the respondent-Directorate of Enforcement (for short, the ED).

2. Since all these appeals filed under Section 42 of the Prevention of Money Laundering Act, 2002 (*for short, the PMLA*), arise from a common order passed by the learned Appellate Tribunal under the

Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 {*for short, the SAFEMA*} at New Delhi (*for short, the Appellate Tribunal*), and all the appellants are family members and the issue and facts are also similar and interconnected, they were heard together and are being disposed of by this common judgment.

3. The appellant, in MA No. 21/2026, has prayed for the following relief(s):

> "a. Allow the present Appeal;
>
> b. Pass an order setting aside the Impugned Final Order dated 16.10.2025 passed by the Hon'ble Appellate Tribunal under SAFEMA at New Delhi in FPA-PMLA-6921/RP/2023 titled "Tushar Sahu v. Deputy Director, Directorate of Enforcement, Raipur whereby the Appeal dismissed by the Hon'ble Appellate Tribunal and consequently, the Final Order dated 09.10.2023 passed by the Ld. Adjudicating Authority in Original Complaint No. 1988 of 2023 dated 28.05.2023 whereby the Ld. Adjudicating Authority confirmed the Provisional Attachment Order No. 02/2023 in ECIR/RPZO/09/2022 dated 29.09.2022 was upheld;
>
> c. Pass such other further order(s) as this Hon'ble Court may deem fit and necessary in the interest of justice."

4. The appellant, in MA No. 22/2026, has prayed for the following relief(s):

> "a. Allow the present Appeal;
>
> b. Pass an order setting aside the Impugned Final Order dated 16.10.2025 passed by the Hon'ble Appellate Tribunal under SAFEMA at New Delhi in FPA-PMLA-6932/RP/2023 titled "Pankaj Kumar Sahu v. Deputy Director, Directorate of Enforcement, Raipur" whereby the Appeal dismissed by the Hon'ble Appellate Tribunal and consequently, the Final Order dated 09.10.2023 passed by the Ld. Adjudicating Authority in Original Complaint No. 1988 of 2023 dated 28.05.2023 whereby the Ld. Adjudicating Authority confirmed the Provisional Attachment Order No. 02/2023 in ECIR/RPZO/09/2022 dated 29.09.2022 was upheld;
>
> c. Pass such other further order(s) as this Hon'ble Court may deem fit and necessary in the interest of justice. ."

5. The appellant, in MA No. 23/2026, has prayed for the following relief(s):

> *"a. Allow the present Appeal;*
>
> *b. Pass an order setting aside the Impugned Final Order dated 16.10.2025 passed by the Hon'ble Appellate Tribunal*

under SAFEMA at New Delhi in FPA-PMLA-6933/RP/2023 titled "POONAM SAHU v. Deputy Director, Directorate of Enforcement, Raipur" whereby the Appeal dismissed by the Hon'ble Appellate Tribunal and consequently, the Final Order dated 09.10.2023 passed by the Ld. Adjudicating Authority in Original Complaint No. 1988 of 2023 dated 28.05.2023 whereby the Ld. Adjudicating Authority confirmed the Provisional Attachment Order No. 02/2023 in ECIR/RPZO/09/2022 dated 29.09.2022 was upheld;

c. Pass such other further order(s) as this Hon'ble Court may deem fit and necessary in the interest of justice."

6. The appellant, in MA No. 24/2026, has prayed for the following relief(s):

"a. Allow the present Appeal;

b. Pass an order setting aside the Impugned Final Order dated 16.10.2025 passed by the Hon'ble Appellate Tribunal under SAFEMA at New Delhi in FPA-PMLA-6920/RP/2023 titled "Piyush Sahu v. Deputy Director, Directorate of Enforcement, Raipur" whereby the Appeal dismissed by the Hon'ble Appellate Tribunal and consequently, the Final Order dated 09.10.2023 passed by the Ld. Adjudicating Authority in Original Complaint No. 1988 of 2023 dated 28.05.2023 whereby the Ld. Adjudicating Authority confirmed the Provisional Attachment Order No. 02/2023 in ECIR/RPZO/09/2022 dated 29.09.2022 was upheld;

c. Pass such other further order(s) as this Hon'ble Court may deem fit and necessary in the interest of justice."

7. The appellant, in MA No. 25/2026, has prayed for the following relief(s):

"a. Allow the present Appeal;

b. Pass an order setting aside the Impugned Final Order dated 16.10.2025 passed by the Hon'ble Appellate Tribunal under SAFEMA at New Delhi in FPA-PMLA-6918/RP/2023 titled "Arun Kumar Sahu v. Deputy Director, Directorate of Enforcement, Raipur" whereby the Appeal dismissed by the Hon'ble Appellate Tribunal and consequently, the Final Order dated 09.10.2023 passed by the Ld. Adjudicating Authority in Original Complaint No. 1988 of 2023 dated 28.05.2023 whereby the Ld. Adjudicating Authority confirmed the Provisional Attachment Order No. 02/2023 in ECIR/RPZO/09/2022 dated 29.09.2022 was upheld;

c. Pass such other further order(s) as this Hon'ble Court may deem fit and necessary in the interest of justice."

8. The appellant, in MA No. 26/2026, has prayed for the following relief(s):

"a. Allow the present Appeal;

b. Pass an order setting aside the Impugned Final Order dated 16.10.2025 passed by the Hon'ble Appellate Tribunal under SAFEMA at New Delhi in FPA-PMLA-6924/RP/2023 titled "Ranu Sahu v. Deputy Director, Directorate of Enforcement, Raipur" whereby the Appeal dismissed by the Hon'ble Appellate Tribunal and consequently, the Final Order dated 09.10.2023 passed by the Ld. Adjudicating Authority in Original Complaint No. 1988 of 2023 dated 28.05.2023 whereby the Ld. Adjudicating Authority confirmed the Provisional Attachment Order No. 02/2023 in ECIR/RPZO/09/2022 dated 29.09.2022 was upheld;

c. Pass such other further order(s) as this Hon'ble Court may deem fit and necessary in the interest of justice..”

9. The appellant, in MA No. 27/2026, has prayed for the following relief(s):

“a*. Allow the present Appeal;*

b. Pass an order setting aside the Impugned Final Order dated 16.10.2025 passed by the Hon'ble Appellate Tribunal under SAFEMA at New Delhi in FPA-PMLA-6919/RP/2023 titled "SHALINI SAHU v. Deputy Director, Directorate of Enforcement, Raipur" whereby the Appeal dismissed by the Hon'ble Appellate Tribunal and consequently, the Final Order dated 09.10.2023 passed by the Ld. Adjudicating Authority in Original Complaint No. 1988 of 2023 dated 28.05.2023 whereby the Ld. Adjudicating Authority confirmed the Provisional Attachment Order No. 02/2023 in ECIR/RPZO/09/2022 dated 29.09.2022 was upheld;

c. Pass such other further order(s) as this Hon'ble Court may deem fit and necessary in the interest of justice. Court. .”

10. The appellant, in MA No. 28/2026, has prayed for the following relief(s):

“a. Allow the present Appeal;

b. Pass an order setting aside the Impugned Final Order dated 16.10.2025 passed by the Hon'ble Appellate Tribunal under SAFEMA at New Delhi in FPA-PMLA-6922/RP/2023 titled "Laxmi Sahu v. Deputy Director, Directorate of Enforcement, Raipur" whereby the Appeal dismissed by the Hon'ble Appellate Tribunal and consequently, the Final Order dated 09.10.2023 passed by the Ld. Adjudicating Authority in Original Complaint No. 1988 of 2023 dated 28.05.2023 whereby the Ld. Adjudicating Authority confirmed the Provisional Attachment Order No. 02/2023 in ECIR/RPZO/09/2022 dated 29.09.2022 was upheld;

c. Pass such other further order(s) as this Hon'ble Court may deem fit and necessary in the interest of justice.”

11. The appellant, in MA No. 29/2026, has prayed for the following relief(s):

"a. Allow the present Appeal;

b. Pass an order setting aside the Impugned Final Order dated 16.10.2025 passed by the Hon'ble Appellate Tribunal under SAFEMA at New Delhi in FPA-PMLA-6923/RP/2023 titled "REVTI SAHU v. Deputy Director, Directorate of Enforcement, Raipur" whereby the Appeal dismissed by the Hon'ble Appellate Tribunal and consequently, the Final Order dated 09.10.2023 passed by the Ld. Adjudicating Authority in Original Complaint No. 1988 of 2023 dated 28.05.2023 whereby the Ld. Adjudicating Authority confirmed the Provisional Attachment Order No. 02/2023 in ECIR/RPZO/09/2022 dated 29.09.2022 was upheld;

c. Pass such other further order(s) as this Hon'ble Court may deem fit and necessary in the interest of justice."

12. Challenge in these appeals filed under Section 42 of the PMLA is to the common final order dated 16.10.2025 (*hereinafter referred to as 'the impugned order*) passed by the Appellate Tribunal under the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 {*for short, the SAFEMA*} at New Delhi (*for short, the Appellate Tribunal*), in FPA-PMLA-6924/RP/2023 {in respect of appellant-Ranu Sahu}, FPA-PMLA-6918/RP/2023 {in respect of appellant-Arun Kumar Sahu}, FPA-PMLA-6919/RP/2023 {in respect of appellant-Shalini Sahu}, FPA-PMLA-6920/RP/2023 {in respect of appellant-Piyush Kumar Sahu}, FPA-PMLA-6921/RP/2023 {in respect of appellant-Tushar Sahu}, FPA-PMLA-6922/RP/2023 {in respect of appellant-Laxmi Sahu}, FPA-PMLA-6923/RP/2023 {in respect of appellant-Revti Sahu}, FPA-PMLA-6932/RP/2023 {in respect of appellant-Pankaj Kumar Sahu}, FPA-PMLA-6933/RP/2023 {in respect of appellant-Poonam Sahu} by which the learned Appellate Tribunal has dismissed the appeal filed by the appellants challenging the order dated 09.10.2023 (*for short, the Confirmation Order*) passed by the learned Adjudicating Authority (*for short, the AA*) under the PMLA in Original Complaint No. 1988/2023 (*for short, the OC*) by which the Provisional Attachment Order (*for short, the PAO*) dated 08.05.2023, against the appellants, has been confirmed.

13. All the other appellants are relatives of Ranu Sahu. The appellant-Tushar Sahu is the cousin of Ranu Sahu. Pankaj Kumar Sahu, Piyush Kumar Sahu are brothers of Ranu Sahu. Poonam Sahu is the sister of Ranu Sahu. Arun Kumar Sahu is the father and Laxmi Sahu is the mother of Ranu Sahu. Sahlini Sahu is the wife of Piyush Kumar Sahu and Revti Sahu is the Aunt (ताई) of Ranu Sahu.

14. The appeal, being MA No. 26/2026 filed by the appellant-Ranu Sahu, is taken as the lead case.

15. The facts, as projected by the appellant-Ranu Sahu is that on 12.07.2022, an FIR No. 129/2022 was registered by Kadugodi Police Station, Whitefield, Bengaluru under Section 186, 204, 353 and 120 B of the Indian Penal Code (f*or short, the IPC*) against one Suryakant Tiwari and others on the basis of a complaint filed by Deputy Director of Income Tax, Foreign Assets Investigation, Unit 1, Bengaluru alleging that as part of the conspiracy, during the course of search by the Income Tax Department on 30.06.2022, Suryakant Tiwari had allegedly obstructed the officials from carrying out their official duties and destroyed crucial incriminating documents and digital evidence about the alleged illegal extortion on Coal Transportation, payments collected by Suryakant Tiwari and his gang.

16. According to Ms. Somaya Gupta, learned counsel appearing for the appellant-Ranu Sahu, the appellant was not named in the FIR and further, no scheduled offence was disclosed in the FIR which was initially registered. It was only subsequently, vide Addendum dated 03.09.2022, that Section 384 IPC was added in the FIR. The appellant was not named even in the said Addendum. On 13.09.2022, OM in F.No. 289/ED/36/2022-IT (Inv. II) was forwarded by Central Board of Direct

Taxes (*for short, the CBDT*) to the ED containing the FIR No. 129/2022 P.S. Kadugodi, along with a report on the investigation conducted by the Income Tax Department on M/s Jay Ambey Group of Raipur (Suryakant Tiwari Group). On 29.09.2022, ECIR/RPZO/09/2022 was registered by the ED, Raipur Zonal Office on the basis of Sections 120B and 384 IPC being a part of FIR 129/2022. The appellant-Ranu Sahu was not named in the said ECIR registered by the ED. On 14.10.2022, a search operation was conducted at the residence of the appellant-Ranu Sahu, *i.e*. the Collector's House, Raigarh, from where certain documents were seized. On 4 occasions i.e. 14.10.2022, 20.10.2022, 21.10.2022 and 28.10.2022, the appellant-Ranu Sahu duly complied with the summons issued by the ED and her statements under Section 50 of PMLA were recorded. The same has been admitted by the ED in the prosecution complaint filed against her. Pursuant to the instant ECIR, vide Provisional Attachment Order No. 02/2022 dated 09.12.2022 (*for short, the 1st PAO*) passed by the ED in the aforestated ECIR, properties to the tune of approximately Rs.152.31 Crores were attached belonging to Sameer Vishnoi, Suryakant Tiwari and Saumya Chaurasia. The said PAO stands confirmed by the learned AA. It is pertinent to note that none of the properties of the appellant were attached. On 09.12.2022, the ED filed its Prosecution Complaint (for short, the PC) against Suryakant Tiwari, Laxmikant Tiwari, Sunil Kumar Agarwal, Sameer Vishnoi, M/s Indermani Mineral India Pvt. Ltd., M/s Maa Madwarani Coal Beneficiation Pvt. Ltd., M/s KJSL Coal & Power Pvt. Ltd., for commission of offence of Money Laundering under Section 3 punishable under Section 4 of the PMLA before the learned Special Court of PMLA, Raipur. The appellant was not named as an accused in the 1st PC. Thereafter, vide PAO No. 01/2023 dated 29.01.2023 (*for short, the*

second PAO) passed by the ED in the instant ECIR, properties to the tune of approximately Rs.17.48 Crores were attached. The said PAO stands confirmed by the learned AA. At this stage also, none of the properties of the appellant-Ranu Sahu were attached.

17. Subsequently on 30.01.2023, 1st Supplementary Prosecution Complaint was filed against Saumya Chaurasia, Anurag Chaurasia, Deepesh Taunk, Rajnikant Tiwari, Kailash Tiwari, Sandeep Kumar Nayak, Shiv Shankar Nag and Rajesh Chaudhary before the Hon'ble Special Court of PMLA, Raipur for commission of offence of money laundering under Section 3 punishable under Section 4 PMLA before the Hon'ble Special Court of PMLA, Raipur. The appellant was not named as an accused in the 2nd PC as well. Vide PAO No. 02/2023 dated 08.05.2023 (*for short, the third PAO*) passed by the ED in the instant ECIR under Section 5(1) of PMLA, properties to the tune of approximately Rs.51.40 Crores were provisionally attached belonging to, inter alia, the appellant-Ranu Sahu and her family members to the tune of a total of Rs. 5.52 Crores. On 28.05.2023, the OC bearing No. 1988/2023 dated 28.05.2023 in the instant ECIR was filed on behalf of the respondent before the learned AA under Section 5(5) of PMLA seeking confirmation of PAO dated 08.05.2023 bearing No. 02/2023 in the instant ECIR. On 30.05.2023, the learned Special Court, PMLA, Raipur took cognizance of both the aforementioned PCs filed by the ED in the captioned ECIR. A show cause notice dated 07.06.2023 was issued to the appellant-Ranu Sahu by the learned AA under Section 8(1) of the PMLA calling upon the defendant therein to show cause why the PAO in respect of properties should not be confirmed as representing proceeds of crime (*for short, the PoC*) being value of properties involved in money laundering. The same was accompanied with purported reasons to believe under

Section 8(1) of PMLA dated 05.06.2023 which does not even mention the name of the appellant herein, let alone bearing formation of belief of the learned AA to satisfy the test under Section 8(1) PMLA. On 15.06.2023, a charge-sheet/final report was filed in FIR No. 129/2022 registered at PS Kadugodi under Sections 204 and 353 IPC by the Karnataka State Police before Chief Judicial Magistrate Rural Court, Bengaluru against Suryakant Tiwari. No charge-sheet has been filed under any scheduled offence mentioned in the FIR i.e. under Sections 120B or 384 IPC. In fact, even cognizance has not been taken under any scheduled offence. Further, for the purposes of FIR No. 129/2022, a charge-sheet has not been filed till date for a scheduled offence. In any case the appellant has not been charge-sheeted in the purported predicate offence and the charge-sheet filed does not disclose the commission of any scheduled offence to invoke the provisions of PMLA. Therefore, at the time of issuance of PAO and the show cause notice, a surviving scheduled offence did not exist.

18. Ms. Gupta, learned counsel for the appellant would submit that PC having Ref. No. 3167/2023 dated 19.06.2023 was filed by the IT Department invoking therein Sections 181, 191, 193, 196, 200, 120B and 420 of the IPC by the ITD Bhopal against Suryakant Tiwari, Saumya Chaurasia, Sameer Vishnoi, Rajnikant Tiwari, Laxmikant Tiwari, Nikhil Chandrakar, Rahul Kumar Singh, Navneet Tiwari, Parekh Kumar Kurrey, Sheikh Moeenuddin Quereshi, Chandra Prakash Jaiswal, Roshan Kumar Singh, Manish Upadhyay, Hemant Jaiswal. It appears that the appellant has not been named in the said Prosecution Complaint. It appears that such Prosecution Complaint dated 19.06.2023 has been clubbed with the instant ECIR and investigation into the offence of money-laundering was initiated. The appellant was

not named as a suspect in the ECIR or such PC. In compliance of the show cause notice dated 07.06.2023, issued under Section 8(1) of PMLA, the appellant filed her reply on 25.07.2023. The ED, in a completely arbitrary and illegal manner, arrested the appellant on 22.07.2023 under Section 19 of PMLA in relation to the instant ECIR. The appellant-Ranu Sahu was granted regular bail by the Hon'ble Supreme Court on 07.08.2024 in SLP (Crl) No. 6963/2024 {*Ranu Sahu v. Directorate of Enforcement*). Thereafter, on 18.08.2023, the ED filed its 2nd supplementary PC in the captioned ECIR arraigning the following persons as accused namely, Nikhil Chandrakar, the appellant-Ranu Sahu, Piyush Sahu, Devendra Singh Yadav, Chandradev Prasad Rai, Vinod Tiwari, Ram Pratap Singh, Roshan Kumar Singh, Manish Upadhyay, Navneet Tiwari, Narayan Sahu before the Hon'ble Special Court of PMLA, Raipur for commission of offence of money laundering under Section 3 punishable under Section 4 PMLA before the learned Special Court of PMLA, Raipur. Pursuant to the reply filed in the OC No. 1988/2023 on behalf of the appellant, a aejoinder dated 13.09.2023 was filed on behalf of ED. Pursuant to hearing final arguments in OC No. 1988/2023, the learned AA passed the final order dated 09.10.2023 whereby it confirmed the PAO No. 02/2023 and allowed the OC No. 1988/2023 without returning any findings on the contentions raised by the appellant-Ranu Sahu. Ms. Gupta would submit that the confirmation order has been passed mechanically for 100 movable and immovable properties of all defendants therein, being a complete reproduction of the written averments made by both the appellant-Ranu Sahu and ED and devoid of any substantial application of mind or detailed reasoning by the learned AA. At this point, no scheduled offence was in existence and the PAO was erroneously confirmed by the learned AA. The appellant-

Ranu Sahu preferred an appeal dated 01.12.2023 before the learned Appellate Tribunal under Section 26 (1) of PMLA against the Confirmation Order dated 09.10.2023 passed by the learned AA in OC No. 1988 of 2023 dated 28.05.2023 whereby the learned AA has confirmed the PAO No. 02/2023 in ECIR/RPZO/09/2022 dated 29.09.2022.

19. Ms. Gupta would further submit that to cure the defect of absence of a surviving scheduled offence in the Coal Levy, ECIR/RPZO/09/2022, FIR No. 03/2024 dated 17.01.2024 (for short, the 2nd Coal Levy FIR") was registered by Police Station, EOW & ACB, Raipur on the basis of information furnished by the ED under SEction 66(2) of PMLA on 11.01.2024 to the DGP, ACB and EOW Raipur, Chhattisgarh in relation to facts discovered during investigation into ECIR/RPZO/09/2022 dated 29.09.2022. In any case, registration of the said FIR cannot cure the defect of the issuance and confirmation of the PAO in absence of a scheduled offence. Vide order dated 20.02.2024 passed in the appeal before the learned Appellate Tribunal, possession was directed to remain with the appellant of the properties attached observing that there was no exceptional reason for the notice under Section 8(4) PMLA to be issued to the appellant herein. A reply to the Appeal bearing No. FPA-PMLA-6924/RP/2023 was filed on 12.08.2024 by the Respondent ED before the learned Appellate Tribunal. Pursuant to hearing the final arguments, the learned Appellate Tribunal, in a completely arbitrary and mechanical manner passed the impugned Order on 16.10.2025. Not only has the learned Appellate Tribunal failed to consider and appreciate the contentions raised by the appellant, but it has also failed to record the submissions.

20. Ms. Gupta would submit that the case of ED is that from the perusal of the PC and 1st Supplementary PC, the gravamen of ED's case appears to be that the cartel of Suryakant Tiwari as part of a well planned conspiracy and with the active support of Politicians and senior government functionaries managed to influence Sameer Vishnoi, the then director of Geology & Mining, and got issued Government order dated 15.07.2020 which became the fountain head of this extortion system. It is further alleged that the above notification dated 15.07.2020, which was issued by Sameer Vishnoi, at the instance of the cartel led by Suryakant Tiwari, modified the pre-existing transparent online process of getting e-Permits for transporting coal from mine to users, into a system which made it prone to massive corruption. It is further alleged that the notification introduced a requirement of getting a manual NOC from the mining section of the District Magistrate's office and this forced the coal user companies to physically apply to mining officer/DM for NOC for issuance of e-transportation permit. This introduction of a layer in the process of issuance of Transport Permits was misutilized by the Coal Cartel to demand Rs. 25 per tonne illegally, failing which the NOC was either not issued, or delayed to render the Coal Delivery Order (CDO) useless. It is further alleged that Suryakant Tiwari, the head of this syndicate on ground, deployed his men in various districts of Chhattisgarh who were in direct physical contact with the district level mining officers or through whatsapp messages. It is further alleged that this system of collection of illegal cash was facilitated/ coordinated by Suryakant Tiwari on the ground, and the system ran with impunity and without any interruption because Suryakant Tiwari had the backing of the Highest powers in the state and due to Mis close association with Saumya Chaurasia and in turn with other senior IAS/IPS officers. It is

further alleged that large amounts of cash was used to purchase land properties in the names of associates and distant relatives of Suryakant Tiwari, Saumya Churasia, Sameer Vishnoi and other associates of the syndicate. The circle/ guidance rate in Chhattisgarh is relatively low and it allowed the accused persons to purchase costly lands by giving only a small fraction of the purchase consideration in cheque and remaining amount in cash.

21. Ms. Gupta would next submit that with respect to the appellant-Ranu Sahu, she has has not been named as a part of any such cartel which conspired for the issuance of such GO dated 15.07.2020. It is not the case of the ED that the appellant facilitated the issuance of such notification. In fact, she was posted as the Commissioner, GST with the additional charge as Managing Director, Chhattisgarh Tourism Development Board during such a period. The case of the ED against the appellant is that, the appellant worked as the District Collector of 2 districts significant for the purposes of coal i.e. Korba (from June 2021 to June 2022) and Raigarh (from June 2022 to February 2023) i.e. during the period of the scam and facilitated the collection of aforementioned extortion amount by the coal syndicate of Suryakant Tiwari and received huge bribe amounts from Suryakant Tiwari and his associates. Further, scanty whatsapp chats of generic nature, bearing no reference to any financial transaction, between Roshan Singh (allegedly member of Suryakant Tiwari syndicate) along with whatsapp chats of personal nature, bearing no reference to any financial transaction, between the appellant and Suryakant Tiwari are being relied upon in order to fallaciously demonstrate the appellant's participation in the alleged conspiracy. Further, the ED has gone beyond the scope of the FIR in the purported predicate offence and has also alleged that the scope of

purported corruption by the appellant is not confined to coal levy but also irregularities in allotment of tenders of District Mining Fund. It is pertinent to note that DMF is not the subject matter of the concerned FIR and no allegations in relation to DMF funds forms part of the predicate offence. The appellant has been alleged to have aided and abetted Suryakant Tiwari in collection of such illegal amounts and to have received kickbacks in form of bribe which she gave to Rajnikant for safekeeping and amounts were spent by them as and when required according to the instructions of the appellant. It is alleged that perusal of the handwritten ledger maintained by Rajnikant Tiwari (associate/brother of Suryakant Tiwari) has entries with "RS/Ranu Mem/Ranu" from October 2021 to April 2022 showing 'incoming' of a total amount of Rs. 5.52 Crores. The ED has stated that such an amount was handed over by the appellant to Suryakant Tiwari and his associates, and Rs. 5.52 Crores is the quantum of illegal collection performed by the appellant. The ED has alleged that the said amount of Rs. 5.52 Crores has been utilised by the appellant in purchase of land in the name of family as the cash could not have come from any other legal business of her family. appellant is alleged to have acquired several immovable properties in Chhattisgarh after 15.07.2020 through her family members who are purportedly *benami* holders for the appellant. The ED has proceeded to attach properties purchased between 2017-2021 belonging to the appellant and her family members in the nature of both direct proceeds of crime and value thereof to the tune of Rs. 5.52 Crores. The properties attached belonging to the appellant were purchased before 15.07.2020 i.e. the date of the purported predicate offence.

22. With respect to appellant(s) Tushar Sahu, Pankaj Kumar Sahu, Poonam Sahu, Piyush Kumar Sahu, Arun Kumar Sahu, Shalini Sahu, Laxmi

Sahu and Revti Sahu, Ms. Gupta would submit that there is no allegation of involvement of these appellants in the scheduled offence or the offence of money laundering. There is no role alleged or any conspiracy attributed qua the appellants in relation to the scheduled offence. The relevant property belonging to the appellants have been attached by the ED. The allegation of the ED is that the property purchased by these appellants were in fact purchased from the illegal money earned by the appellant-Ranu Sahu. The appellants are alleged to have purchased numerous immovable properties in cash. As per the allegations, the majority of the real estate consideration was paid in cash form to sellers and the minority portion via cheque. The cash of huge proportions have been utilized in purchase of land by the appellants and the only source of cash would have been the bribe money collected by Ms. Ranu Sahu for her active cooperation in the coal syndicate. The money originated out of proceeds of crime, being the share of Ms. Ranu Sahu was utilized by appellant in purchase of properties. The appellant had knowingly supported Ms. Ranu Sahu in laundering proceeds of crime. Ms. Gupta would next submit that the learned Appellate Tribunal as well as the learned ADD have failed to appreciate that the ED's case against the appellants is false, presumptuous, incoherent and mutually contradictory.

23. Ms. Gupta would submit that vide Order No. F.No. 4138-47/ Sankhikiya/Coal Bhandaran/N.Kra./2020, dated 15.07.2020, issued by the State Government, under the signatures of Sameer Vishnoi, IAS who was the Director, Geology & Mining, as well as Managing Director of Chhattisgarh Mineral Development Corporation, a change in the process of getting e-permits for transportation of coal from mines to users was introduced. A requirement of getting a manual NOC from the District

Mining Officer was introduced into an erstwhile fully online process. The appellant-Ranu Sahu, at this point of time was posted as the Commissioner, GST with the additional charge of Managing Director, Chhattisgarh Tourism Development board and had no role to play in issuance of such notification. Ranu Sahu took charge as the District Collector of Korba on 08.06.2021 and remained there upto 30.06.2022. According to the ED, this was the time when Ranu Sahu got involved in the predicate offence of allegedly collection of additional levy of Rs. 25/- per tonne of coal. 19 immovable properties purchased by Ranu Sahu and her family members prior to 15.07.2020, were attached and 4 immovable properties allegedly purchased out of PoC i.e. after 15.07.2020 were also atached. In fact, two out of such properties do not even belong to either the family members/Ranu Sahu or anyone known.

24. With respect to the order passed by the learned Appellate Tribunal, Ms. Gupta would submit that the learned Appellate Tribunal failed to consider that the impugned order therein was ex-facie erroneous for being cryptic, unreasoned and templated, and therefore, liable aside. It was evident from the order that the contents of the OC, reply and rejoinder have been entirely reproduced along with the relevant statutory provisions and no appreciation of facts or law has been undertaken by the Ld. Adjudicating Authority, and no legitimate reasons whatsoever have been assigned for allowing the OC. The Order under S. 8(3) PMLA had been passed without returning any findings on the contentions raised by the appellants, both in pleadings and arguments. The learned Appellate Tribunal failed to appreciate that the order under Section 8(3) PMLA is in the teeth of the following view taken by the Hon'ble High Court of Delhi vide Order dated 22.03.2023 in WP(C) No. 5744/2022

'State Bank of India v. Directorate of Enforcement' on 'templated orders' passed by the learned AA, using identical paragraphs in several orders:

> "5. Use of identical templated paragraphs could reflect as non-application of mind by the Authority concerned and hence ought to be avoided. The Adjudicating Authority is cautioned about passing such templated orders.
>
> 6. The above position shall be brought to the notice of the Adjudicating Authority by ld. Counsel appearing for the Enforcement Directorate."

25. The learned Appellate Tribunal failed to appreciate that the AA has passed the confirmation order in contravention with the duty cast upon it under Section 8(2) of PMLA as it has failed to take into account the contentions raised by the appellants and peruse the material on record. In fact, apart from reproducing the entire case of the ED, no finding is recorded with respect to the involvement in money laundering of appellant's properties attached. The instant ECIR was registered on the basis of scheduled offences being Sections 120B and 384 IPC in FIR No. 129/2022 PS Kadugodi. The charge-sheet dated 15.06.2023 in FIR No. 129/2022 PS Kadugodi was filed under Sections 204 and 353 IPC by the Karnataka State Police and no charge-sheet has been filed under any offence which is scheduled for the purposes of PMLA. In fact, none of the scheduled offences were even under investigation with respect to the said FIR. Not only has the appellants been an accused in the purported predicate offence, but there also was no scheduled offence as on the date of issuance of the PAO and its confirmation by the learned AA. The commission of a scheduled offence is a *sine qua non* for commencement of proceedings under the PMLA. The PMLA defines the meaning of 'proceeds of crime' under Section 2(1)(u) which states that it is property, derived or obtained, directly or indirectly, by any person as a

result of criminal activity relating to the scheduled offence. It is not the case that proceeds from every crime are treated as proceeds of crime. In the instant PAO proceedings, the entire reliance has been placed on FIR No. 129/2022 by the ED as predicate/scheduled offence, on the basis of which it had recorded the instant ECIR and commenced investigation. Since no scheduled offence has been made out at the conclusion of investigation in FIR No. 129/2022. The entire case of the ED is that the syndicate of Suryakant Tiwari and his associates were collecting an additional illegal amount of Rs. 25/- per ton from coal user companies pursuant to the G.O. dated 15.07.2020 which introduced a requirement of getting a manual NOC from the mining section of DM's office. It is not anyone's case that the appellants, more so appellant-Ranu Sahu was involved in the issuance of such notification. The learned AA failed to appreciate that contrary to the ED's case that the appellant has aided Suryakant Tiwari and his associates in collection of illegal amounts, the appellants herein are not even an accused in the predicate offence and neither is the charge-sheet filed against her, let alone the charge-sheet not having been filed for any scheduled offence. The learned Appellate Tribunal failed to consider that the ED's case is that the appellant-Ranu Sahu aided and abetted Suryakant Tiwari in collection of such illegal amounts and to have received kickbacks in form of bribe which she gave to Rajnikant for safekeeping and amounts were spent by them as and when required according to the instructions of the appellant-Ranu Sahu. However, there has been no investigation into how, when and by what means did the appellant-Ranu Sahu receive the bribe monies from Suryakant Tiwari or his associates. ED has placed reliance on the handwritten diary maintained by Suryakant's brother showing an amount of Rs. 5.52 Crores deposited by the appellant-Ranu Sahu with

Suryakant Tiwari for safekeeping. There has been no investigation into the source of such an amount of Rs. 5.52 Crores and there is nothing on record to show that the entire amount derived or obtained was related to the predicate offence. The ED has failed to show the necessary causal link between the alleged predicate offence and the purported proceeds of crime qua the appellant.

26. Ms. Gupta would next submit that the ED has gone beyond the scope of the purported predicate offence and has also alleged that the scope of purported corruption by the appellant-Ranu Sahu is not confined to coal levy but also irregularities in allotment of tenders of District Mining Fund which in fact is subject matter of another ECIR/RPZO/02/2023. On one hand, the ED has admitted that the predicate offence in the instant ECIR relates to the illegal collection of an additional Rs.25 per ton of coal pursuant to the issuance of GO dated 15.07.2020 as it is ED's own case that 15.07.2020 is the date of commission of predicate offence. On the other hand, the ED has stated that the appellant-Ranu Sahu has received huge bribe amounts not only in relation to the illegal levy for coal transportation but also in relation to allocation of DMF thereby exceeding the scope of the predicate offence and investigating when no such offence exists for the purposes of the instant ECIR. It is pertinent to note that no allegations with respect to DMF funds forms part of the predicate offence. The ED appears to be making baseless allegations to somehow make out a case against the appellant-Ranu Sahu. There is no cogent material to link the appellants with the predicate offence and baseless quantification of PoC in relation to the appellants. The ED has failed to show how the alleged Rs 5.52 Crores partakes the character of PoC which has been derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to the scheduled offence.

Unless the same is established, no amount of vague allegations of disproportionate assets/attaching properties of family members of the appellant-Ranu Sahu, which are entirely unconnected with the proceeds of crime, can amount to the offence of money laundering. The learned Appellate Tribunal failed to appreciate that the ED has simply quantified the PoC to the tune of Rs. 5.52 Crores in relation to the appellant-Ranu Sahu solely on the basis of cryptic entries made by one Rajnikant Tiwari (brother of Suryakant Tiwari) in handwritten diaries maintained by him purportedly for unaccounted cash. There is nothing on record to show the veracity or genuineness of such entries. In fact, the PAO has been passed on the presumption that 'RS/Ranu/Ranu Mem' mean the appellant-Ranu Sahu on the basis of meaning given the predicate offence in the instant ECIR relates to the illegal collection of an additional Rs. 25 per ton of coal pursuant to the issuance of GO dated 15.07.2020 as it is ED's own case that 15.07.2020 is the date of commission of predicate offence. On the other hand, the ED has stated that the appellant has received huge bribe amounts not only in relation to the illegal levy for coal transportation but also in relation to allocation of DMF thereby exceeding the scope of the predicate offence and investigating when no such offence exists for the purposes of the instant ECIR. It is pertinent to note that no allegations with respect to DMF funds forms part of the predicate offence. The ED appears to be making baseless allegations to somehow make out a case against the appellant-Ranu Sahu. Further, there is no cogent material to link the appellant with the predicate offence and baselss quantification of the PoC has been made in relation to the appellant. The ED has failed to show how the alleged Rs 5.52 Crores partakes the character of 'proceeds of crime' which has been derived or obtained, directly or indirectly, by any person as a result

of criminal activity relating to the scheduled offence. Unless the same is established, no amount of vague allegations of disproportionate assets/attaching properties of family members of the appellant-Ranu Sahu which are entirely unconnected with the proceeds of crime, can amount to the offence of money laundering. The ED has simply quantified the proceeds of crime to the tune of Rs. 5.52 Crores in relation to the appellant-Ranu Sahu solely on the basis of cryptic entries made by one Rajnikant Tiwari (brother of Suryakant Tiwari) in handwritten diaries maintained by him purportedly for unaccounted cash. There is nothing on record to show the veracity or genuineness of such entries. In fact, the PAO has been passed on the presumption that RS/Ranu/Ranu Mem mean the appellant herein on the basis of meaning given to such terms by a co-accused person who was not the author of the diaries in his Section 50 statement which is inadmissible. In fact, such entries have been stated to be fictional and imaginary by Suryakant Tiwari in his statement dated 01.11.2022 and 03.11.2022 recorded under Section 50 of PMLA. However, the ED has concealed such a material fact before all forums. As per settled law, the appellant cannot be held liable for any wrongdoing merely on the basis of entries contained in private diaries maintained by third parties. There is corroborative material in support of the truthfulness of any entries in the diary which leads to the conclusion that there are reasonable grounds for believing that the appellant is not guilty of any offence of money laundering. The learned Appellate Tribunal failed to appreciate that the presumption of the appellant being associated with the syndicate run by Suryakant on the basis of alleged Whatsapp chats with Suryakant Tiwari and Roshan Singh is absolutely fallacious as the same does not bear any incriminating material so as to allege involvement of the appellant by way of abetment/facilitation of the

alleged predicate offence of illegal coal levy. Without prejudice, at best, such chats show that the appellant had the purported conversation over Whatsapp with such persons, and nothing more. Further, the learned Appellate Tribunal failed to appreciate that Nikhil Chandraker's statement under Section 50 of PMLA which the ED has relied upon to show that collection of cash by him through from a person on behalf of the appellant is inadmissible, unreliable and coerced. On 14.01.2023, co-accused Nikhil Chandrakar filed a complaint against ED officials inter alia stating that the investigating officer had illegally detained him and that he was forced to sign back dated typed papers, give false statements against certain persons.

27. Ms. Gupta further would submit that there are fatal contradictions in the ED’s case as on one hand, the ED has based their case against the appellant-Ranu Sahu on the basis of her being the District Collector of two highly significant districts for coal production/transportation i.e. Korba and Raigarh which was June 2021 onwards. This shows that even though the purported predicate offence may have commenced on or around 15.07.2020, the appellant's involvement is allegedly seen only from June 2021 when she became the DC of Korba. In fact, the ED has relied upon the handwritten entries in the ledger maintained by Rajnikant Tiwari from October 2021-April 2022 amounting to a total of Rs. 5.52 Crores which has been considered as the proceeds of crime qua the appellant, and properties amounting to a total of Rs. 5.52 Crores have been attached vide the 3rd PAO on the basis of such entries. Clearly as per ED's own case, the generation/acquisition of proceeds of crime by the appellant, can at best commence from June 2021. It is not the ED's case that the appellant had aided/facilitated or hatched the conspiracy to get the GO dated 15.07.2020 issued. However, the ED has fashioned

the allegations against the appellant for utilisation of proceeds of crime by purchase of immovable properties by her family members after 15.07.2020 without being able to show that the appellant was in receipt of the proceeds of crime before June or October 2021 as per its own case. This has been done with the sole motive to hide the absence of nexus between the alleged scheduled offence, the alleged POC, the alleged PoC having been dealt with by the appellant, and the purported properties alleged to have been acquired by utilising POC. The properties attached by the ED as being held *benami* for the appellant in relation to ulitisation of PoC by the appellant through her family members, have all been purchased from a period of 16.07.2020 to 27.08.2021 *i.e*. all before the first entry of receipt by one RS/Ranu (alleged to be the appellant) dated 04.10.2021 made in the handwritten ledger made by Rajnikant Tiwari. There is absolutely no material on record to connect the appellant to the properties purchased by her family. In fact, there is nothing to connect such properties to the alleged PoC which, as per ED's own case, can at best be generated in the hands of/dealt with by the appellant only after June 2021 i.e. when she took charge of the District of Korba. However, without any connection of such properties with the scheduled offence, the ED has presumed a link and made out a case of utilisation of the alleged proceeds of crime by the purported purchase of such properties, all of which have been bought prior to the proceeds having been dealt with by the appellant as per ED's own case. The learned AA failed to consider that contradictory stand taken by the ED as on one hand it is alleged that the bribe amount received by the appellant-Ranu Sahu used to be deposited with Suryakant Tiwari for safekeeping and the said amount was used as and when required/directed by the appellant-Ranu Sahu, and on the other

hand, without any linkage, the ED has taken a leap to allege that it was Piyush Sahu, the brother of appellant-Ranu Sahu, who layered the bribe amounts (totalling to the tune of Rs. 5.52 Crores) in cash through CAs and entry providers to purchase properties in the name of family members of the appellant. There is nothing on record to connect the proceeds received by Suryakant Tiwari (purported PoC) to the tune of Rs. 5.52 Crores and its alleged utilisation through Piyush Sahu. In fact, the utilisation appears to predate the receipt of proceeds by Suryakant Tiwari. As per ED's own case, diary entries show that the alleged PoC were given by the appellant-Ranu Sahu to Suryakant Tiwari for safekeeping from October 2021-April 2022. However, the purported money trail shown by the ED for properties purchased after 15.07.2020 allegedly at the instance of the appellant by her brother Piyush Sahu by using the PoC (Rs.5.52 Crores) clearly demonstrate that the commencement of the trail is before the first entry in diary of deposit of purported bribe money i.e. October 2021. In fact, in most cases the initiation of the money trail is even prior to the appellant-Ranu Sahu, joining as the District Collector of Korba in June 2021. Therefore, the properties attached on the pretext of its involvement in money laundering have no connection with the purported proceeds of crime, even if ED's case is considered at its face value. The learned Appellate Tribunal failed to even record, let alone appreciate this fatal flaw in the case set up against the appellant. While the ED has hinged its entire case against the appellant and quantification of PoC around the purported diary entries, the ED has failed to show nexus between the alleged PoC to the tune of Rs. 5.52 Crores and the properties purchased by the appellant and her family members in order to show concealment/layering etc.

28. Ms. Gupta would further submit that there is nothing on record to show any link between properties purchased by the other appellants i.e. the family members of the appellant-Ranu Sahu and the appellant. In any case, the independent actions of the family members cannot be attributed to the appellant-Ranu Sahu for the purposes of the statute especially when the same is based on presumption and surmises. In any case, statements recorded of the family members of the appellant herein does not disclose any financial transaction of any nature whatsoever between the appellant-Ranu Sahu and her family members. In fact, there is no material connecting the appellant with any transactions made by her family members. The appellant has never derived any benefits from such properties, and therefore, the ED has falsely and baselessly postured the appellant as purported beneficial owner. The entire case is based on presumptions such as "...*that such huge amount of cash has been utilized in purchase of land in the name of family, that the cash could not have come from any other legal business of family*", "*it is evidence that cash of huge proportions has been utilized by the Sahu family in purchase of land and the only source of cash would have been the bribe money collected by Ms. Ranu Sahu for her active cooperation in the coal syndicate,* "*hence the only source of money for purchasing their properties would have been the bribe money collected by Ms. Ranu Sahu for her active cooperation in the syndicate*" (quotes from OC). The Appellate Tribunal, without appreciating the material of record, has mechanically bifurcated the properties belonging to the appellant-Ranu Sahu and her family members based on its date of purchase. All properties purchased before 15.07.2020 have been attached as value thereof and the properties purchased after 15.07.2020 have been attached as 'direct PoC'. There has been no consideration of the fact the

appellant-Ranu Sahu has been linked to the purported predicate offence as per ED's own case since June 2021, when she became the Collector of Korba, only after which she could have facilitated the collection of illegal levy by Suryakant Tiwari and Others, and received bribes in lieu of such aid. However, the learned Appellate Tribunal has upheld the erroneous action of learned AA whereby it has confirmed the attachment of properties as '*Direct PoC*' which were bought after 15.07.2020 but before June 2021 (appointment of appellant as DC Korba) or October 2021 (first diary entry of purported bribe money to be layered). The ECIR registered by the ED was, along with the FIR in the purported predicate offence, also based on the report forwarded by the IT Department vide OM dated 13.09.2022. However, the Prosecution Complaint filed by the IT Department before JMFC, Special IT Court, Bhopal in the same matter does not name the appellant-Ranu Sahu herein as an accused. It is clear that there is no link between the appellant herein with the purported predicate offence, and the entire case of the ED is plagued with gaps, contradictions and presumptions.

29. Ms. Gupta would further submit that the provisional attachment order is legally untenable as there is nothing to show that the appellant was in possession of PoC. In fact, the purported proceeds have been assumed on the basis of inadmissible and fictional handwritten diaries maintained by the brother of Suryakant Tiwari which show cryptic entries of "incoming" amount from RS/Ranu/Ranu Mem. As per the ED's case, the diary showed a deposit of Rs. 5.52 crores with Suryakant Tiwari made by Ranu Sahu for safekeeping of bribe amounts. However, there are no "outgoing" entries for any amount in the name of RS/Ranu/Ranu Mem. Therefore, as per ED's own case, even if there was an amount which was deposited at the instance or by the appellant with Suryakant Tiwari,

the same has not been withdrawn/given back to the appellant. Therefore, it cannot be the case that appellant is in possession of the proceeds in the first place in order for proceedings under Section 5(1) to have been initiated by the ED against her. Without any ascertainment of the proportion of the alleged proceeds of crime being in possession of each individual whose properties have been attached, the properties cannot be attached as '*value thereof*' as the entire object of attaching properties based on value equivalent to that of proceeds of crime is based on the quantum of proceeds held by the person in question. Therefore, the entire PAO is arbitrary and liable to be set aside.

30. Ms. Gupta would further submit that the second proviso of Section 5(1) PMLA does not contemplate attachment of properties as 'value thereof'. The present case is one covered under second proviso of Section 5(1) of PMLA which lays the test for provisional attachment of properties by the ED in case charge-sheet had not been filed at the time of issuance of the PAO. It is to be noted that the instant PAO was passed on 08.05.2023 i.e. before the filing of the charge-sheet in the predicate offence. In any case, the charge-sheet in the purported predicate offence was only filed on 15.06.2023 under Sections 204 and 353 IPC which are not scheduled offences. Therefore, the present case is one of attachment without charge-sheet in the predicate offence, without prejudice to the contention that it is one of attachment without a scheduled offence at all. The second proviso of Section 5 (1) of PMLA states that notwithstanding the first proviso, any property of any person can be attached if the concerned officer has reason to believe (which shall be recorded in writing), on the basis of the material in his possession that if such property involved in money-laundering is not attached immediately under this chapter, the non-attachment of the

property is likely to frustrate any proceeding under this Act. Therefore, for invoking the second Proviso, it is necessary for the ED to show that the property being attached is the property involved in money laundering. It is stated that the 'property involved in money laundering' does not include any and all properties but only those which are involved in the process of laundering. The properties which have no link whatsoever with the 'proceeds of crime' cannot form part of the property involved in money laundering. Therefore, the second proviso of Section 5(1) of PMLA does not contemplate a situation of attachment of unconnected properties which have a value equivalent to that of proceeds of crime as the same cannot be properties involved in concealment/layering of proceeds of crime. In fact, even the object of the second proviso is to immediately arrest the process of further laundering and layering of proceeds which render frustrate the proceedings under PMLA, and attaching properties as value thereof will be of no consequence to such object. The PAO in relation to the appellant is unsustainable as all the properties belonging to the appellant herein attached vide PAO were purchased much before the commission of the purported predicate offence, and therefore, the same were admittedly being attached in the nature of 'value thereof, and not as direct PoC, and therefore, could not have been attached as 'property involved in money laundering' under Second proviso of Section 5(1) of PMLA. There is no 'reason to believe' that properties, if not attached immediately, will frustrate PMLA proceedings. It is the mandate of the PMLA under second proviso of Section 5(1) of PMLA that the ED is required to have "reasons to believe" that if the properties are not attached "immediately", then the entire proceeding under this Act shall get frustrated. No specific reasons to believe under Section 5(1) of PMLA are given in the PAO for

attachment of properties of the appellant which were all purchased prior to 15.07.2020. It is stated that the PAO contains the purported 'reasons to believe' under Section 5(1) of PMLA as follows:

a. For attachment of properties in Table A purchased after 15.07.2020 by family members of the appellant on Pages 70- 72 of PAO;

b. For attachment of properties in Table B purchased after 15.07.2020 by purported benamidars on Pages 77-78 of PAO;

c. For attachment of properties in Table C- purchased prior to 15.07.2020 by the appellant and her family members – no reasons to believe stated.

31. A perusal of such reasons to believe on the aforestated pages will demonstrate how the ED does not satisfy the test of second proviso to Section 5(1) of PMLA in any manner. The learned Appellate Tribunal failed to appreciate that not only are specific reasons to believe in relation to the properties belonging to the appellant absent in the PAO, but the common 'Reasons to believe' for 100 properties belonging to 37 defendants stated in Para 9 of the PAO also does not satisfy the statutory test. The PAO states as follows:-

"B. The acts of Shri Suryakant Tiwari of selling off the assets, evasive replies by Ms Ranu Sahu, Mr. Devendra Singh Yadav, Mr. Vinod Tiwari, Mr. Vaibhav Agrawal, admission by Nikhil Chandrakar, Devendra Thakur, Satyanarayan Dewangan, Divyesh Chandrakar regarding using of PoC by Suryakant Tiwari and not joining of investigation by Roshan Singh and his wife Pooja Singh clearly provides me with the reason to believe that properties mentioned in schedule of properties are proceeds of crime involved in money laundering and are likely to be transferred or dealt with any manner which may result in frustrating any proceedings relating to confiscation of such proceeds of crime, if not attached immediately. The subject assets may be transferred/disposed of/encumbered without

notice of this Directorate either by the Banks or by the parties and may result in frustrating any proceedings relating to confiscation of such proceeds of crime."

32. Ms. Gupta would further contend that the learned Appellate Tribunal has failed to appreciate that there is no allegation of selling off of assets by either the appellant or any of her family members, unlike that against Suryakant Tiwari. The perversity of the PAO qua the appellant is evident from the fact that the second proviso is being invoked in relation to the appellant on the basis of alleged 'evasive replies' given by her which is bereft of logic and satisfaction of the statutory compliance. The learned AA failed to appreciate that there is no averment of any attempt made to dispose of any property belonging to the appellant by her, and therefore, no ground for attachment under Section 5(1) is made out. It is clear from the perusal of the OC that the purported statements recorded by the ED under Section 50 of PMLA allegedly relevant in relation to the attached properties belonging to the appellant or her family members were recorded between October 2022 to January 2023. The 1st PAO was filed contemporaneously to such investigation, and the 2nd PAO was filed after such investigation. However, none of the properties belonging to the appellant or her family members was attached vide 1st or 2nd PAO. The ED has attached such properties belatedly after four months despite investigation into the same thereby clearly demonstrating that the ground for urgency so as to satisfy the test laid under second proviso to Section 5(1) PMLA cannot be stated to be made out. Vide order dated 20.02.2024 passed in the appeal and connected matters before the learned Appellate Tribunal, possession was directed to remain with the appellants of the properties attached observing that there was no exceptional reason for the notice under Section 8(4) PMLA to be issued to the appellant. Therefore, a case of urgency under second proviso of

Section 5(1) could have also not been made out for any of the properties of the appellant. Ms. Gupta would further submit that the test under the second provision of Section 8(1) of the PMLA is not satisfied because the reasons to believe dated 05.06.2023 recorded under Section 8(1) of PMLA by the learned AA in the instant OC do not even mention the name of the appellant, let alone recording reasons to believe that the appellant has either committed the offence of money laundering or is in possession of proceeds of crime. It is shocking that the learned AA has issued a show cause notice to the appellant without recording reasons why the same must be issued to her in the first place. For this reason alone, the show cause notice along with all consequential proceedings is liable to be set aside. Recording of 'reason to believe' by the learned AA is *sine qua non* for exercising jurisdiction under sub-section (1) of Section 8 of PMLA. It is settled law that the AA is not supposed to mechanically issue a show cause notice under Section 8(1) PMLA. The AA has to apply its mind and again record its reasons to believe, independent of the reasons recorded by the ED, that any person has committed an offence under Section 3 PMLA or is in possession of proceeds of crime. Unless this condition precedent is complied with, the AA would have no jurisdiction to issue notice under sub- section (1) of Section 8 upon receipt of complaint under sub-section (5) of Section The show cause notice issued to the appellant is in complete derogation of the settled position of law that the learned AA is not merely a rubber stamp and must independently apply its mind to record the satisfaction under Section 8(1) of PMLA, failing which the notice along with consequential proceedings get vitiated. The reasons have to be made explicit. It is only the reasons that can enable the reviewing authority to discern how the officer formed his reasons to believe. In support of her

contentions, Ms. Gupta places reliance on the decisions rendered by various High Courts viz. ***Seema Garg v. Deputy Director***, {2020 SCC OnLine P&H 738}, ***Excel Powmin Ltd. v. Union of India*** {2020 SCC OnLine Cal 384}, ***J. Sekar v. Union of India***, {2018 SCC OnLine Del 6523}, ***Vanpic Ports Private Limited vs The Deputy Director***, {C.M.S.A. No.6 of 2020 (Telangana High Court.)}. The entire proceedings are further rendered illegal and unconstitutional being hit by the vice of *coram non-judice* as it appears that the Chairperson alone has conducted the proceedings within the nomenclature of "Adjudicating Authority". It is apparent from a bare perusal of Section 6(2) of PMLA that the Adjudicating Authority consists of a Chairperson and two other members and by virtue of Section 6(5)(a) and (b) thereof, the jurisdiction of Adjudicating Authority could be exercised only by a Bench constituted of the Chairperson with one or 2 members and, therefore, the proceedings conducted by the Chairperson alone without any member would tantamount to c*oram non-judice* rendering the entire proceedings to be null and *void ab-initio*. Further, the presumption under the PMLA is not applicable to the present cases as the learned Appellate Tribunal has failed to appreciate that the learned AA has misapplied the law in as much as it has relied upon the presumption under the Act to shift the burden of proof on to the appellant herein in light of the law enunciated in ***Vijay Madanlal Choudhary & Ors. v. Union of India & Ors****,* {SLP (Crl.) No. 4634 of 2014, decided on 27.07.2022 : 2022 SCC OnLine SC 929}***.*** In light of para 343 of the said judgment, it is clear that the second foundation fact necessary for invocation of the legal presumption is that the property in question should be derived or obtained, directly or indirectly, as a result of the criminal activity related to scheduled offence and does not contemplate a case wherein properties attached are in the

nature of 'value thereof. In fact, in the present case, the properties in question are wholly unrelated to the purported predicate offence as the same were purchased way before the commission of purported predicate offence, and therefore, the presumption under Section 24 cannot arise. The appellant in her statement under Section 50 of PMLA, has stated that she has been submitting her Immovable Property Return as per AIS conduct rules. In any case, there is no allegation of such properties being derived out of tainted money. The learned Appellate Tribunal failed to appreciate that the learned AA overlooked that presumption under Section 24(a) of PMLA can only arise when a person is 'charged with the offence of money laundering'. In the present case, even though a Prosecution Complaint has been filed "alleging" the commission of the offence of money laundering, the appellant herein has not been charged of the same by the learned Special Court. Therefore, the presumption under Section 24(a) of PMLA cannot be said to have arisen in the present case.

33. Placing reliance on the return filed, Dr. Saurabh Kumar Pande, learned counsel appearing for the respondent-ED would submit that the order passed by the AA as well as the Appellate Authority is just and proper warranting no interference. Dr. Pande would submit that during search and seizure of ITD conducted at the premises of Suryakant Tiwari and his associates and investigation of the ITD, various evidences were gathered in the form of handwritten diaries, loose papers and also the digital evidences. These evidences are of cash transactions related to a syndicate being operated and coordinated by Suryakant Tiwari along with his associates and other persons wherein additional unauthorized cash was being collected over and above the legal amount fixed against the Delivery Order issued by SECL from various entities who were lifting

and transporting the coal throughout the state of Chhattisgarh. An FIR No. 129/2022 dated 12.07.2022 was registered by Karnataka State Police, Kadugodi Police Station, Whitefield, Bengaluru invoking therein Section 186, 204, 353, 384 and 120B of the Indian Penal Code, 1860 against Suryakant Tiwari and others. It is to be mentioned here that Section 384 of the IPC was added in the FIR by the Karnataka State Police vide application dated 03.09.2022. Further, CBDT's Office Memorandum in F No 289/ED/36/2022-IT (Inv.II) dated 13.09.2022 with the Subject as 'Sharing of Information with ED in the case of M/s Jai Ambey Group of Raipur (Suryakant Tiwari Group) has been received based on the report of DGIT Investigation Bhopal. The OM enclosed an FIR registered on the complaint of DDIT FAIU Unit-1 Bengaluru by Bengaluru Police. As per the CBDT's OM, it is informed that Mr. Suryakant Tiwari in collusion with Chhattisgarh State Government Officials was carrying out the offences of large-scale illegal extortion punishable under Section 384 and 120B of IPC and there is a need for ED to investigate this matter for contravention of Section 3 of PML. Act 2002. Accordingly, ECIR was recorded vide No. ECIR/RPZO/09/2022 dated 29.09.2022. As per the information on record, it was evealed that collection of illegal levy of Rs.25 per every ton of Coal which was transported from mines like SECL etc., and other places was being done. This illegal extortion of 'levy' was being done with the active connivance of State Mining Officials, District Officials, and by using a wide network of agents who are stationed in the Coal belt and maintained a close liaison with the administration. The Delivery Orders (DO) were issued only after the illegal levy was paid. This extortion syndicate was being run in a well-planned conspiracy. Mr. Suryakant Tiwari was assisted by State Govt Officials like Saumya Chaurasia

Chhattisgarh Administrative Service Officer, Sameer Vishnoi IAS, and associates like Rajnikant Tiwari, Roshan Singh, Nikhil Chandrakar, Sheikh Moinudeen Qureshi, Hemant Jaiswal, Joginder Singh etc. The money so collected is being used to make bribe payments to the government servants as well as Politicians. Part of the proceeds was also being used to funding for election expenditure. Investigation done so far also reveals that the large part of such money has been channeled into layered transactions in order to project it as untainted money and brought into the main stream by investing the same to acquire the properties & Coal washeries etc. ED investigation revealed that Sameer Vishnoi, the then Director, Directorate of Mining and Geology, Chhattisgarh issued a letter dated 15.07.2020 vide which Delivery Order for coal transportation is required to be verified manually from the concerned Mining Office and under the guise of the said letter and instruction for manual verification of DO, Suryakant Tiwari through his associates started to extort Rs.25 per tonne against the coal transportation. Suryakant Tiwari deployed several of his associates in the districts from which coal is mined by SECL in the state of Chhattisgarh and these persons developed liaisons with Collectorate office and other agencies. Unless cash @ Rs. 25/tonne of coal transported was paid to associates of Suryakant Tiwari, the concerned mining officer in the Collectorate would not issue the requisite transit pass. All of this was facilitated/coordinated by Suryakant Tiwari with clout of Saumya Chaurasia and other government officials. Once these associates of Suryakant Tiwari received the additional charge of Rs. 25 per ton of coal to be transported, message was then communicated to the Mining Officer and thereafter the delivery orders were cleared for transport. Thereafter, associates (collection agents deployed at

difference places) of Suryakant Tiwari used to maintain data of Coal DO and payment of illegal levy of Rs.25 per tonne on Coal and after collection of levy, they used to hand over such cash amount along with collection data to Rajnikant Tiwari, Nikhil Chandrakar and Roshan Kumar Singh. Searches were conducted under PMLA at multiple premises of Suryakant Tiwari, Saumya Chaurasia and their associates and several incriminating documents/digital devices and valuables i.e. cash, jewellery, gold etc. were recovered. From the analysis of the seized documents/digital devices and statement recorded under 50 of PMLA, 2002, it is evident that this Coal Cartel accumulated PoC to the tune of Rs. 540 Crore out of extortion from coal transportation and other levies.

34. Dr. Pande would further submit that the appellant-Ranu Sahu, IAS worked as Collector of Korba district (most important coal rich Districts) during the period of the seam and facilitated collection of illegal levy amounts from the coal transporters by Suryakant Tiwari and his associates and she had received huge amounts as bribe payments of Rs. 5.52 Crores approx. from them in return and had deposited the same with Suryakant Tiwari for safe keeping and layering. ED investigations have also revealed various irregularities in allotment of tenders of District Mining Fund (DMF) by . Ranu Sahu, the then District Collector, Korba. Thus, Ranu Sahu has aided and abetted the coal syndicate run by Suryakant Tiwari in extorting the illegal levy from the coal transporters as well as from DMF Contracts and investigation has revealed that she has received an amount of Rs. 5.52 Crores (Approx.) as her share of the PoC in coal levy scam and she had laundered her share in the PoC by purchasing vast immovable properties in her name and in the names of family members and thus attempted to hide their untainted nature,

Hence,Ranu Sahu has committed the offence of money laundering as defined under Section 3 of PMLA which is punishable under Section 4 of PMLA. Even if a person who is not accused in the FIR for scheduled offence can be proceeded against and can be made as an accused under PMLA, 2002 if any such person is found to have been involved in any of the activity connected with the process of laundering the proceeds of crime. In this regard, he places reliance on paragraph 65 the judgment of the Apex Court in ***Vijay Madanlal Choudhary*** (supra) and paragraph 27 of the judgment in ***Pavana Dibbur v. The Directorate of Enforcement*** {Cr.A. No. 2779/2023}.

35. With regard to the contention of not even mention the name of the appellant in the reason to Believe under Section 8 (1) of PMLA dated 05.06.2023, Dr. Pande would submit that learned AA had formed reasons to believe, at that initial stage, collectively for all the defendants of original complaint. On the receipt of complaint from ED, the AA has to form reasons to believe in a broad manner and it cannot be expected from the learned AA to express its view in respect of each and every defendant by weighing all the material produced against them individually at the stage of issuing notice. The AA had appreciated the facts as a whole and formed its reasons to believe collectively in respect of all the defendants of the OC. Registration of scheduled offence is the sole criteria for initiation for investigation under PMLA. But for the initiating the process of attachment, the case is otherwise. Reliance is placed on paragraph 60 of the judgment rendered in ***Vijay Madanlal Choudhary*** (supra).

36. Dr. Pande would further submit that in the Charge Sheet filed in FIR No. 129/23 by Karnataka Police, the offence under Section 384 of IPC has not been closed/dropped. In the Charge Sheet filed before the

Jurisdictional Court on 15.06.2023, the Karnataka Police has categorically mentioned that the offence under Section 384 of IPC was found to have taken place in the state of Chhattisgarh and that they would be referring the matter to Chhattisgarh police. Further, Hon'ble Supreme Court vide judgment dated 14.12.2023 in SLP(Crl.) No. 8847/2023 while rejecting bail application of Saumya Chaurasia, a co-accused in this case has mentioned in para 26 to 29 that offence under Section 384 could not be said to have been dropped by the 10 of FIR No. 129/2022 while submitted the chargesheet in respect of the said FIR which has further been taken note of by this Hon'ble Court in ***Sourabh & Others v. Directorate of Enforcement***, {MA No. 34 of 2025, dated 23.07.2025}. A fresh FIR bearing no. 03/2024 dated 17.01.2024 has been registered by ACB/EOW, Raipur to investigate the Coal Levy Scam. appellant-Ranu Sahu is one of the accused in this FIR. Since, Sections invoked in the abovementioned FIR i.e. section 420, 120B of IPC and section 7, 7A and 12 of PC Act were scheduled offence under PMLA, the said FIR was incorporated into ongoing ECIR by issuing addendum. Further, on the basis of contents of chargesheet filed by Karnataka Police in FIR no. 129/2023 wherein it was mentioned that offence under Section 384 of IPC was found to be committed in the State of Chhattisgarh for which report would be sent to Chhattisgarh police though proper channel, ACB/EOW Raipur incorporated Section 384 of IPC in the above said FIR No. 03/2024.Therefore, the claim of appellants that no scheduled offence exists in the instant case is completely false. The scope of money laundering offences has wider and far-reaching scope that predicate offences and all the persons involved in offence of money laundering need not necessarily be an accused in predicate offence. As such property of a person can be attached under

PMLA even if the said person is not accused under the scheduled offence. If during investigation under PMLA, it reveals that a property has been acquired out of POC, the same can be attached under PMLA and further, such person need not necessarily be charged for offence of Money Laundering if there did not exist such evidences to prove that the person was knowingly involved in activities related to POC. Order impugned was passed by the learned AA upon affording reasonable and fair opportunity of hearing to the appellant herein and after taking all the oral and written submission of both sides into consideration. Dr. Pande would submit that he impugned order is a well-reasoned speaking order. It is not the case of the appellants that any failure of justice has ever been caused to the appellants.

37. Dr. Pande would further submit that with respect to aspect of legality of sharing of information by ED to the predicate agency's under Section 66 of PMLA, during course of investigation in the instant case, ED had come across of many cognizable offences which fall within the jurisdiction of ACB and EOW Chhattisgarh and then the same was being disclosed by this Directorate under Section 66 (2) of PMLA to ACB and EOW. Thereafter, ACB and EOW has conducted independent verification of the disclosure and since a *prima facie* cognizable offence was disclosed, ACB & EOW registered an FIR No. 03/2024 under its the statutory duty. Moreover, this Hon'ble Court in CRMP No. 721/2024 in the matter of ***Anil Tuteja & Others v. Union of India & Others****,* upheld that ED was legally mandated to share information of commission of offences to concerned agencies under Section 66 of PMLA and the Police upon receiving information about commission of cognizable offence has no option but to mandatory register FIR. There is no violation of order of any Court of law, instead, the action of the State is complete

compliance with the law. He would further submit that Section 66(2) of the PMLA, 2002 is *pari materia* with Section 158(1) and Section 158(3) of the Central Goods and Services Tax Act, 2017, and similarly, with Section 138(1)(a)(ii) of the Income Tax Act, 1961. These provisions, found across these respective Acts, impose an obligation to share information with other officers, authorities, or bodies for the purpose of enabling them to perform their functions under the respective law. The legislative intent across these provisions remains consistent: i.e., to allow for the effective flow of information between authorities in furtherance of law enforcement. A 5-Judge bench of the Apex Court, in ***A.R. Antulay v. Ramdas Sriniwas Nayak***, {(1984) 2 SCC 500} had observed that anyone can set or put the criminal law in motion except where the statute indicates to the contrary. The object of Section 66(2) of PMLA 2002 is in consonance with the observations of the Constitutional Bench. The consideration under the Section 5(1) operates at a distinct and anterior stage, namely at the time of issuance of the PAO, based on the material then available indicating likelihood of concealment, transfer or dealing with the proceeds of crime. Subsequent directions regarding possession under Section 8(4) or observations made by the Appellate Tribunal in that context do not retrospectively invalidate the formation of satisfaction or urgency recorded at the stage of provisional attachment. The statutory powers exercised under Section 5(1) and Section 8 operate in different fields, and reliance on possession-related observations cannot render the PAO illegal or arbitrary. The learned Appellate Tribunal has analysed each and every fact at greater length and consequent upon that passed its order dated 16.10.2025 in a very comprehensive manner. In the said order, learned Appellate Tribunal has discussed at length about each property in

question of respective appellant and rebutted all fabricated allegation made by them. Thus, the Appellate Tribunal dismissed the appeal of the appellants citing that they do not find any substances

38. Dr. Pandey would next submit that the investigation has proven that Ranu Sahu was involved in the offence of money laundering and actively assisted in the smooth functioning of coal cartel and in turn was getting part of the PoC collected by the cartel as bribe. The active involvement of Ranu Sahu in the coal syndicate and acquisition of PoC by her has been established from WhatsApp chats extracted from seized digital devices which were further corroborated by hand written diaries seized from the possession of members of coal cartel and also by statements of Nikhil Chandrakar and Roshan Kumar Singh, both associates of Suryakant Tiwari who had extensive knowledge about the modus of scam as well as beneficiaries of the scam. The hand written diaries contained detailed record of illegal incoming and subsequent expenditure of ill-gotten cash and it also contained the details of PoC transferred to Ranu Sanu. Investigation also proved that Ms. Ranu Sahu received PoC of Rs. 5.52 crore out of the total PoC of Rs. 540 crores collected from coal transporters. Further, investigation had also revealed that appellant-Ranu Sahu was not only professionally but also personally very close to the main accused Suryakant Tiwari and the part of the proceeds of crime earned by coal cartel was given to Smt. Ranu Sahu as bribe and she in turn from the point of additional safety for herself as well as for safe keeping of cash so given to her, kept it with Suryakant Tiwari. Such cash kept with Suryakant Tiwari was utilized for the benefit of . Ranu Sahu in purchase of properties in the name of her family member as per her direction. Ranu Sahu has acquired *benami* properties in the name of her family members, relatives and unrelated

tribals and these properties were purchased out of illegal cash received from the coal cartel. Role of . Ranu Sahu in acquisition of PoC as well as its utilization in properties with the help of entry providers in the name of her family members was also corroborated not only by diary entries but also by statement of multiple persons including the persons who provided entry of white money in lieu of cash amount, WhatsApp chats etc. In this case, an organized syndicate comprising politicians, bureaucrats and private individuals had extorted cash amount to the tune of Rs. 540 Crores from various businessmen of Coal, Cement, Steel, Iron Pellets, District Mineral Fund Contracts etc. during the period from July, 2020 to June, 2022. The entire State machinery i.e. District Administration, Mining Department, State Police, State GST Department, Environment Department, Labour Department etc. was involved in the conspiracy of extortion and implement of the scam and instead of stopping Suryakant Tiwari's team, the machinery was assisting the team to execute the scam. The State GST Department also played an important role in implementation of the extortion plan and in acquisition of the Proceeds of Crime by way of pressuring the businessmen who did not bend to the will of cartel. Ranu Sahu was also posted as Commissioner of Chhattisgarh State GST Department during the first one year of extortion period. Hence, . Ranu Sahu IAS not only being District Collector, Korba and Raigarh has facilitated the coal cartel but also being Commissioner of Chhattisgarh State GST Department, has facilitated the cartel in implement of extortion system and in return got a part of PoC for herself. Further, analysis of the ITRs, it is established that the properties owned by family members of Ranu Sahu are disproportionate with their income mentioned in ITRs in that period. For purchase of properties, the cash was used at two levels, first the

cheque payments made against purchase of the properties were arranged by CAs and entry providers against cash and second, cash amount was paid to seller over and above the consideration amount. Further, appellant-Piyush Sahu in his statements recorded under Section 50 of PMLA stated that she had arranged bank entries for him and his family members in the guise of unsecured loans from different entities, however, he did not know such persons personally nor did he enter into any written agreement/document with the 'so-called loan providers (entry providers) and also, he did not mortgage any valuables against the unsecured loans. Some entry providers in their statements recorded under Section 50 of PMLA also admitted that on pursuance of Manish Nankani, CA of Piyush Sahu, and Piyush Sahu himself they transfer money in the bank account of Piyush Sahu and his family members and in return they received some percentage of commission for that transaction. Aforesaid facts clear the picture about active involvement of Ranu Sahu in the coal levy scam, her receipt of the PoC and utilization of such PoC for acquisition of immovable properties in the name of her family members and even in the name of some tribal person in *benami* form. The learned Appellate Tribunal as well as the AA had carefully considered the facts put forth by both the parties and after due application of mind passed a well-reasoned and speaking orders respectively. While judicial or quasi-judicial authorities may adopt a structured format for clarity and consistency, this does not render an order arbitrary, mechanical, or non-speaking. What matters is that the authority has considered the material on record (OC, rejoinder before the learend AA, reply before the learned Appellate Tribunal), examined the submissions, and applied its mind to the facts and law before arriving at the findings. The adoption of a consistent format or language

across multiple orders is a matter of administrative efficiency and does not vitiate the statutory exercise of jurisdiction or the reasoning contained in the order. Therefore, the allegation of mere "templating" cannot invalidate or undermine the impugned order and is devoid of merit. It is not the case of the appellant that there arises some failure of justice during the proceedings. The appellant had been given ample opportunity to raise her contentions. Reliance placed by the appellants on the order dated 22.03.2023 passed by the Hon'ble High Court of Delhi in WP(C) No. 5744/2022. ***State Bank of India v. Directorate of Enforcement***, is wholly misconceived and misplaced as the said order was rendered in the facts and circumstances peculiar to that case and does not lay down any absolute proposition of law to the effect that all orders containing similar or identical language are illegal or void. In the present case, the impugned order has been passed after due and independent application of mind to the facts of the case, the material placed on record, and the evidence produced before the learned AA and therefore does not suffer from any legal infirmity. The learned AA has fully discharged the statutory obligation cast upon it under Section 8(2) of the PMLA by duly considering the material placed before it and by arriving at a satisfaction that the properties in question are involved in money laundering. The impugned Order clearly records the existence of proceeds of crime, their connection with the scheduled offence, how the appellants and the properties in question are linked to money-laundering activities. The appellants are seeking a re-examination of facts under the guise of alleging procedural defects, which is not permissible in appellate proceedings. The Appellate Tribunal, in its Order dated 16.10.2025 clearly upheld that there cannot be debate on the Notification dated 15.07.2020 and posting time of instant appellant-Ranu

Sahu in Korba. The said Notification was issued much prior to the posting of the appellant-Ranu Sahu but it would not absolve her from offence of Money Laundering because the appellant remained beneficiary of the Notification even during the period she remained posted in District Korba. The learned AA as well as the learned Appellate Tribunal, has discussed in detail as to how the appellants had come to acquire the PoC from coal cartel and how the said PoC was utilised for purchasing immovable properties in the name appellant-Ranu Sahu and her family members by way of laundering the PoC with the help of entry providers. The PoC was laundered and finally integrated into the financial system by acquisition of immovable properties in the name of appellant's family members and the same were projected as untainted. Therefore, the attachment of impugned properties belonging to appellant is within the scope of PMLA. The appellant-Ranu Sahu is also an accused in the DMF Scam which is worth more than Rs. 90 Crores. The appellant-Ranu Sahu has been arraigned as an accused in DMF scam also. The entries made in the diaries seized have been independently corroborated by statements of Nikhil Chandrakar and Roshan Kumar Singh who are integral part of coal cartel and had extensive knowledge about the *modus operandi* of the scam as well as about the beneficiaries of the scam. Both these persons have separately validated the entries marked in the diaries in the name of appellant. Receipt of PoC by the appellant is also corroborated with WhatsApp chat extracted from digital devices. The statements of above said persons have been taken under Section 50 of the PMLA and in ***Rohit Tandon v. Directorate of Enforcement***, (2018) 11 SCC 46, the Hon'ble Apex Court held that Section 50 statements are admissible in evidence and may make out a formidable case about the involvement of

the accused in the commission of the offence of money laundering. With regard to the statement of Suryakant Tiwari, he was the main accused of the case as well as active member of a political party and had much to lose if had stated the truth about the validity of diary entries. Even a cursory perusal of Suryakant's statement is enough to show that he was giving fictitious answers about the diary entries as when he was cross questioned about his submission that how he could identify real entries from fake entries, Suryakant had no answer. Further, ED understands that mere diary entries have no meaning till they are independently corroborated. Therefore, ED is conscious of the legal position that diary entries by themselves have no evidentiary value unless independently corroborated. Accordingly, the ED verified the diary entries by examining seized WhatsApp chats, statements recorded under Section 50 of the PMLA, 2002, sale deed documents, and bank transactions. Only upon such independent corroboration did the ED arrive at the conclusion that the diary entries are genuine and correctly reflect the illegal extortion proceeds and their utilization. Thus, the investigation conducted to authenticate the diary entries as described in the concerned Original Complaint, involved recording statements recorded under Section 50 of PMLA, 2002 and analysis of the relevant bank account statements, analysis of the land deals, etc and it is established that the entries in the diary are indeed true account of transactions undertaken in respect of appellant herein. With regard to complaint of Nikhil Chandrakar alleging coercion into signing false statement, the nature of statement of Nikhil Chandrakar was informatory and not confessionary. Several individuals in the Chhattisgarh State machinery were involved in the conspiracy of extortion and instead of stopping Suryakant Tiwari's team, they were assisting the team to execute the conspiracy. The witnesses & accused

persons who have helped in exposing the modus of this syndicate, have been pressurized and threatened to retract their Statements in order to derail the investigation under PMLA, 2002 by the respondent Department. During the course of investigation, the respondent ED has discovered immovable property worth Rs. 4.70 Crore and the same has been duly attached vide OC 1988 as direct PoC after following due process. Further, after exercising due diligence, the remaining direct PoC has not been discovered at that relevant point of time, therefore the immovable property worth Rs.82.05 lakh has been attached under value thereof. The appellants had come to acquire the PoC from coal cartel and how the said PoC was utilised for purchasing immovable properties in the name of family members of appellant herein by way of laundering the proceeds of Crime with the help of entry providers. The PoC was laundered and finally integrated into the financial system by acquisition of immovable properties in the name of appellant's family members and the same were projected as untainted. Therefore, the attachment of impugned properties belonging to appellant is within the scope of PMLA and the Appellate Tribunal upheld the attachment and Order dated 09.10.2023 of AA, vide its Order dated 16.10.2025.

39. Dr. Pandey would submit that with regard to the law of attachment of property under "equivalent value thereof is concerned, the attachment of Equivalent Value of property is lawful. Section 2(1)(u) of PMLA defines "proceeds of crime" to include not just the direct property obtained from the crime but also any property of equivalent value. If the tainted property is not available, substituted attachment is legally valid, as upheld in ***Vijay Madantal Choudhary*** (supra), ***Deputy Director, Directorate of Enforcement v. Axis Bank & Ors.*** ((2019 SCC OnLine Del 7854}, ***Prakash Industries Ltd., & Anr., v. Directorate of***

Enforcement, {W.P. (C) No. 14999 of 2021}. Furthermore, the Appellate Tribunal in ***Kishore Kumar v. The Deputy Director, Directorate of Enforcement, Bengaluru,*** clarified that properties acquired prior to the enforcement of the PMLA are not immune from attachment if they are equivalent in value to the proceeds of crime. The Tribunal noted that the expression "proceeds of crime" includes both tainted and untainted property, provided the latter is of equivalent value to the former. Further, the Appellate Tribunal in ***Ayush Kejriwal v. Enforcement Directorate*** (Case No. FPA-PMLA-4358/KOL/2021, order dated 01.05.2024) ruled that when assets acquired from criminal activity relating to a scheduled offence i.e. misappropriated bank funds are untraceable, then any property of the accused, equivalent to the value of the misappropriated funds, can be attached. This attachment applies regardless of whether the property was acquired using misappropriated funds or was purchased with legally obtained funds even before the registration of the FIR. This judgment underscores that even assets legally acquired before the commission of scheduled offence or FIR registration can be seized if the proceeds of the crime cannot be traced.

40. Dr. Pande further would submit that the co-accused Suryakant Tiwari had already made attempt to alienate various properties acquired out of PoC by transferring them in the name of other persons on paper only. It was done after commencement of investigation into this matter and after searches conducted on the premises of accused by Income tax Department. Due to such conduct of co-accused person, who was a professional associate as well as a close personal friend of appellant, there was a strong apprehension that impugned property might also be disposed of by the appellant in some manner or third-party interest may

be created on the properties just as to evade their attachment by the law. He would further submit that having a reason to believe that the properties may be disposed of is enough for attachment. The respondent cannot be expected to wait until at least one of the properties is actually disposed of by the accused persons. The properties of Ms. Ranu Sahu had been categorized in three category and mentioned in table A, B and C of PAO 02/2023 dated 08.05.2023. Reasons to believe for attaching properties in table A and B are mentioned in page no. 70-72 and 77-79 of PAO. Further, with respect to properties mentioned in table C which were acquired prior to crime period were attached under clause 'value thereof. Further, a comprehensive reasons to believe in terms of second proviso to sub section 1 of section 5 of PMLA covering all the properties that were attached in PAO dated 08.05.2023 has been recorded on page no. 189-190 of PAO. Thus, the claim of appellant-Ranu Sahu regarding not satisfying the second proviso of section 5(1) of PMLA stands refuted. The learned AA had formed reasons to believe collectively for all the defendants. At receipt of complaint from ED, the AA has to form reasons to believe in a broad manner and it cannot be expected from the learned authority to express its view in respect of each and every defendant by weighing all the material produced against them individually. The AA had appreciated the facts as a whole and formed its reasons to believe collectively in respect of all the defendants of the OC. With respect to the issue of coram of the learned AA is no longer *res integra* as the Hon'ble Madras High Court in ***G Gopalakrishnan v. Deputy Director*** {W.P.(MD) Nos. 11454} has in unequivocal terms held that even single member Benches of the Adjudicating Authority would adjudicating disputes under PMLA. Dr. Pandey would submit that investigation has established the generation

of PoC from commission of scheduled offence by the coal cartel and acquisition of PoC worth Rs. 5.52 crores by the appellant from the coal cartel and conversion of the same into immovable properties in the name of her family members with the help of entry providers who provided entry in the bank accounts of family members against the cash of appellant. Appellants are the actual owner of those immovable properties as they were paid for using PoC acquired by the appellants. Thus, there is clear cut case where the appellants had obtained several properties which were purchased by PoC generated by scheduled offence. Therefore, all the fundamental facts as enunciated by the Hon'ble Apex court in the case of ***Vijay Madanlal Chaudhary*** (supra) are properly fulfilled in the case of appellant. The appellant-Ranu Sahu is a high-ranking officer and well aware of the Government rules and regulations and therefore, she deliberately did not acquire any property in her name during crime period to avoid any action from Government. She infused the PoC acquired by her for purchasing properties in the name of her family members i.e. the other appellants so that need for intimating those properties in her IPR may not arise. In view of the said submissions, Dr. Pande would submit that the appellants have not made their case which may entitle them to claim any relief and these appeals deserve to be dismissed at the threshold. Similar submissions have been advanced by Dr. Pande with respect to other appellants who are the near relatives of appellant-Ranu Sahu. None of the other appellants have been able to satisfy as to from which sources of income the properties were purchased in their names.

41. We have heard learned counsel appearing for the parties, perused the pleadings and materials available on record. We have also carefully gone through the Confirmation Order dated 09.10.2023 passed by the

learned AA and the order passed by the learned Appellate Tribunal on 16.10.2025, impugned herein.

42. In nutshell, the contention of learned counsel for the appellant(s) is that the properties acquired by the appellants including Ranu Sahu, even before the relevant time when the appellant-Ranu Sahu was posted as Collector, Korba, and which properties have been duly intimated to the authorities of the State, have also been attached by the ED holding it to have been acquired from the PoC. Before being posted at Korba as District Collector, the appellant-Ranu Sahu was posted as Commissioner, GST and the offence related to Coal Scam which had no connection with the GST Department. It is also the contention of Ms. Gupta that the learned Appellate Tribunal, while deciding the appeal of the appellants, has, without any basis assumed that the appellants had adopted the submissions advanced by the counsel for the co-accused Suryakant Tiwari and proceeded to consider and decide their cases. It is also the contention of Ms. Gupta that except for the diary entries, there is nothing on record to connect the appellants with the crime in question. There is no evidence or likelihood of the appellants that they have tried to dispose of the properties which are in their names and as such, the attachment order was unintended and unwarranted. Coal is found in surplus in the State of Chhattisgarh and in many Districts but the ED has cherry picked the appellant-Ranu Sahu and none of the Collectors of other Districts have been made accused. Even the ED has not been able to establish the money trail. Even some of the properties of the appellants have been confiscated. Specific reference is made to Annexure A/14 of the appeal {MA No. 26/2026} which is a property chart which shows the properties before 15.07.2020 belonging to the

appellant-Ranu Sahu and other members of the family and the properties acquired after 15.07.2020.

43. Before proceeding with the matter, it would be apposite to state that similar appeals were filed by other co-accused persons namely Sourabh Modi, Shanti Devi Chaurasiya, Anurag Chaurasia, M/s. Indermani Mneral India Pvt. Ltd., M/s. KJSL Coal & Power Ltd., Divya Tiwari, Kailash Tiwari, Rajnikant Tiwari, Suryakant Tiwari, and Sameer Vishnoi being MA No. 34/2025 and other connected matters, all of which stood dismissed vide judgment dated 23.07.2025, by this Court wherein also, the order passed by the learned Appellate Tribunal, affirming the order of attachment passed by the learned AA was under challenge. They are also the co-accused of the same offence as involved herein.

44. It would be beneficial to quote some of the relevant provisions of the PMLA for better understanding of the issues. The offence of money laundering has been defined under Section 3 of the PMLA, which reads as under:

> *"**2. Definitions**. - (1) In this Act, unless the context otherwise requires, -*
>
> *xxx xxx xxx*
>
> *(u) "Proceeds of crime'" means any property 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;*
>
> *Explanation. - For the removal of doubts, it is hereby clarified that "proceeds of crime" include property not only derived or obtained from the scheduled offence but also any property which may directly or indirectly be derived or obtained as a result of any criminal activity relatable to the scheduled offence;*
>
> *xxx xxx xxx*
>
> ***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 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."

45. Attachment, adjudication and confiscation of property involved in money-laundering is provided in Section 5 under Chapter III of the PMLA which reads as under:

*"**5. Attachment of property involved in money-laundering.**—(1)Where the Director or any other officer not below the rank of Deputy Director authorised by the Director for the purposes of this section, has reason to believe (the reason for such belief to be recorded in writing), on the basis of material in his possession, that—*

(a) any person is in possession of any proceeds of crime; and

(b) such proceeds of crime are likely to be concealed, transferred or dealt with in any manner which may result in frustrating any proceedings relating to confiscation of such proceeds of crime under this Chapter,

he may, by order in writing, provisionally attach such property for a period not exceeding one hundred and eighty

days from the date of the order, in such manner as may be prescribed:

Provided that no such order of attachment shall be made unless, in relation to the scheduled offence, a report has been forwarded to a Magistrate under section 173 of the Code of Criminal Procedure, 1973 (2 of 1974), or a complaint has been filed by a person authorised to investigate the offence mentioned in that Schedule, before a Magistrate or court for taking cognizance of the scheduled offence, as the case may be, or a similar report or complaint has been made or filed under the corresponding law of any other country:

Provided further that, notwithstanding anything contained in first proviso, any property of any person may be attached under this section if the Director or any other officer notbelow the rank of Deputy Director authorised by him for the purposes of this section has reason to believe (the reasons for such belief to be recorded in writing), on the basis of material in his possession, that if such property involved in money-laundering is not attached immediately under this Chapter, the non-attachment of the property is likely to frustrate any proceeding under this Act.

Provided also that for the purposes of computing the period of one hundred and eighty days, the period during which the proceedings under this section is stayed by the High Court, shall be excluded and a further period not exceeding thirty days from the date of order of vacation of such stay order shall be counted;

(2) The Director, or any other officer not below the rank of Deputy Director, shall, immediately after attachment under sub-section (1), forward a copy of the order, along with the material in his possession, referred to in that sub-section, to the Adjudicating Authority, in a sealed envelope, in the manner as may be prescribed and such Adjudicating Authority shall keep such order and material for such period as may be prescribed. (3) Every order of attachment made under sub-section (1) shall cease to have effect after the expiry of the period specified in that sub-section or on the date of an order made under 3 [sub-section (3)] of section 8, whichever is earlier.

(4) Nothing in this section shall prevent the person interested in the enjoyment of the immovable property attached under sub-section (1) from such enjoyment.

Explanation.—For the purposes of this sub-section, "person interested", in relation to any immovable property, includes all persons claiming or entitled to claim any interest in the property.

(5) The Director or any other officer who provisionally attaches any property under sub-section (1) shall, within a period of thirty days from such attachment, file a complaint stating the facts of such attachment before the Adjudicating Authority."

46. The AA, under Section 5(1) read with Section 8(1) of the PMLA is only required to form a reason to believe, based on the material in possession, that the property is involved in money laundering. Such belief need not be based on direct evidence but can be drawn from circumstantial indicators. The OC filed by the ED is quite exhaustive and contains relevant materials which appear to be sufficient to form a reason to believe.

47. In ***Vijay Madanlal Choudhary*** (supra), the Apex Court observed as under:

"60. As a matter of fact, prior to amendment of 2015, the first proviso acted as an impediment for taking such urgent measure even by the authorised officer, who is no less than the rank of Deputy Director. We must hasten to add that the nuanced distinction must be kept in mind that to initiate "prosecution" for offence under Section 3 of the Act registration of scheduled offence is a prerequisite, but for initiating action of "provisional attachment" under Section 5 there need not be a pre-registered criminal case in connection with scheduled offence. This is because the machinery provisions cannot be construed in a manner which would eventually frustrate the proceedings under the 2002 Act. Such dispensation alone can secure the proceeds of crime including prevent and regulate the commission of offence of money-laundering. The authorised officer would, thus, be expected to and, also in a given case, justified in acting with utmost speed to ensure that the proceeds of crime/property is available for being proceeded with appropriately under the 2002 Act so as not to frustrate any proceedings envisaged by the 2002 Act. In case the scheduled offence is not already registered by the jurisdictional police or complaint filed before the Magistrate, it is open to the authorised officer to still proceed under Section 5 of the 2002 Act whilst contemporaneously sending information to the jurisdictional police under Section 66(2) of the 2002 Act

for registering FIR in respect of cognizable offence or report regarding non-cognizable offence and if the jurisdictional police fails to respond appropriately to such information, the authorised officer under the 2002 Act can take recourse to appropriate remedy, as may be permissible in law to ensure that the culprits do not go unpunished and the proceeds of crime are secured and dealt with as per the dispensation provided for in the 2002 Act. Suffice it to observe that the amendment effected in 2015 in the second proviso has reasonable nexus with the object sought to be achieved by the 2002 Act.

xxx xxx xxx

65. As aforesaid, in this backdrop the amendment Act 2 of 2013 came into being. Considering the purport of the amended provisions and the experience of implementing/enforcement agencies, further changes became necessary to strengthen the mechanism regarding prevention of money-laundering. It is not right in assuming that the attachment of property (provisional) under the second proviso, as amended, has no link with the scheduled offence. Inasmuch as Section 5(1) envisages that such an action can be initiated only on the basis of material in possession of the authorised officer indicative of any person being in possession of proceeds of crime. The precondition for being proceeds of crime is that the property has been derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to a scheduled offence. The sweep of Section 5(1) is not limited to the accused named in the criminal activity relating to a scheduled offence. It would apply to any person (not necessarily being accused in the scheduled offence), if he is involved in any process or activity connected with the proceeds of crime. Such a person besides facing the consequence of provisional attachment order, may end up in being named as accused in the complaint to be filed by the authorised officer concerning offence under Section 3 of the 2002 Act."

48. In ***Pavana Dibbur*** (supra), the Apex Court observed as under:

"27. While we reject the first and second submissions canvassed by the learned senior counsel appearing for the appellant, the third submission must be upheld. Our conclusions are:

a) It is not necessary that a person against whom the offence under Section 3 of the PMLA is alleged,

must have been shown as the accused in the scheduled offences;

…."

49. Section 22 of the PMLA is in respect of presumption as to records or property in certain case. It reads as under:

> *"**22. Presumption as to records or property in certain cases.-**(1) Where any records or property are or is found in the possession or control of any person in the course of a survey or a search for where any record or property is produced by any person or has been resumed or seized from the custody or control of any person or has been frozen under this Act or under any other law for the time being in force, it shall be presumed that-*
>
> *(i) such records or property belong or belongs to such person;*
>
> *(ii) the contents of such records are true; and*
>
> *(iii) the signature and every other part of such records which purport to be in the handwriting of any particular person or which may reasonably be assumed to have been signed by, or to be in the handwriting of, any particular person, are in that person's handwriting, and in the case of a record, stamped, executed or attested, that it was executed or attested by the person by whom it purports to have been so stamped, executed or attested…."*

50. Section 23 is in respect of presumption in inter-connected transactions. The same reads as under:

> "***23. Presumption in inter connected transactions**. - Where money laundering involves two or more inter-connected transactions and one or more such transactions is o are proved to be involved in money-laundering , then for the purpose of adjudication or confiscation under Section 8 or for the trial of the money-laundering offence, it shall unless otherwise proved to the satisfaction of the Adjudicating Authority or the Special Court, be presumed that the remaining transactions form part of such inter-connected transactions."*

51. In the present case, the chain of events, including financial transactions, lack of legitimate sources of income, and links to the scheduled offence, establishes a *prima facie* case that the attached property represents proceeds of crime. The purpose of attachment under the PMLA is a preventive measure to ensure that the property is not alienated or

disposed of during the course of investigation and trial. It is not a final determination of guilt but a step to preserve the property suspected to be involved in money laundering. It is well-settled that offences under the PMLA are of a distinct nature where the PoC are often concealed through layered transactions and indirect modes. Direct evidence is seldom available in such cases, and the determination of the proceeds of crime often rests on circumstantial evidence and the analysis of financial trails.

52. Section 24 of the PMLA is with regard to burden of proof. It states that in any proceeding related to proceeds of crime under this Act, (a) in the case of a person charged with the 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 (b) in the case of any other person the Authority or Court, may presume that such proceeds of crime are involved in money-laundering. Once the property is identified as involved in money laundering, the burden shifts on the accused to prove that the property is not proceeds of crime. In the present case, the appellants have not discharged this burden satisfactorily.

53. There is no dispute with regard to the fact that search and seizure was conducted at the premises of appellant-Suryakant Tiwari and associates in which various evidences were gathered in the form of handwritten diaries, loose papers and also digital evidences of cash transactions related to a syndicate being operated and coordinated by Surayakant Tiwari and his associates. The allegations levelled against the appellant-Ranu Sahu are very serious in nature and the entire offence is an example of organized crime. Sameer Vishnoi was the then Director, Directorate of Geology and Mining, Chhattisgarh who had issued letter

dated 15.07.2020 by which delivery order for coal transportation was required to be verified manually from the concerned Mining Office and under the guise of the said letter and instruction for manual verification of DO, Suryakant Tiwari through his associates started extorting Rs. 25 per tonne of coal against the coal transportation. Various government officials assisted in the said offence. From the PoC, the accused persons have been benefited and they have acquired properties and when the ITD conducted the raid, the accused became alert and started disposing of their properties through sham transactions. The respondent/ED filed the OC before the learned AA and the learned AA after issuance of notice to the accused and the appellants, and after considering the replies to the show cause notices, passed the Confirmation Order confirming the PAO passed by the ED.

54. The submissions advanced before this Court were also advanced before the learned AA as well as the learned Appellate Tribunal and the said submissions have been discussed by the AA as well as the learned Appellate Tribunal and as such, it cannot be said that the orders were passed without application of mind. The order passed by the learned AA is quite detailed one and so is the order passed by the Appellate Tribunal. The details with regard to the incriminating materials have been discussed and only after that, the orders impugned herein, has been passed. An AA forms his opinion to proceed with adjudication proceedings based on the materials adduced by the complainant and the same is communicated to the appellants by way of show cause notice alongwith the reasons to form such opinion.

55. The offence of money laundering basically involves three things, namely the placement, layering and integration. Placement is the initial stage where illicit money (often called “dirty money”) is introduced into the

financial system. The goal is to move the money away from its source without raising suspicion. The most common techniques include depositing small amounts into bank accounts (smurfing), using cash to buy valuable assets like jewelry, art, or real estate and mixing illegal proceeds with legitimate business income (e.g., cash-intensive businesses). The second stage i.e. layering involves complex layers of financial transactions to obscure the origin of the money. The purpose is to make the money trail hard to trace, such as transferring funds between multiple accounts (often across borders), using shell companies and offshore accounts, purchasing and selling financial instruments. The third stage is the integration and in this final stage, the laundered money is reintroduced into the legitimate economy, appearing as clean, legitimate income which includes investing in legal businesses, buying high-value goods or property and creating fake invoices and business transactions. These stages are often interlinked and may overlap depending on the complexity of the laundering scheme.

56. With regard to the issue of coram of learned AA, the said issue is no longer *res integra*. The Madras High Court in ***G.Gopalakrishnan*** (supra) has in unequivocal terms held that even a single member Bench of the Adjudicating Authority could adjudicate the disputes under PMLA. In fact, in the decision of the Delhi High Court in "***J. Sekar*** (supra) it was held that less than three Member Adjudicating Authority is permissible under PMLA. The Hon'ble Madras High Court has also clearly held that it is not mandatory that such Single Member Benches should comprise of Judicial members and even administrative members constituting Single Member Benches of the Tribunal would amount to sufficient compliance of the law.

57. It is not important that the accused person should be directly involved and commit the crime but an offence under the PMLA is also made out if the person is accused of layering and integration of the PoC.

58. The learned Appellate Tribunal has separately analysed every allegation made by and against each accused at greater length and consequent upon that passed its order dated 16.10.2025. The learned Appellate Tribunal has discussed at length about each property in question of respective appellant and rebutted all fabricated allegation made by them. After that only, the learned Appellate Tribunal dismissed the appeals of the appellants citing they do not find a case to cause interference in the impugned order of the learned AA. The AA forms his opinion to proceed with adjudication proceedings based on the material adduced by the complaint and the same was communicated to the appellants by way of show cause notices along with reasons to form such opinion and same were also provided to the appellant. The AA decided the matter by passing a speaking order only after hearing both the sides and after taking consideration, both the oral and written submissions.

59. The allegation with regard to absence of predicate offence is noticed to be rejected as similar submission was raised in case of ***Saumya Chaurasia v. Directorate of Enforcement*** in Cr.A. No. 2840/2023 decided on 14.12.2023. The learned Appellate Tribunal has quoted paragraphs 26 to 30 wherein the Hon'ble Apex Court has dismissed the appeal. The Hon'ble Apex Court did not consider it to be a case of dropping of the offence under Section 384 IPC. The Special Court of Karnataka had made a reference to request the State Police to transfer the offence under Section 384 of the IPC to the Chhattisgarh State Police upon which the FIR was registered by the Chhattisgarh Police

which was not only for the offence referred in the FIR but was with the addition of the offences under the PC Act and other scheduled offences. The observations made by the learned Appellate Tribunal vide paragraphs 29 and 30 are reasoned one and we concur with the same.

60. One of the contentions of the learned counsel for the appellants is that the entire case of the ED is based on uncorroborated diary entries which have no sanctity in law. This Court basically has to see whether the provisions of the PMLA has been complied with or not before passing the PAO. From perusal of the materials available on record, we are fully satisfied that the learned AA as well as the learned Appellate Tribunal was justified in passing the Confirmation Order as well as the impugned order. This Court cannot do the arithmetic with respect to each single penny received and invested by the appellants but has to see whether the appellants could give any plausible explanation with regard to the transactions and how the finance was made available for the said transactions.

61. The nexus between the appellant(s) and the alleged PoC is also well established. It is the say of the appellants that they had duly informed the source for acquisition of the property in question and as such, the orders passed by the AA as well as the Appellate Tribunal is erroneous. In the case in hand, the FIR was lodged after prima facie disclosure of commission of offence, but the offence was committed much earlier to registration of the ECIR and the FIR. The syndicate could not have extorted the money in a day or two but was a continuous process and it is a matter of investigation as to on which date the said extortion started. Further, even if any properties were acquired by the appellants prior to the date of commission of the crime, those properties can also be made the subject matter of attachment if the proceeds are not available or

vanished. The learned Appellate Tribunal has cited its own order passed in ***Shri Sadananda Nayak v. Directorate of Enforcement, Bhubaneshwar (Appeal No. 5612/2023).*** At the cost of repetition, it would be beneficial to quote the relevant paragraphs which reads as under:

> *"22. It has already been clarified by us that if the definition of "proceeds of crime" is given interpretation by dividing it into two parts or by taking only two limbs, then it would be easy for the accused to siphon off or vanish the proceeds immediately after the commission of scheduled offence and in that case none of his properties could be attached to secure the interest of the victim till conclusion of the trial. This would not only frustrate the object of the Act of 2002, but would advance the cause of the accused to promote the crime of money laundering. The Judgment in the case of Vijay Madanlal Chaudhary (supra) is of three judges bench while the judgment in the case of Pavana Dibur (supra) is of two judges bench. The issue has otherwise been dealt with by this Tribunal in the case of FPA-PMLA-2909/CHD/2019 M/s. Besco International FZE vs. The Deputy Director Directorate of Enforcement, Chandigarh dated 31.07.2024. The relevant para of the said judgment is quoted hereunder:*
>
> > *"It is not that only those properties which have been were derived or obtained directly or indirectly out of the crime can be attached rather in case of non- availability of the property derived or obtained directly or indirectly rather when it is vanished or siphoned off, the attachment can be of any property of equivalent value.*
> >
> > *It is necessary to clarify that the proceeds of crime would not only include the property derived or obtained directly or indirectly out of the criminal activity relating to the scheduled offence but any other property of equivalent value. The word "or" has been placed before "the value of any such property" and is of great significance. Any property of equivalent value can be attached when the proceeds directly or indirectly obtained out of the crime has been vanished or siphoned off. Here, the significance would be to the property acquired even prior to commission of crime. It is for the reason that any property acquired subsequent to the commission of crime would be directly or indirectly proceeds of crime and then, it would fall in the first limb of the definition of proceeds of crime. In the second limb, which refers to "the value of any such property" would indicate any other property which was acquired prior to the commission of crime and it would be attached only when the proceeds directly or indirectly*

obtained or derived out of the criminal activity is not available. It may be on account of siphoning off or vanished by the accused. In those circumstances the property of equivalent value can be attached. The word "the value of any such property" signifies without any embargo that it should be the property purchased after the commission of crime or prior to it rather it would apply in both the eventuality in the given circumstance. Thus, we are not in agreement with the counsel for the appellant who has questioned the attachment in reference to the property acquired prior to commission of crime. We are not going even further that the properties have nexus with the proceeds out of the crime but even in given circumstances and scenario that the property was acquired prior to commission of crime then, also under certain circumstances, it can be attached for "the value of any such property."

23. At this stage, it is reiterated that any other interpretation other than the one taken by Delhi High Court in the cases of Axis Bank (supra) and Prakash Industries (supra) for the definition of "proceeds of crime" would defeat the object of the Act of 2002. It is more especially when the arguments raised by the appellant that the property acquired prior to the commission of crime would not fall in the definition of "proceeds of crime". In that case, the task of the accused would become very easy to first commit the scheduled offence and after obtaining or deriving the property out of the criminal activities, immediately siphon off or vanish so that it may not remain available for attachment and otherwise the contingency aforesaid would satisfy only the first limb of definition of "proceeds of crime" leaving the second. We are thus unable to accept the argument raised by the appellant so as to make the middle part of the definition of "proceeds of crime" to be redundant."

62. The learned Appellate Tribunal, in paragraphs 21, 22 and 23 of its order, has examined the statements of the appellants and the relevant witnesses and found that the explanation put forth by the appellants regarding the source of funds is not credible. The Appellate Tribunal noted that these statements lack corroboration, particularly with respect to the alleged borrowing of money for the purchase of properties, as well as other material aspects. It has further been observed that, in general, the appellants deposited cash into bank accounts of certain persons who permitted the use of their accounts, after which the funds were

routed through banking channels. However, the appellants failed to satisfactorily disclose the genuine source of such cash deposits, merely asserting that the amounts were derived from agricultural income or from firms under their control. The learned Appellate Tribunal also recorded that the appellants could not substantiate their claim of agricultural income, as they did not possess sufficient agricultural land during the relevant period to generate the income disclosed. In several instances, the agricultural land was acquired during or immediately prior to the period in question, making it implausible that such land could have produced income in earlier years sufficient to fund the acquisition of the properties. Accordingly, the Appellate Tribunal concluded that the explanation regarding the source of funds was unsubstantiated and unreliable.

63. For ready reference, the properties belonging to the appellant-Ranu Sahu and her family members, before 15.07.2020 and after 15.07.2020, are quoted as under:

Properties before 15.07.2020, belonging to Ranu Sahu

S.No.	**PARTICULARS**	**BUYER**	**DATE OF ACQUISITION**	**ALLEGED NATURE OF PROPERTY**
1.	Kh no. 481 (0.09 Hect) Vill Aasara, Tehsil Chhura, Distt. Gariyaband	RANU SAHU	05.10.2017	Value thereof
2.	Kh no. 498/3 (0.21 Hect) Vill Aasara, Tehsil Chhura, Distt. Gariyaband	RANU SAHU	05.10.2017	Value thereof
3.	Kh no. 276, (1.86 Hect), Kh no. 282, (0.35 Hect) Vill Vodarabanda, RNM, & Tehsil Chhura Distt Gariyaband	RANU SAHU	30.03.2018	Value thereof
4.	Kh no. 281, (0.46 Hect), Kh no. 259 (0.32 HEct), Village Bodarabanda, RNM & Tehsil Chhura, Distt Gariyaband	RANU SAHU	28.03.2018	Value thereof
5.	5. Kh no. 416 (0.11 Hect) 479 (0.27 Hect), 487 (0.25 Hect), 490/1 (0.12 HEct) Vill Aasara Tehsil Chhura,	RANU SAHU	28.03.2018	Value thereof

	Distt Gariyaband			
6.	Kh no. 19/2 (4.50 Hect) Vill Deharguda, RNM & Tehsil Manipur, Distt Gariyaband	RANU SAHU	23.01.2020	Value thereof
7.	Kh no. 19/3 (2.00 Hect) Vill. Deharg Deharguda, RNM & Tehsil Manirpur, Distt Gariyaband	RANU SAHU	23.01.2020	Value thereof
8.	Kh no. 277 (0.06 Hect) Vill Bodarabanda, RNM & Tehsil Chhura Distt Gariyaband	RANU SAHU	24.01.2020	Value thereof
9.	Kh no. 498/2 (0.20 Hect) Vill Aasara RNM & Tehsil Chhura Distt Gariyaband	RANU SAHU	23.01.2020	Value thereof
10.	Kh no. 498/1 (0.21 Hect) Vill Aasara RNM & Tehsil Chhura Distt Gariyaband	RANU SAHU	23.01.2020	Value thereof
Belonging to Family Members				
11.	Kh no. 537/7 (0.202 Hect) Gram Tekari, RNM & The Abhanpur, Distt Raipur	ARUN KUMAR SAHU LAXMI SAHU PIYUSH KUMAR SAHU SALINI SAHU	24.07.2018	Value thereof
12.	Part of Kh no. 1460/2 Total Area 0.21 Hect, 1460/2, 1462/2, 1482/2, Vill Nayakbandha, RNM & The, Abhanpur, Distt-Raipur	PIYUSH KUMAR SAHU PANKAJ KUMAR SAHU SHALINI SAHU POONAM SAHU	24.07.2018	Value thereof
13.	Kh no. 97/4 PHN 0.42 Vill RNM, Tehsil & distt Mahasamaund	LAXMI SAHU	12.12.2019	Value thereof
14.	Part of Kh No. 202/2 [0.05 Hect] Vill Padampur RNM sihava, Tehsil Nagari, Dist Dhamtari.	SHALINI SAHU	07.03.2018	Value thereof
15.	Part of Kh No. 202/2 [0.05 Hect] Vill Padampur RNM sihava, Tehsil Nagari, Dist Dhamtari.	LAXMI SAHU	07.03.2018	Value thereof
16.	Part of Kh. No. 1567 [0.86 Hect] Village Bagaud RNM & Tehsil-Kurud Dist Dhamtari	LAXMI SAHU	22.09.2018	Value thereof
17.	Part of Kh. No. 1607, [0.04 Hect] & Part of Kh 1545 [0.02 Hect] Village Siriri, PH No.-12, RNM & Tehsil-Kurud Dist Dhamtari	LAXMI SAHU	11.04.2019	Value thereof
18.	Part of Kh No.424 [928.28 Sqft] A-30, Sector 09, Kamal Bihar, Gram Devpuri, Raipur	ARUN SAHU	07.12.2019	Value thereof
19.	Part of Kh. No. 1122 [0.05 Hect] Gram Megha, RNM & Tehsil Magarload Dist Dhamtari	PIYUSH SAHU	20.03.2018/ 16.04.2018	Value thereof

Properties after 15.07.2020				
1.	Kh no. 271/10, (0.0140 Hect) Gram, Tikrapara, Raipur Ward NO. 50, Sahid Pankaj Vikram ward	ARUN KUMAR SAHU	16.07.2020	Direct PoC (Serial No.9 on page 93 of IO)
2.	Kh no. 394, (0.08) Hect, Vill. Kutena, RNM & Tehsil, Chhura, Distt. Gariyaband	ARUN KUMAR SAHU	23.03.2021	Direct PoC (Serial No.10 on page 93 of IO)
3.	Kh No.407/1, 407/2, 407/3, Hect Village, Tulsi, PH No. 41, RNM, Raipur 1, Tehsil & Distt Raipur	ARUN KUMAR SAHU LAXMI SAHU	27.03.2021	Direct PoC (Serial No.8 on page 92 of IO)
4.	Part of Kh no. 1149/1 Total Area 0.86 Hect. Vil Pateva RNM & Tehsil, Nawapara, Distt Raipur	ARUN KUMAR SAHU	13.05.2021	Direct PoC (Serial No.11 of 3rd PC)
5.	Part of Kh no. 1149/1 Total Area 0.86 Hect. Vil Pateva RNM & Tehsil, Nawapara, Distt Raipur	PANKAJ KUMAR SAHU	13.05.2021	Direct PoC (Serial No.12 on page 93 of IO)
6.	Kh no 108/1,108/2,155, Total 1.630 Hect Gram Kalmidadar RNM. Bagbahara, Mahasamund	SHALINI SAHU	26.05.2021	Direct PoC (Serial No.6 on page 92 of IO)
7.	Kh. No. 69/2, 71/1, 72/2,73,105, 106, 107, 109, 117, 119, 156, 157 Gram Kalmidadar, RNM. Bagbahara, Mahasamund	ARUN KUMAR SAHU	26.05.2021	Direct PoC (Serial No.7 on page 92 of IO)
8.	KH No 158, 159/, 163/2, 164, 165,171, Total 3.350 Hect., Kalmidadar, RNM. Bagbahara, Mahasamund	PANKAJ KUMAR SAHU	26.05.2021	Direct PoC (Serial No.5 on page 91 of IO)
9.	Kh no. 115 (0.500 Hect) Gram- Kalmidadar, RNM Bagbahara/Khallari, The-Bagbahar Distt. Mahasamund	PIYUSH KUMAR SAHU	03.06.2021	Direct PoC (Serial No.3 on page 91 of IO)
10.	Kh no. 52/3 (01.120 Hect) Gram- Kalmidadar, RNM Bagbahara/Khallari, The-Bagbahar Dist. Mahasamund	PIYUSH KUMAR SAHU	30.06.2021	Direct PoC (Serial No.2 on page 91 of IO)
11.	Kh no. 163/1 (0.720 Hect), 163/3, (0.280 Hect), 163/4 (0.120 Hect) Total 1.120 Hect. Gram-Kalmidadar RNM-Bagbahara/Khallari, The. Bagbahara, Disst. Mahasamund	PIYUSH KUMAR SAHU	06.07.2021	Direct PoC (Serial No.1 on page 91 of IO)
12.	Kh no. 61, (1.540 Hect.), 123, (0.120 Hect.), 124 (0.120 Hect.) Total 1,780 Hect., Gram-Kalmidadar, RNM-Bagbahara/Khallari, Teh-Bagbahara Dist-Mahasamund	PIYUSH KUMAR SAHU	26.07.2021	Direct PoC (Serial No.4 on page 91 of IO)
13.	Part of Kh no. 772, (0.20 Hect.) Vill. Kutena, RNM & Tehsil Chhura, Distt Gariyaband	PIYUSH KUMAR SAHU	27.08.2021	Direct PoC (Serial No.13 on page 93 of IO)

14.	Kh no. 50 (0.4H), 52/2 (0.18H), 74/2 (1.21H), Vill Kalmidadar, RNM Bagbahara/Khallari, The. Bagbahara, Distt - Mahasamund	REVTI BAI SAHU	26.05.2021	Direct PoC (Serial No.14 on page 93 of IO)
15.	Kh no. 149 (1.23H), 151 (0.74H), Vill. Kalmidadar, RNM Bagbahara/Khallari, The. Bagbahara, Distt - Mahasamund	TUSHAR SAHU	28.07.2021	Direct PoC (Serial No.15 on page 94 of
16.	Kh no. 60/2 (0.31H), 62 (0.89H), 114 (0.15H), 116/1 (0.18H), 116/2 (0.2H), 118/1 (0.35H), 118/2 (0.3H), Vill. Kalmidadar RNM, Bagbahara / Khallari, Distt Mahasamund	RADHE SHYAM	06.07.2021	Direct PoC
17.	Kh no. 120 (0.51H), 121 (0.5H), 122 (0.8H), 152 (0.39H), 153 (0.81H), VIII. Kalmidadar, RNM Bagbahar/Khallari, The Bagbahar, Distt Mahasamund	JHAMMAN LAL	30.06.2021	Direct PoC

64. With regard to attachment of property under equivalent value thereof, the Apex Court, in ***Vijay Madanlal Choudhary*** (supra), observed as under:

> *"68. It was also urged before us that the attachment of property must be equivalent in value of the proceeds of crime only if the proceeds of crime are situated outside India. This argument, in our opinion, is tenuous. For, the definition of "proceeds of crime" is wide enough to not only refer to the property derived or obtained as a result of criminal activity relating to a scheduled offence, but also of the value of any such property. If the property is taken or held outside the country, even in such a case, the property equivalent in value held within the country or abroad can be proceeded with. The definition of "property" as in Section 2(1) (v) is equally wide enough to encompass the value of the property of proceeds of crime. Such interpretation would further the legislative intent in recovery of the proceeds of crime and vesting it in the Central Government for effective prevention of money-laundering.*
>
> *69. We find force in the stand taken by the Union of India that the objectives of enacting the 2002 Act was the attachment and confiscation of proceeds of crime which is the quintessence so as to combat the evil of money-laundering.*
>
> *....*

187. In light of the above analysis, we now proceed to summarise our conclusion on seminal points in issue in the following terms:-

…..

(vi) Section 5 of the 2002 Act is constitutionally valid. It provides for a balancing arrangement to secure the interests of the person as also ensures that the proceeds of crime remain available to be dealt with in the manner provided by the 2002 Act. The procedural safeguards as delineated by us hereinabove are effective measures to protect the interests of person concerned.

..."

65. Suryakant Tiwari is the main accused in the case and is directly involved in scheduled offence and all other accused have participated in layering or integration of the PoC. A diary is alleged to be seized by the ITD from the residence of Rajnikant Tiwari, relative of Suryakant Tiwari in a raid. All the accused have played different roles in commission of the offence. In the diary, there are entries with respect to flow of funds which were originating from the collection of illegal Rs. 25 per tonne extortion money from the coal traders on the instructions of the Surayakant Tiwari. The State Government used to issue a DO, then only the coal excavated could be transported within the State or outside the State. Before 2020, the system which was in vogue was that the DO will be issued online. But taking the benefit of Covid-19, the online system was changed to offline system at the behest of Sameer Vishnoi who was at the helm of affairs of the Mining Department. Then started the entire game of extortion. Any coal trade who intended to get the DO, had to pay the extortion money to the people of Suryakant Tiwari and then only green signal was given to the Mining Officer and the DO was granted. These facts have come in the statements recorded in the Section 50 PMLA. Statement recorded under Section 50 PMLA is different from Section 161 Cr.P.C. in such that the statement under Section 50 PMLA has been

given the sanctity as if a statement is recorded in the Court. If a witness does not states the truth under Section 50 PMLA, then there are various Sections of IPC for perjury which can be attracted against the person making false statement.

66. The submission of the learned counsel for the appellant(s) that no scheduled offence survived at the time of passing of the impugned order and that the proceedings were without jurisdiction, are noticed to be rejected as the Hon'ble Apex Court, in the matter of bail application filed by one of the co-accused Saumya Chaurasiya, vide judgment dated 14.12.2023 observed as under:

> *"26. The Court also does not find any substance in the submission of the learned Senior Counsel Mr. Siddharth Aggarwal for the Appellant that the scheduled offences i.e. Section 384 and 120 B having been dropped from the chargesheet submitted against the accused Suryakant Tiwari in connection with the FIR No. 129 of 2022 registered at Kadugodi Police Station Bengaluru, and the ACJM Bengaluru vide the order dated 16.06.2023 having taken cognizance for the offence punishable under Section 204 and 353 IPC only, which are not the scheduled offences under the PMLA Act, no scheduled offence survived at the time of passing of the impugned order and that the proceedings were/are without jurisdiction.*
>
> *27. Apart from the fact that neither the Chargesheet dated 08.06.2023 nor the cognizance order 16.06.2023 were placed on record during the course of arguments before the High Court as they never existed at that time, the I.O. in the Chargesheet filed in connection with the said FIR no. 129 of 2022 against Suryakant Tiwari has categorically mentioned that "as the accused (Suryakant Tiwari) found to be committed offence under Section 384 of IPC with his henchmen at Chhattisgarh State for which the report would be prayed to Chhattisgarh Police through proper channel." Hence, the offence under Section 384 could not be said to have been dropped by the I.O. while submitting the chargesheet in respect of the said FIR."*

67. From perusal of the OCs, which is also a detailed one wherein all the incriminating evidences have been annexed, goes to suggest that a case

is made out against the appellants for attachment of their properties. The appellants have failed to explain as to how those properties came to be in their names.

68. Section 50 of the PMLA reads as under:

> ***"50. Powers of authorities regarding summons, production of documents and to give evidence, etc.-*** *(1) The Director shall, for the purposes of section 13, have the same powers as are vested in a civil Court under the Code of Civil Procedure, 1908 (5 of 1908) while trying a suit in respect of the following matters, namely:*
>
> *xxx xxx xxx*
>
> *(3) All the persons so summoned shall be bound to attend in person or through authorised agents, as such officer may direct, and shall be bound to state the truth upon any subject respecting which they are examined or make statements, and produce such documents as may be required.*
>
> *(4) Every proceeding under sub-sections (2) and (3) shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 of the Indian Penal Code , 1860 (45 of 1860)*
>
> xxx xxx xxx"

69. Similarly, in the investigation of the ED, when the diary entries were corroborated by the timing when the properties were purchased/sold it is evident that the same was PoC has been utilized in the said transactions.

70. The Apex Court, in ***Rohit Tandon v. Directorate of Enforcement*** {(2018) 11 SCC 46}, observed as under:

> *"19. The sweep of Section 45 of the Act of 2002 is no more res intergra. In a recent decision of this Court in the case of Gautam Kundu v. Directorate of Enforcement {(2015) 16 SCC 1}, this Court has had an occasion to examine it in paragraphs 28 - 30. It will be useful to advert to paragraphs 28 to 30 of this decision which read thus: (SCC pp. 14-15)*
>
> > *"28. Before dealing with the application for bail on merit, it is to be considered whether the provisions of Section*

45 of the PMLA are binding on the High Court while considering the application for bail under Section 439 of the Code of Criminal Procedure. There is no doubt that PMLA deals with the offence of money laundering and the Parliament has enacted this law as per commitment of the country to the United Nations General Assembly. PMLA is a special statute enacted by the Parliament for dealing with money laundering. Section 5 of the Code of Criminal Procedure, 1973 clearly lays down that the provisions of the Code of Criminal Procedure will not affect any special statute or any local law. In other words, the provisions of any special statute will prevail over the general provisions of the Code of Criminal Procedure in case of any conflict.

29. Section 45 of the PMLA starts with a non obstante clause which indicates that the provisions laid down in Section 45 of the PMLA will have overriding effect on the general provisions of the Code of Criminal Procedure in case of conflict between them. Section 45 of the PMLA imposes following two conditions for grant of bail to any person accused of an offence punishable for a term of imprisonment of more than three years under Part A of the Schedule of the PMLA:

(i) That the prosecutor must be given an opportunity to oppose the application for bail; and

(ii) That the Court must be satisfied that there are reasonable grounds for believing that the accused person is not guilty of such offence and that he is not likely to commit any offence while on bail.

30. The conditions specified under Section 45 of the PMLA are mandatory and needs to be complied with which is further strengthened by the provisions of Section 65 and also Section 71 of the PMLA. Section 65 requires that the provisions of Cr.P.C. shall apply insofar as they are not inconsistent with the provisions of this Act and Section 71 provides that the provisions of the PMLA shall have overriding effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force. PMLA has an overriding effect and the provisions of Cr.P.C. would apply only if they are not inconsistent with the provisions of this Act. Therefore, the conditions enumerated in Section 45 of PMLA will have to be complied with even in respect of an application for bail made under Section 439 of Cr.P.C. That coupled

with the provisions of Section 24 provides that unless the contrary is proved, the Authority or the Court shall presume that proceeds of crime are involved in money laundering and the burden to prove that the proceeds of crime are not involved, lies on the appellant."

20. In paragraph 34, this Court reiterated as follows:

34. "...We have noted that Section 45 of the PMLA will have overriding effect on the general provisions of the Code of Criminal Procedure in case of conflict between them. As mentioned earlier, Section 45 of the PMLA imposes two conditions for grant of bail, specified under the said Act. We have not missed the proviso to Section 45 of the said Act which indicates that the legislature has carved out an exception for grant of bail by a Special Court when any person is under the age of 16 years or is a woman or is a sick or infirm. Therefore, there is no doubt that the conditions laid down under Section 45 A of the PMLA, would bind the High Court as the provisions of special law having overriding effect on the provisions of Section 439 of the Code of Criminal Procedure for grant of bail to any person accused of committing offence punishable under Section 4 of the PMLA, even when the application for bail is considered under Section 439 of the Code of Criminal Procedure."

The decisions of this Court in the case of Subrata Chattoraj v. Union of India {(2014) 8 SCC 768}, Y.S. Jagan Mohan Reddy v. CBI {(2013) 7 SCC 439}, and Union of India v. Hassan Ali Khan {(2011) 10 SCC 235} have been noticed in the aforesaid decision.

21. The consistent view taken by this Court is that economic offences having deep-rooted conspiracies and involving huge loss of public funds need to be viewed seriously and considered as grave offences affecting the economy of the country as a whole and thereby posing serious threat to the financial health of the country. Further, when attempt is made to project the proceeds of crime as untainted money and also that the allegations may not ultimately be established, but having been made, the burden of proof that the monies were not the proceeds of crime and were not, therefore, tainted shifts on the accused persons under Section 24 of the Act of 2002."

71. Even if certain properties were acquired prior to the posting of the appellant, Ranu Sahu, as Collector, Korba, it cannot be conclusively

held that such properties are immune from attachment. The statutory framework governing the field, provides a clear and unambiguous definition of the expression “proceeds of crime” under Section 2(1)(u) of the PMLA. The term encompasses not only property directly or indirectly derived or obtained as a result of criminal activity relating to a scheduled offence, but also extends to the value of such property. Crucially, the legislative intent underlying this definition is expansive. By specifically including within its ambit “the value of any such property,” the statute empowers the authorities, including the ED, to identify and attach properties equivalent in value to the proceeds of crime. This principle operates irrespective of whether such equivalent property was itself acquired through lawful means or prior to the commission of the alleged offence. Accordingly, in a situation where the actual tainted property *i.e.*, the property directly derived from criminal activity is unavailable, untraceable, or has been dissipated, the authorities are not rendered powerless. Instead, they are statutorily authorized to proceed against any other property of the accused or related persons, including family members, to the extent of the value of the proceeds of crime. Such attachment is not premised on the taint of the substitute property itself, but on the necessity to secure the equivalent value of the illicit gains. Therefore, properties purchased prior to the period of the alleged offence, even if *prima facie* unconnected with the criminal activity, may still be subject to attachment, provided that (i) the existence of proceeds of crime is established, and (ii) equivalent value of such proceeds cannot otherwise be recovered from the directly tainted assets. This interpretation ensures that the object of the statute, to deprive offenders of the economic benefits of crime, is not defeated by the mere unavailability or concealment of the original proceeds.

72. It is not essential for the enforcement authority to establish by direct evidence that the property in question is proceeds of crime. In a money laundering case, the *modus operandi* often involves circuitous and opaque financial transactions, making direct evidence inherently difficult to obtain. Based on the material produced, including financial analysis, property acquisition timelines, and the absence of verifiable legitimate income, this Court is satisfied that there exists a *prima facie* nexus between the property and the PoC. The PAO is therefore in consonance with the statutory scheme under PMLA and is liable to be upheld. There exists a reasonable belief, duly recorded and supported by material evidence, that the attached properties are involved in money laundering and further, the appellants have failed to rebut the statutory presumption under Section 24 of the PMLA. We do not find that any question of law arises in these appeals to be answered.

73. In view of the above discussion, we fully concur with the findings and reasoning given by the learned AA as well as the Appellate Tribunal and as such, these appeal(s) being devoid of merit, are accordingly **dismissed**. However, the appellants are at liberty to take recourse to Section 8(8) of the PMLA, if so advised.

Sd/-
(Ravindra Kumar Agrawal)
JUDGE

Sd/-
(Ramesh Sinha)
CHIEF JUSTICE

Amit

Head Note

Properties acquired prior to the alleged offence are not automatically immune from attachment under the PMLA. The definition of “proceeds of crime” under Section 2(1)(u) includes not only tainted property but also its equivalent value, reflecting a broad legislative intent. Where the actual proceeds are unavailable or untraceable, authorities may attach other properties of equivalent value, even if lawfully acquired or purchased earlier. Such attachment aims to prevent offenders from retaining the economic benefits of crime.