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Crl.O.P.(MD) No.8317 of 2019

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 09.12.2025

DELIVERED ON : 05.03.2026

CORAM :

THE HONOURABLE MR. MANINDRA MOHAN SHRIVASTAVA,
CHIEF JUSTICE
AND
THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

Crl.O.P.(MD) No.8317 of 2019
and Crl.M.P.(MD)Nos.5200 and 6763 of 2019

M/s.R.R.Granites
rep. by its Partner P.Rajasekaran,
S/o.A.M.Pitchai
No.10, 1st Street,
Deputy Collector Colony, K.K.Nagar,
Madurai-625 020.

Petitioner

Vs

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

Respondent



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PRAYER: Petition filed under Section 482 Cr.P.C. to call for the records relating to the complaint in C.C.No.9 of 2018 filed before the Principal District Judge at Madurai (The Special Court constituted u/s.43(1) of the Prevention of Money Laundering Act, 2002) now pending on the file of the II Additional District Court for CBI Cases, Madurai and the consequential summon dated 21.12.2018 issued by the II Additional District Court for CBI Cases, Madurai and quash the same so far as the petitioner/4th accused is concerned.

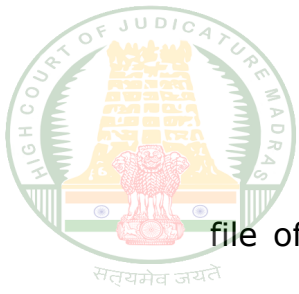
For Petitioner: Mr.Richardson Wilson
for M/s.P.Wilson Associates

For Respondent: Mr.AR.L.Sundaresan
Addl. Solicitor General of India
assisted by
Mr.Rajnish Pathiyil
Spl. PP (ED Cases)

ORDER

G.ARUL MURUGAN,J.

This petition has been filed seeking to call for the records relating to the complaint in C.C.No.9 of 2018 filed before the Principal District Judge at Madurai (The Special Court constituted u/s.43(1) of the Prevention of Money Laundering Act, 2002), now pending on the



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file of the II Additional District Court for CBI Cases, Madurai and the consequential summon dated 21.12.2018 issued by the II Additional District Court for CBI Cases, Madurai and quash the same so far as the petitioner/4th accused is concerned.

2. Records show that, earlier, the petition was heard by a Division Bench of this Court and, by order dated 8.2.2021, the Division Bench allowed the petition and quashed the proceeding in C.C.No.9 of 2018 and the consequential summon dated 21.12.2018.

3. Challenging the said order, the respondent herein filed Criminal Appeal Nos.110-112 of 2022. By order dated 21.1.2022, the Hon'ble Supreme Court set aside the order dated 8.2.2021 and remanded the matter to the High Court for reconsideration on merits and in accordance with law. The Hon'ble Supreme Court, while remanding the matter, directed the parties to appear before the High Court on 1.2.2022, when the High Court may proceed to hear the remanded matter on that day itself or assign a suitable date as may be convenient to it, while ensuring that the remanded proceedings are disposed of expeditiously.



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4. The matter was taken up by the roster Bench on 3.2.2022 and at the request of both sides, adjourned to 22.2.2022. On 22.2.2022, at the request of both sides, the matter was adjourned to 7.3.2022. Thereafter, the matter was not listed and when the matter was listed before us for the first time on 21.11.2025, we have directed the office to prepare a paper book containing the pleadings of the parties and directed to list it on 8.12.2025. On 8.12.2025, the matter was adjourned to 9.12.2025 and on 9.12.2025, the matter was fully heard and reserved for orders.

5.1. Brief facts, which are necessary for disposal of this petition, are that the petitioner was doing quarrying business with the partners, namely (i) P.Rajasekaran; (ii) C.Rabeek Raja; (iii) Ravindra Babu; (iv) Periyakaruppan, and all the partners were effectively participating and doing the business. The petitioner purchased a property to do quarrying business by way of a registered sale deed dated 31.1.2000 from Bannari Amman Sugars Limited admeasuring an extent of 10.28 Acres comprised in various survey numbers. The vendor, namely, Bannari Amman Sugars Limited (Granite Division), Coimbatore had obtained two granite mining leases from Government of Tamil Nadu in the year 1993 and it operated the quarry by entering into agreement



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for excavation of granite blocks with AAR KAY PEE Granites, Tirupattur.

Subsequently, due to some reasons, the company decided to sell outright the granite quarry and the petitioner purchased the same on 31.01.2000 at a cost of Rs.7,00,000/- through a registered sale deed.

5.2. Pursuant thereto, in the year 2000, Bannari Amman Sugars Limited made an application on 28.7.2000 to the Government through the District Collector, Madurai, and requested to transfer the lease granted to them in favour of the petitioner. In response, the Government accorded consent by way of government order on 27.2.2001 for transfer of quarry lease for quarrying multi-coloured granite over an extent of 0.26.0 hectare in Survey Nos.211/4B and 211/4C for the remaining period. Likewise, the Government had also accorded consent for the transfer of quarry lease for quarrying multi-coloured granite over an extent of 3.76.0 hectares to the petitioner in various survey numbers.

5.3. On the basis of the aforesaid two government orders, Bannarai Amman Sugars Limited handed over the quarry to the petitioner after completing the process of transferring the lease in the name of the petitioner and the petitioner had also commenced its

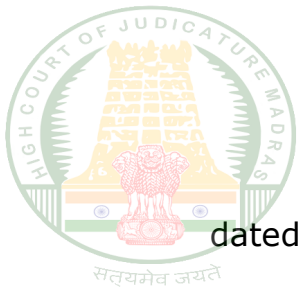


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quarrying activities only after transfer, namely in the year 2001.

Subsequent to the date of transfer in favour of the petitioner, the existing mining lease period came to an end in the year 2003 and, thereafter, the petitioner approached the Department and got the said mining lease renewed on 5.5.2004 only in respect of 3.76.0 hectares and lease deed was also executed with the District Collector on 27.6.2004 and the petitioner carried on mining operations till 31.3.2008. No quarrying operations were done in respect of 0.26.0 hectares and thereafter no mining activities took place and only the activities of dressing of granite excavated already into blocks, marketing and transportation of blocks with valid transport permits took place from 2008 up to 31.3.2012.

5.4. While things stood thus, the respondent, through its provisional attachment order dated 30.10.2017, attached the property belonging to the petitioner on the ground that the said property is the proceeds of crime and that it is involved in the act of money laundering. The basis for attachment is F.I.R.No.183 of 2012 and the evaluation report quantified the loss as Rs.46.53 Crores. Subsequently, a complaint before the adjudicating authority was filed by the respondent on 14.11.2017 and the order of provisional attachment



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dated 30.10.2017 was confirmed on 17.4.2018. The petitioner was issued impugned summon to the effect that it has been implicated under the Prevention of Money Laundering Act, 2002 (PMLA) and a complaint has been filed before the Special Court constituted under Section 43(1) of the PMLA in C.C.No.9 of 2018 in ECIR No.3 of 2014.

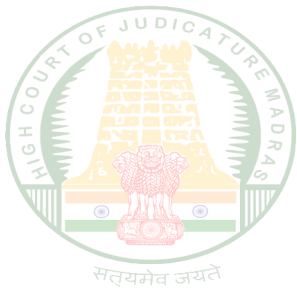
5.5. Aggrieved by the said complaint and summon, the petitioner has filed the present petition seeking to quash the same, inter alia, on the following grounds:

(a) The complaint claiming that the commission of offence is in the year 2001 is in violation of Article 20(1) of the Constitution of India.

(b) The trial court ought not to have entertained the complaint and issued summons to the petitioner.

(c) The complaint has been filed against RR Granites, represented by one Partner P.Rajasekaran. As per Indian Partnership Act, RR Granites has no legal existence and hence, the complaint against the firm is not maintainable.

(d) The petitioner is shown to be presented by a single Partner, which is factually incorrect. The business of



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the petitioner firm was carried out effectively by all Partners. As per Section 25 of the Indian Partnership Act, the complaint is not maintainable.

(e) The petitioner has acquired only one property in the year 2000 and even according to the complaint the alleged date of commission of offence is from 2001 to 2012. Hence, at no stretch of imagination committing schedule offence to acquire crime proceeds is made out.

(f) The trial court failed to consider that even if the allegations made in the complaint are taken at the face value in its entirety, this will not constitute any offence under the Prevention of Money Laundering Act.

(g) The trial court failed to consider that the materials collected by the respondent are on the basis of assumption of a non-existent property said to have been acquired by the petitioner on 29.6.2004. Only in the year 2009, schedule offences were amended and were included in the Act. Therefore, without admitting that it is a non-existing property even otherwise it does not disclose the commission of offence and make out any case against the petitioner.

(h) The court concerned has not recorded its



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satisfaction about the commission of offences before issuance of process.

(i) The complaint contains misleading statements, documents and reports and the complaint based on the above documents amounts to overreaching the proceedings in W.P.No.16841 of 2014.

(j) The complaint of the respondent refers to the evaluation report which report has been discarded by the Government and the Chief Secretary of the State has gone on affidavit claiming that they are not relying upon the documents and that they are approaching the Indian Bureau of Mines and Geological Survey of India to give their views on these reports of inspection by evaluation team and recovery of evaluation percentage for taking further course of action. Without authentic stand of the State Government, the respondent cannot expect the court to act upon a document discarded by the Government and claim it to be gospel of truth. Such conduct of the respondent amounts to perjury.

(k) The trial court ought to have considered that there is no offence made out even going by the admitted document which is filed before it and ought not to have taken cognizance of the private complaint filed by the respondent under Section 45(1) read with Section 3, 4



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and 8(5) of the Prevention of Money Laundering Act.

(l) The trial court ought to have seen the procedure that is contemplated for a private complaint as set out in Section 200 of Cr.P.C. and ought not to have issued process, as there is no ground for proceeding with the complaint and no offence has been made out.

(m) The Special Court has not applied its mind and not recorded the reasons before issue of process and taking cognizance of the offences and, hence, issuance of summons stands vitiated.

(n) Conducting trial for the offences registered by the police in one Court and conducting trial for the offences under the Prevention of Money Laundering Act in another Special Court is highly deprecated by the Hon'ble Supreme Court and both the cases should be tried together.

6.1. Resisting the petition, the respondent filed counter-affidavit, *inter alia*, stating that based on the complaints given by the Village Administrative Officers of Keezhiyur, Sarugu Valayapatti i/c Keelavalavu, E.Malampatti, Thiruvadhavur, five FIRs, bearing Nos.156/2012, 19/2015, 166/2012, 183/2012 and 397/2012, were



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registered by Madurai District Police and final reports have been filed in all the above cases, except in FIR No.19/2015 before the jurisdictional Magistrate for the offences committed under Sections 120B, 304, 447, 379, 420 434, 467, 468, 471 read with Sections 109, 114, 511 IPC and Section 3(i), (ii) and (iii) of TNPPDL Act and Section 6 read with Section 3(a) and 4(a) of Explosive Substance Act against the accused persons, namely C.Panneer Mohamed, C.Rabeek Raja and others and their proprietary/partnership companies, viz. Madurai Granite Exports, MR Granites, RR Granitesothers, were interconnected and involved in the illegal mining activity.

6.2. It is further stated that, in the said final reports it is recorded that they had obtained quarry license and were running granite quarry business and that all the accused unlawfully assembled and acted together in Melur, Keelavalavu, Madurai, Rasipuram and other places with a common object to trespass into the nearby areas of Government's rocky poramboke land and carried out mining works by using deadly explosive substances to misappropriate the multi-coloured granite stones in an illegal manner during the period prior to and between 2001 to 2012 and that they made the Government to believe that mining was done only in the licenced place, but quarried



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at non-licensed Government land also. By selling the illegally dug multi-coloured granite stone, they caused loss to the Government exchequer and gained huge profit. Without leaving a gap as stated in the government orders, they carried out mining work by using explosive substances in an illegal manner and caused huge loss to the Government to the extent of Rs.449.55 Crores and correspondingly enriched themselves. The final report states that there is a *prima facie* case for continuing investigations under the PMLA.

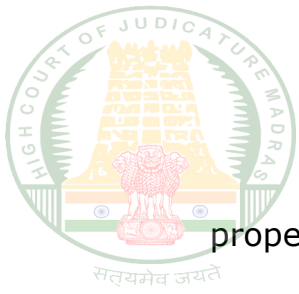
6.3. It is stated that the quarry of RR Granites, a partnership company of P.Rajasekaran and C.Rabeek Raja, an accused company in FIR No.183 of 2012 at Survey Nos.209/3F, 209/4A, 209/4B2, 209/4B3, 209/4B4, 209/4B5, 211/3, 211/4A, 213/1, 213/3, 213/4A, 213/9A, 213/9B, 215/10, 215/11A, 215/11C, 216/7A2, 216/9B of Malampatti Village to the extent of 3.76.0 hectares was inspected by a team led by the Assistant Director, Geology and Mining and Deputy Director, Geology and Mining, Chennai, wherein they noticed and reported various general violations and submitted a report stating that the petitioner has indulged in illicit quarrying of granite to the tune of 23262.59 M³.



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6.4. It is also stated that, from the investigation, it is clearly evident that the persons accused in the final reports have committed scheduled offences as defined under Section 2(1)(x) read with 2(1)(y) of the PMLA in the illegal quarrying of granite slabs/blocks and trading of the same and have caused wrongful loss to the Government exchequer. By committing the said scheduled offences, the accused persons subsequent to the gaining of wrongful loss in each of the said mining lease agreements, sold the granites in the international/ domestic market in excess of the declared quantity and realised the sale proceeds. Further, the pecuniary benefits obtained illegally by the accused persons were re-invested in acquisition of the immovable properties in their own names and in the names of their family members as well as in mining lease licenses in the name of the proprietary companies owned by them, thereby resulting in additional accruals.

6.5. It is averred that the accused persons have also filed income tax returns, wherein they had chosen to declare some of the immovable properties held in their respective names and the names of their family members, however, they had not declared their entire



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properties and their respective value as per the records. The persons named in the FIRs used the proceeds of crime in acquisition of the assets in the form of 511 immovable properties in the names of accused persons and their family members.

6.6. It is further stated that on the basis of materials in possession and after having perused the documents available on record, the respondent had reasons to believe that in the case under the PMLA, the part of the proceeds of crime, have been projected/claimed "as untainted" by way of transforming them into the form of immovable properties along with buildings/structures and investment in business and showing it as legally acquired, as such they are involved in the act of money laundering. Hence, the immovable properties acquired and held in the name of accused persons are properties involved in money laundering and are liable for attachment under Section 5(1) of the PMLA and further adjudication and confiscation in terms of Section 8 of the PMLA. It is stated that the complainant had reasons to believe that if the said immovable properties are not attached immediately under the Act, the non-attachment of such properties is likely to frustrate any further proceedings under the PMLA. Therefore, a provisional attachment



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order dated 30.10.2017 was issued by the respondent attaching the immovable properties which includes the quarry lands along with structures therein, available. Subsequently, a complaint before the adjudicating authority has been filed on 14.11.2017 by the complainant and the adjudicating authority after hearing both sides, had confirmed the provisional attachment vide its order dated 17.4.2018.

6.7. It is further asserted that a prosecution complaint in C.C.No.9 of 2018 has been filed against the Panneer Mohammed and 14 others before the Principal District Judge at Madurai and the case has been transferred to the II Additional District Court for CBI Cases and the Special Court had issued summons dated 21.12.2018 to all the parties for their appearance on 18.1.2019. The summons were served and all the accused appeared on 18.1.2019 and the trial is in progress. Hence, prayed for dismissal of the petition.

7.1. Learned counsel for the petitioner would submit that the predicate offence in FIR No.156 of 2012 has been registered by the District Crime Branch for the offences punishable under IPC, Tamil Nadu Public Property (Prevention of Damages and Loss) Act, Mines and



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Minerals (Development and Regulation) Act and Explosive Substances Act. He would submit that the offences under the Mines and Minerals (Development and Regulation) Act are not scheduled offences under the PMLA and the offence under Section 4 of the Explosive Substances Act is a scheduled offence and in so far as IPC offences are concerned, Sections 120B and 420 of the IPC are scheduled offences.

7.2. He hastened to add that the petitioner is not an accused in FIR No.156 of 2012. The complaint states that after the registration of ECIR on the basis of the FIR No.156 of 2012, the respondent came to know during preliminary verification that there were four more FIRs registered in Madurai District pertaining to firms where C.Paneer Mohammed, C.Rabeek Raja and others were partners and these FIRs were FIR Nos.166 of 2012, 183 of 2012, 397 of 2013 and 19 of 2015. The firms in which C.Paneer Mohammed and Ravi Raja were partners are Madurai Granites Exports, MR Granites and RR Granites. RR Granites is an accused only in FIR No.183 of 2012, which was registered on 29.8.2012. The allegation in the said FIR is that the accused has indulged in illegal quarrying in Survey No.209/3F, spread across 9.29 acres, which led to a loss to the Government.



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7.3. Taking us through the complaint, learned counsel for the petitioner submits that the complaint is vague and throughout the body of the complaint, the respondent has not stated what is the proceeds of crime obtained, acquired, used or concealed by the petitioner pursuant to the alleged illegal mining. In fact, there are only two paragraphs which talk about the role of the petitioner, which are paragraph 4.5.3 and 4.6.16. According to the learned counsel, the said paragraphs do not meet the requirement of a complaint alleging the commission of an offence under the PMLA. In fact, paragraph 4.5.3 merely reproduces a report of the Assistant Director, Geology and Mines, which quantified the so-called volume of granite illegally transported from the leasehold area and its value. This allegation does not *ipso facto* lead to an offence under Section 3 of the PMLA.

7.4. Learned counsel for the petitioner argued that for an offence under the PMLA, there has to be further allegation by the respondent. For example, the respondent must allege that this 23,262 M³ of illegally mined granite has been retained by the petitioner in such and such place between such and such time or the respondent has to state that 23,262 M³ was sold by the petitioner to some persons, out of which, the petitioner earned a sum, which is held by the petitioner



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either in the form of cash or property and the respondent has to give the details of such property as well. Simply stating that illegal mining has been done by the petitioner does not constitute an offence under the PMLA, which is focused only on the proceeds of the crime and not the crime itself.

7.5. Learned counsel for the petitioner further submitted that the petitioner's role is also mentioned in paragraph 10.4. As per the version of the respondent, the offence committed by the petitioner is the acquisition of property, where the alleged illegal mining was done. The respondent incorrectly noted in paragraph 10.4 that the acquisition of the property was by Document No.2111 of 2004, dated 29.6.2004. In fact, the said document is the lease deed for mining and not the sale deed. The purchase of the property is on 31.1.2000, much prior to the date of commission of the illegal mining, which, according to the respondent and the predicate FIR, is 2001 to 2012. Therefore, when the property itself has been purchased prior to the so-called commission of the crime of illegal mining, there is no logic in terming the acquisition of the property as one through proceeds of crime. As on the date of acquisition of the property, i.e. 31.1.2000, the crime has not even taken place even as per the complaint of the



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respondent. Since the complaint does not disclose the commission of any offence, learned counsel for the petitioner prays for quashing of the complaint in C.C.No.9 of 2018 and the consequential summons issued by the Special Court. To fortify his submissions, learned counsel for the petitioner relied upon and referred to the following decisions:

(i) *Vijay Madanlal Choudhary and others v. Union of India and others*¹.

(ii) *Satish Mehra v. State (NCT of Delhi)*².

(iii) *Indian Oil Corporation v. NEPC India Limited and others*³.

(iv) *Mehmood Ul Rehman v. Khazir Mohammad Tunda and others*⁴.

(v) *Kim Wansoo v. State of Uttar Pradesh and others*⁵.

(vi) *Rajnish Kumar Biswakarma v. State of NCT of Delhi and others*⁶.

(vii) *Anukul Singh v. State of Uttar Pradesh and another*⁷.

(viii) *Thesima Begam and another v. State of Tamil Nadu and others*⁸.

(ix) *Shaileshbhai Ranchhodbhai Patel and another v. State of Gujarat and others*⁹.

¹2022 SCC OnLine SC 929

²2012 SCC OnLine SC 956

³2006 SCC OnLine SC 747

⁴2015 SCC OnLine SC 320

⁵2025 SCC OnLine SC 17

⁶MANU/SC/1438/2024

⁷2025 SCC OnLine SC 2060

⁸(2020) 14 SCC 580

⁹2024 SCC OnLine SC 5569



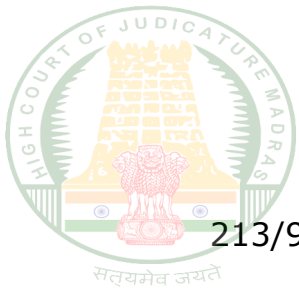
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8.1. Refuting the submissions made by learned counsel for the petitioner, learned Additional Solicitor General of India appearing for the respondent would submit that the present petition is not maintainable in law and devoid of merits, inasmuch as the subject property is involved in money laundering and has been taken possession by the respondent under the provisions of Section 8(4) of the PMLA and liable for confiscation, for which a prosecution complaint has been filed before the Special Court and is under trial. The property attached vide provisional attachment order dated 17.4.2018 which was registered under Document No.2111 of 2004 is nothing but property registered vide sale deed dated 31.1.2000 under Document No.167 of 2000 between RR Granites represented by one of its Managing Partner P.Rajasekaran, 4th accused in C.C.No.9 of 2018 and Bannari Amman Sugars Limited.

8.2. He would further submit that actually Document No.2111 of 2004 is a lease agreement dated 29.6.2004 between Madurai Collector and RR Granites, represented by R.Rajasekaran admeasuring 3.76.0 hectares for mining granite in Survey Nos.209/3F, 209/4A, 209/4B2, 209/4B3, 209/4B4, 209/4B5, 211/3, 211/4A, 213/1 213/3, 213/4A,

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213/9A, 233/9B, 215/10, 215/11A, 215/11C, 216/7A2 and 216/9B

located at Malampatti Village. The lands located in these survey numbers are the same as that of the sale deed dated 31.1.2000 except Survey Nos.209/3A, 209/3C, 209/4B. 209/4C. This land is nothing but the land in dispute used for illegal mining activity as mentioned in FIR No.183 of 2012 registered against RR Granites and its partners.

8.3. Learned Additional Solicitor General of India also submitted that the interpretation of the petitioner has no relevance in the subject issue. In fact, P.Rajasekaran executed the lease deed dated 29.6.2004 as a Managing Partner of RR Granites, where Rabeek Raja is also one of the partners. FIR No.183 of 2012 is one of the five FIRs registered by Madurai District Police, where the accused were Paneer Mohammed, Rabeek Raja, their relatives and other partners in their partnership firms. All the above FIRs are inter-connected to each other. Madurai Police have registered cases with different Police Stations of Madurai District and filed final reports in all the five FIRs except FIR No.19 of 2015. Paneer Mohammed and Rabeek Raja have either directly or indirectly controlled all the affairs through their proprietary or partnership concerns, namely Madurai Granites Exports, MR Granites



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and RR Granites and other individuals as mentioned in C.C.No.9 of 2018.

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8.4. As these are inter-connected FIRs and the accused involved in the crime are known to each other since long and all of them involved in the conspiracy of diverting the proceeds of crime, learned Additional Solicitor General submits that no separate ECIR needs to be registered against each individual involved in crimes registered in five different FIRs. Further, in FIR No.183 of 2012, Rajasekaran is accused No.2; Rabeek Raja is accused No.3, who met the other accused on various dates at various places and conspired illegally to trespass into the Government poramboke land adjacent to the licenced quarry land located at Survey No.210 and into the Government land in Survey No.209/2.

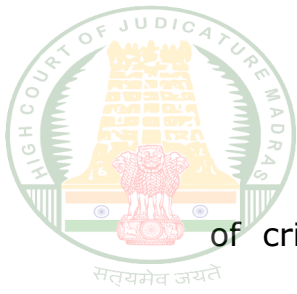
8.5. Learned Additional Solicitor General of India then submitted that the provisions of Section 3 of the PMLA define what amounts to offence of money laundering. Even the persons, whosoever directly or indirectly attempts to indulge or knowingly assist or knowingly is a party or is actually involved in any process or activity connected with proceeds of crime including its concealment, possession, acquisition or



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use and projecting or claiming it as untainted property, shall be guilty of offence of money laundering. The alleged period of commission of crime is between 2001 to 2012. This is evident from the sale deed executed between RR Granites and Bannari Amman Sugars Limited and the subsequent consent accorded by the Government for transfer of lease for quarrying multi-coloured granite over an extent of 3.76.0 hectares to RR Granites from Bannari Amman Sugars Limited and further lease agreement dated 29.6.2004.

8.6. Learned Additional Solicitor General of India urged that it cannot be said that to launch prosecution of an offence under Section 3 of the PMLA, the predicate offence from which proceeds of the crime originated should also have been committed after the PMLA came into force. It is the laundering aspect of the proceeds of crime, which is mischief, that the PMLA targets. Section 3 of the PMLA criminalises the possession/conversion of tainted proceeds of crime and not the generation of proceeds of crime from the predicate offence. Therefore, if the predicate offence is committed prior to the PMLA came into force, it cannot be said that Section 3 of the PMLA is retrospective in operation. Since the property mentioned in the two documents, namely lease deed and the sale deed, was used to generate proceeds



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of crime by illegal mining activity and possessed by RR Granites, where Rajasekaran is Managing Partner, it was attached by the impugned provisional attachment order dated 30.10.2017 and confirmed by the adjudicating authority under order dated 17.4.2018. Since the complaint contains specific allegation against the petitioner and more particularly paragraph 4.5.3 of the complaint constitutes ingredients of the offence and reading the contents of paragraph 10.4 along with the other allegations, the offences alleged against the petitioner have been made out by the respondent. Therefore, there is no necessity to interfere with the same. He, therefore, prayed for dismissal of the petition.

8.7. To bolster his arguments, the learned Additional Solicitor General relied upon the following decisions:

- (i) *Vijay Madanlal Choudhary and others Union of India*¹⁰.
- (ii) *Y.Balaji v. Karthik Desari and others*¹¹.
- (iii) *Pradeep Nirankarnath Sharma v. Directorate of Enforcement and others*¹².

¹⁰2022 SCC OnLine SC 929

¹¹MANU/SC/0584/2023

¹²MANU/SC/0343/2025

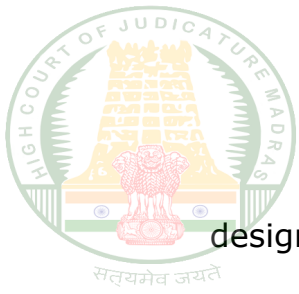


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9. We have considered the rival submissions and perused the records.

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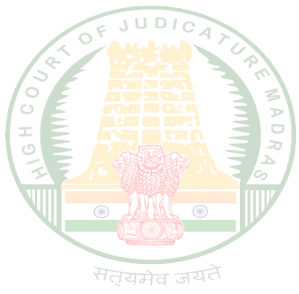
10. The bone contention of the petitioner is that the allegations set out by the respondent in the complaint in C.C.No.9 of 2018 do not disclose commission of any offence by the petitioner under the PMLA. Further, a complaint to the Magistrate seeking cognizance of criminal offences must set out clearly the allegations against the accused persons, which includes the time, place, nature of commission of offence and contain clear material facts and particulars as to the offence committed by the accused persons. Under the Scheme of PMLA, the Enforcement Directorate, registers an ECIR upon receipt of information of commission of an offence under the PMLA. Though in *Vijay Madanlal (supra)*, the Hon'ble Supreme Court has held that ECIR is not equal to an FIR inasmuch as it is not a public record and need not be furnished to the accused, still the initiation of investigation by the Enforcement Directorate under the PMLA begins with the registration of an ECIR. Thereafter, the Enforcement Directorate investigates the matter and after its investigation, if it finds that an offence has been committed under the PMLA, the Enforcement Directorate is empowered to file a complaint before the Special Court



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designated under Section 45(1) of PMLA setting out the offences committed by the accused persons. In the case on hand, the respondent has not stated material facts and allegations against the petitioner in the complaint, which, if taken to be true, would result in the conviction of the petitioner. In the instant case, no trial can be held on the basis of this complaint against the petitioner.

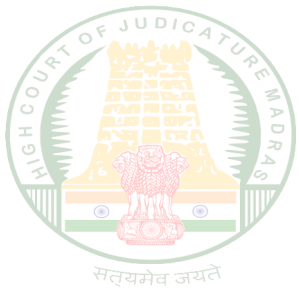
11. The learned counsel for the petitioner has also relied on many decisions to contend that the High Court shall exercise its power under Section 482 Cr.P.C., to quash the proceedings, even if the averments in the complaint is accepted in entirety, do not disclose commission of any offence and the continuance of the proceedings would be an abuse of process of law. There is no quarrel in respect of that proposition and it has been settled by the Hon'ble Supreme Court in the case of *State of Haryana v. Bhajan Lal* reported in 1992 *Supp (1) SCC 335*, that if the case falls in anyone of the categories, then the High Court could intervene and quash the proceedings, as it amounts to abuse of process of law.



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12. The primordial contention in seeking to quash the complaint

is that the petitioner has purchased the property, measuring 3.76.0 hectares of land in Malampatti Village, Melur Taluk on 31.01.2000 from one Bannari Amman Sugars. Only thereafter pursuant to the application filed, the government, by order dated 27.02.2001 granted the transfer of quarry lease from Bannari Amman Sugars to the petitioner through two government orders. The petitioner got the mining lease renewed on 29.06.2004 and carried out mining operations. Since the period of illegality mentioned in the predicate offence is between 2001 to 2012 and the property having been acquired prior to the said period in 2000 itself, the acquisition of this property cannot be a proceeds of crime and therefore, the very implication of the petitioner as an accused in the complaint is not maintainable as it does not fall under Section 2(1)(u) of the Act. As such, even if the averments in the complaint are accepted in entirety, the same does not disclose any offence committed by the petitioner under the PMLA and therefore the continuance of the proceedings would be an abuse of process of law and it has to be quashed.



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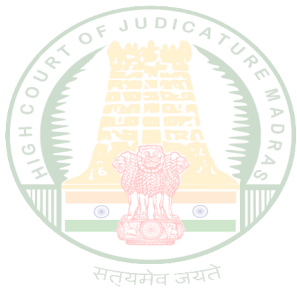
13. Though at first blush, the argument raised seems appealing, as the sale deed pertaining to the property standing in the name of the petitioner is dated 31.01.2000, which is admittedly prior to the period mentioned in the predicate offence, a close look at the averments in the complaint, details furnished and the statutory provisions, reveals altogether a different picture.

14. For better understanding, the relevant provisions in the PMLA are extracted hereunder;

"Section 2(1)(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;]

Section 2(1)(v) - *"property" means any property or assets of every description, whether corporeal or incorporeal, movable or immovable, tangible or intangible and includes deeds and instruments evidencing title to, or interest in, such property or assets, wherever located.*



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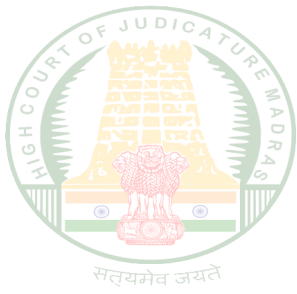
[Explanation.—For the removal of doubts, it is hereby clarified that the term "property" includes property of any kind used in the commission of an offence under this Act or any of the scheduled offences;]

Section 2(1)(y) - "scheduled offence" means - (i) the offences specified under Part A of the Schedule; or [(ii) the offences specified under Part B of the Schedule if the total value involved in such offences is [one crore rupees] or more; or (iii) the offences specified under Part C of the Schedule]

Section 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;



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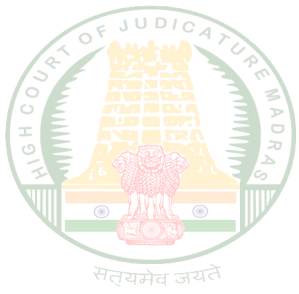
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(ii) *the process or activity connected with proceeds of crime is a continuing activity and continues till such time a person is directly or indirectly enjoying the proceeds of crime by its concealment or possession or acquisition or use or projecting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

Section 4. Punishment for money-laundering.- *Whoever commits the offence of money-laundering shall be punishable with rigorous imprisonment for a term which shall not be less than three years but which may extend to seven years and shall also be liable to fine [***]:*

Provided that where the proceeds of crime involved in money-laundering relates to any offence specified under paragraph 2 of Part A of the Schedule, the provisions of this section shall have effect as if for the words "which may extend to seven years", the words "which may extend to ten years" had been substituted.

15. Section 2(1)(u) defines "proceeds of crime" that 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 is proceeds of crime. By Act 23 of 2019, explanation was inserted clarifying that the 'proceeds of crime' not only include the property derived or obtained from the scheduled offence but also as a result of any criminal activity relatable to the scheduled offence.



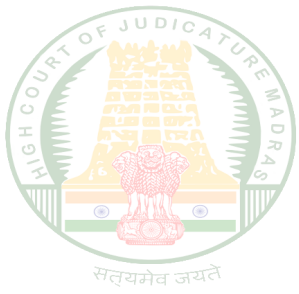
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WEB COPY 16. As per Section 2(1)(v), the property means movable or immovable, tangible or intangible and includes deeds and instruments evidencing title or interest.

17. As per Section 3, any person directly or indirectly attempts to indulge, or is actually involved in any process or activity connected with the "proceeds of crime" which includes concealment, possession, acquisition or use and projecting or claiming it as untainted property shall be guilty of an offence of money-laundering.

18. As per explanation inserted by the Act 23 of 2019, it has been clarified that the 'proceeds of crime' is a continuing activity and continues till such time a person enjoys the proceeds of crime by concealment or possession or acquisition or use or projecting it as untainted property in any manner whatsoever.

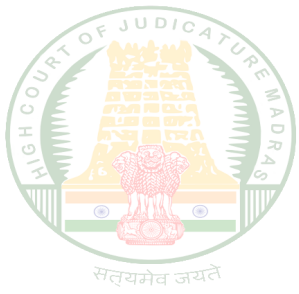
19. Section 4 prescribes the punishment for committing an offence under Section 3.



WEB COPY 20. The Hon'ble Supreme Court in the case of *Vijay Madanlal Choudhary v. Union of India [(2023) 12 SCC 1]* held that the property in whatever form mentioned in Section 2(1)(v), is or can be linked to criminal activity relating to or relatable to scheduled offence, must be regarded as proceeds of crime for the purpose of the 2002 Act. To be proceeds of crime, the property must be derived or obtained, directly or indirectly, "as a result of" criminal activity relating to a scheduled offence.

21. The relevant portion of the aforesaid decision, is extracted as under;

"105. *The other relevant definition is "proceeds of crime" in Section 2(1)(u) of the 2002 Act. This definition is common to all actions under the Act, namely, attachment, adjudication and confiscation being civil in nature as well as prosecution or criminal action. The original provision prior to amendment vide the Finance Act, 2015 and Finance (No.2) Act, 2019, took within its sweep any property [mentioned in Section 2(1)(v) PMLA] derived or obtained, directly or indirectly, by any person "as a result of" criminal activity "relating to" a scheduled offence [mentioned in Section 2(1)(y) read with Schedule to the Act] or the value of any such property. Vide the Finance Act, 2015, it further included such property (being proceeds of crime) which is taken or held outside the country, then the property equivalent*



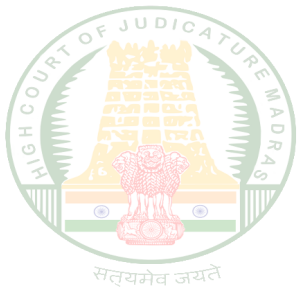
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in value held within the country and by further amendment vide Act 13 of 2018, it also added property which is abroad. By further amendment vide Finance (No.2) Act, 2019, Explanation has been added which is obviously a clarificatory amendment. That is evident from the plain language of the inserted Explanation itself. The fact that it also includes any property which may, directly or indirectly, be derived as a result of any criminal activity relating to scheduled offence does not transcend beyond the original provision. In that, the word "relating to" (associated with/has to do with) used in the main provision is a present participle of word "relate" and the word "relatable" is only an adjective. The thrust of the original provision itself is to indicate that any property is derived or obtained, directly or indirectly, as a result of criminal activity concerning the scheduled offence, the same be regarded as proceeds of crime. In other words, property in whatever form mentioned in Section 2(1)(v), is or can be linked to criminal activity relating to or relatable to scheduled offence, must be regarded as proceeds of crime for the purpose of the 2002 Act. It must follow that the Explanation inserted in 2019 is merely clarificatory and restatement of the position emerging from the principal provision [i.e. Section 2(1)(u)].

106. The "proceeds of crime" being the core of the ingredients constituting the offence of money laundering, that expression needs to be construed strictly. In that, all properties recovered or attached by the investigating agency in connection with the criminal activity relating to a scheduled offence under the general law cannot be regarded as proceeds of crime. There may be cases where the property involved in the commission of scheduled offence attached by the investigating agency dealing with that offence, cannot be wholly or partly regarded as proceeds of crime within the meaning of Section 2(1)(u) of the



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2002 Act — so long as the whole or some portion of the property has been derived or obtained by any person "as a result of" criminal activity relating to the stated scheduled offence. To be proceeds of crime, therefore, the property must be derived or obtained, directly or indirectly, "as a result of" criminal activity relating to a scheduled offence. To put it differently, the vehicle used in commission of scheduled offence may be attached as property in the case (crime) concerned, it may still not be proceeds of crime within the meaning of Section 2(1)(u) of the 2002 Act. Similarly, possession of unaccounted property acquired by legal means may be actionable for tax violation and yet, will not be regarded as proceeds of crime unless the tax legislation concerned prescribes such violation as an offence and such offence is included in the Schedule to the 2002 Act. For being regarded as proceeds of crime, the property associated with the scheduled offence must have been derived or obtained by a person "as a result of" criminal activity relating to the scheduled offence concerned. This distinction must be borne in mind while reckoning any property referred to in the scheduled offence as proceeds of crime for the purpose of the 2002 Act. Dealing with proceeds of crime by way of any process or activity constitutes offence of money laundering under Section 3 PMLA."

22. Now we would proceed to analyse the facts of the present case. Based on a complaint that there had been indiscriminate illegal quarrying of granites causing huge loss to the exchequer in Madurai District, five FIRs came to be registered in Crime Nos.156/2012, 166/2012, 183/2012, 397/2013 and 19/2015 against various persons, including the petitioner, disclosing that there had been a mining scam



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involving granites, thereby causing loss to the tune of Rs.449.55 crores to the exchequer of the State.

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23. It is to be noted that the whole scam came to be unearthed, pursuant to the orders of this Court appointing the District Collector to probe into granite mining activities. FIR No.183/2012 came to be registered for predicate offences under Sections 447, 379, 109, 120(b), 201, 406 and 420 of IPC r/w Section 3(1), 4(1) of TNPPDL Act and Section 4(1), 4(2)(A), 4(3), 21(b)(5) of MMDR Act and Section 4 of Explosive Substance Act. The FIR was registered against M/s.RR Granites, partner C.Rabeek Raja, the petitioner and 3 others. The alleged loss to the exchequer was Rs.46.53 Crores in respect of this FIR.

24. Since the case registered under Sections 420, 120(b) IPC and Section 4 of the Explosive Substance Act are scheduled offences, the respondent/Enforcement Directorate had registered ECIR No.3 of 2014 and after completion of the investigation had filed the complaint in C.C.No.9 of 2018 before the Principal District (Special Court for



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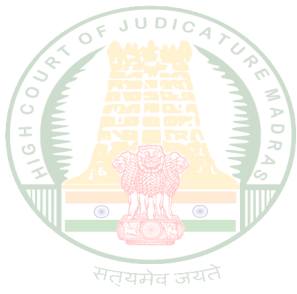
PMLA Cases) Madurai against several persons, including M/s.RR Granites and the petitioner herein who is arrayed as 4th accused.

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25. In the complaint, it is stated in paragraph 4.3 that since preliminary verification under the PMLA revealed the registration of 5 FIRs and filing of charge sheets against the accused persons, viz., C.Panneer Mohamed, C.Rabeek Raja and others, proprietary/partnership companies including M/s.RR Granites and others, wherein the said persons were accused of their involvement in various illegal granite stones quarrying activities, causing loss to the State exchequer valued to the tune of Rs.450 crores, during the overall period between 2001 to 2012, there is a *prima facie* case for continuing investigations under the PMLA.

26. The details of each of the cases registered are furnished and the quantification of illegal quarrying has been done. Paragraph 4.5.3 states about the quarry of M/s.RR Granites, a partnership company of Shri.P.Rajasekaran, the petitioner and C.Rabeek Raja, who are accused in predicate offences. Relevant Portion is extracted as under;

"4.5.3. The quarry of M/s.RR Granites, a Partnership company of Shri P.Rajasekaran and Shri C.Rabeek Raja, an



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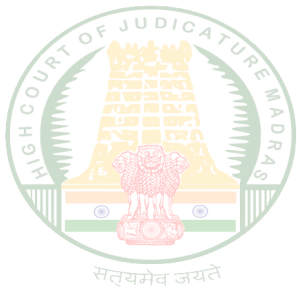


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Accused Company in FIR No 183/2012 at Survey No.209/3F, 209/4A, 209/4B2, 209/4B3, 209/4B4, 209/4B5, 211/3, 211/4A, 213/1, 213/3, 213/4A, 213/9A, 213/9B, 215/10, 215/11A, 215/11C, 216/7A2, 216/9B of Malampatti Village, Melur Taluk, Madurai District to the extent of 3.76.0 Hectares was inspected by a team led by Assistant Director, Geology & Mining & Deputy Director, Geology & Mining, Chennai wherein they have noticed and reported, inter alia, the various General Violations they have noticed during their inspection. The Inspection team categorically quantified the following:

		(Cub.Met)	(In Rs)
A	Total Volume of Granite Quarried in the Lease Hold Area	23436.25	
B	Total Stock available in the Leasehold Area	2066.67	
C	Quantity of Granite Transported from the Lease hold Area (A- B)	21369.58	
D	Allowance @ 10% for block Dressing (Rejects)	2136.96	
E	Marketable Quantity (C-D)	19232.62	
F	Quantity for which Transport Permits obtained	5644.325	
G	Quantity of granite transported illegally (E-F)	13588.29	
H	Quantity of granite illegally quarried in the Non lease area - Rate @ 20000 per Cub.Met	9674.30.40	193486000
I	Total Volume of Granite transported illegally from the leasehold and from the unleashed area (G+H)	23262.59	
J	Value of Granite @ Rs.20000/- per M ³ (Rs.20000 x 23262.59)		465251800

The Officials of the Geology & Mining in the said evaluation report, have also specified about the methodology of the above mentioned quantification including adoption of the values,



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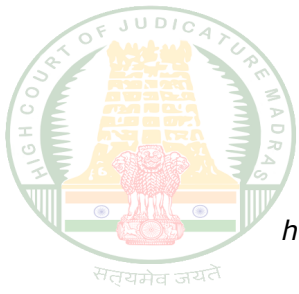


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quantification of stock in hand, Dependence on data of District Mines office on transport permits etc. The Evaluation report also categorically states. inter alia, that from the Evaluations works carried out, it was ascertained that the lessee (viz., M/s.RR Granites, a Partnership company of Shri P.Rajasekaran and Shri P.Rabeek Raja) has indulged in "illicit quarrying of granite to the tune of 23262.59 M³."

27. Statements under Sections 50(2) and 50(3) of the PMLA were recorded from the accused persons involved in the case and also the statement recorded from the petitioner is furnished at paragraph 4.6.16, which reads as follows;

"4.6.16. Shri P.Rajasekaran, S/o. Shri A.M.Pitchai, an accused person in Final Report dated 14.10.2014 filed by DSP, District Crime Records Bureau, Madurai in FIR No.183/2012 dated 29.08.2012, wherein he has been accused of his involvement along with others in various illegal Granite Stones quarrying activities, forgery, illegal usage of explosives, encroachment, trespassing and causing loss to the tune of Rs.47 Crores to the Govt. exchequer during the overall period between 2001 to 2012, vide his voluntary statement given under the provision of Section 50(2) & (3) of PMLA, 2002 on 18.08.2017 had inter alia stated that he had taken quarries on lease from the Government since 1986 wherein he had unearthed stones such as blue metals, etc.; that from the year 1991 he started quarrying Granites after obtaining necessary permission from the Authorities concerned and by paying appropriate fees to the Government; that he has a proprietary concern in the name of R.R. Traders; that he is a partner in R.R.Granites and P.R.Bricks; that he would submit the Balance Sheets for the partnership concern R.R.Granites shortly for perusal; that he would submit the details of the properties available in his name along with the Income Returns filed by



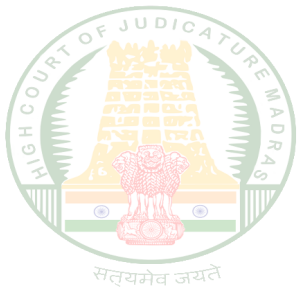
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him immediately.”

WEB COPY 28. The verification of records and properties are listed out in paragraph 4.7.2. It is stated that the verifications conducted with Sub-Registrar Offices of Tamilnadu, disclosed that C.Rabeek Raja, partner of M/s.RR Granites is possessing 127 immovable properties, totally valued at Rs.4.41 crores as per the sale deed documents, for which the guideline value as prescribed by the State is calculated to the tune of Rs.36.38 crores. Apart from the same, paragraphs 4.7.3, 4.7.4, 4.7.5 and 4.7.6 deal with the income and properties of the wife and sons of C.Rabeek Raja, partner of M/s.RR Granites.

29. The identification of proceeds of crime involved in money-laundering and reasons to believe against the petitioner, are furnished in paragraphs 5 and 6 of the complaint, which read as under;

"5. From the investigation as set out above, it is clearly evident that the persons accused in the FIRs/Charge Sheets, viz., Shri C.Panneer Mohamed, Proprietor of M/s Madurai Granite Exports, Shri C.Rabeek Raja, Proprietor of M.R. Granites and partner of R.R.Granites, Smt. R.Kasaniya, Shri C. Nagoor Hanifa, Shri C.Azad Mohammed, Shri C.Raj Kapoor, Shri K.Heeralal, Shri C.Anwar Ali, Shri I.Nazer, Smt. Sheela Begaum @ H.Asma Begam, Shri P.Senthilkumar and Shri P.Rajasekaran, along with the other accused persons accused in the FIRs/Final Reports as detailed above filed by the Madurai District Police, have



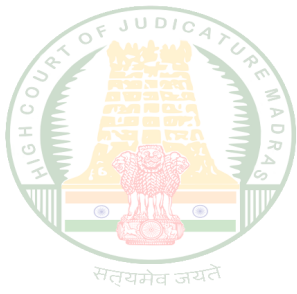
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committed "scheduled offences" as defined under Section 2(1)(x) read with 2(1)(y) of PMLA, 2002 in the illegal quarrying of granite slabs/blocks and trading of the same and have caused wrongful loss to the tune of **Rs.450 Crores** to the Government Exchequer and corresponding wrongful gain to themselves. Further, by committing the said scheduled offences, Shri C.Panneer Mohamed, Proprietor of M/s.Madurai Granite Exports, Shri C.Rabeek Raja, Proprietor of M.R.Granites and partner of R.R. Granites, Smt. R.Kasaniya, Shri C.Nagoor Hanifa, Shri C.Azad Mohammed, Shri C.Raj Kapoor, Shri K.Heeralal, Shri C.Anwar Ali, Shri I.Nazer, Smt. Sheela Begaum @ H.Asma Begam, Shri P.Senthilkumar and Shri P.Rajasekaran, along with the other accused persons subsequent to the gaining of the wrongful loss in each of the said Mining Lease agreements, sold the granites in the international/domestic market in excess of the declared quantity and realized the sale proceeds. The Quarry lands available in names of Shri C.Panneer Mohamed, Shri C. Raj Kapoor, Shri P.Rajasekaran and Shri C.Anwar Ali, which were used to generate and launder the crime proceeds are detailed below and as such the same are properties involved in money laundering they are liable for attachment under 5(1) of PMLA, 2002 and further adjudication and confiscation in terms of Section 8 of PMLA.

S. No	FIR No.	Mining permission got in the name of S/Shri	Details of the Property / value
1.	156/2012	Shri .C.Panneer Mohammed S/o V.R. Chellakkannu Rowther, vide Document No. 1358/2006 dt.20.04.2006	0.99.0 Hectare of Land in Keelaiyur Village of Melur Taluk Total extent of the Land = 0.99.0 Hectare Guideline Value of the land is Rs.580000/- per Hectare. Arrived Value = Rs.580000/- X 0.99 = Rs.5,74,200/-

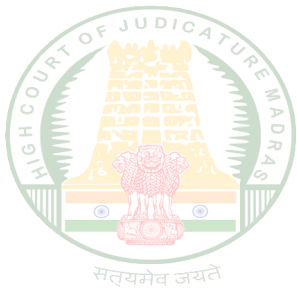


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2.	166/2012	Shri .C.Raj Kapoor S/o V.R. Chellakkannu Rowther. For M/s M.R. Granites Vide Document No.1864/2004 dt.16.06.2004	5.45.0 Hectare of Land in Keelavalavu Village of Melur Taluk Total extent of Land = 5.45.0 Hectare Guideline Value of the Land is Rs.414500 /- per Hectare. Arrived Value = Rs.414500 /- X 5.45 = Rs. 22,59,025 /-
3.	183/2012	Shri P.Rajasekaran For M/s R.R. Granites Vide Document No. 2111/2004 dated 29.06.2004	3.76.0 hectare of Land in Malampatti Village of Melur Taluk Total extent of the Land = 3.76.0 Hectare (9.29 Acres) Guideline Value of the Land is Rs.268000 /- per Acre. Arrived Value = Rs.268000 /- X 9.29 = Rs.24,89,720 /-
4.	397/2013	Shri.C.Panneer Mohammed S/o V.R.Chellakannu Rowther. Vide Document No.697/2004 dt. 10.03.2004	0.96.5 Hectare of Land in Thiruvathavur Village of Melur Taluk Total extent of the Land = 0.96.5 Hectare (9650 Sq.Mt.) Guideline Value of the Land is Rs.365/- per Sq.Mt. Arrived Value = Rs. 365/- X 9650 = Rs.35,22,250 /-
5.	19/2015	Shri.C.Anwar Ali S/o V.R.Chellakannu Rowther. Vide Document No.934/2003 Dt.30.03.2004	1.11.5 Hectare of Land in Keelaiyur Village of Melur Taluk Total extent of the Land = 1.11.5 Hectare Guide Line Value of the Land is Rs.580000 /- per Hectare. Arrived Value = Rs. 580000 /- X 1.11.5 = Rs. 6,46,700 /-



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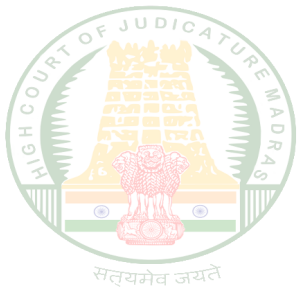


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6. Further, the pecuniary benefits obtained illegally by the aforesaid persons were re-invested in acquisition of the immovable properties in their own names and in the names of their family members as well as in mining lease licenses in the name of the proprietary companies owned by them and thereby resulting in additional accruals. Most of the aforesaid persons have filed Income Tax Returns, wherein they had chosen to declare some of the immovable properties held in their respective names and their family, however they had not declared their entire properties and their respective value as per the records. Thus they projected the laundered pecuniary benefits in the form of certain immovable properties as untainted. Hence, it is evident that the persons as named above, used the proceeds of crime in acquisition of the assets in the form of 511 immovable properties in the names of the aforesaid persons and their family, which are totally valued at **Rs.17.46 Crores** (approximately) as per the registered documented value, and the Guideline value prescribed by the Government of Tamilnadu is to the tune of **Rs.96.05 Crores (Approx.)**.

30. In the complaint, the role of each of the accused involved in the money-laundering case has been detailed in paragraph 10. Paragraph 10.2 gives the details of the role of C.Rabeek Raja, partner of M/s.RR Granites and paragraph 10.4 gives the details of the role played by the petitioner. Relevant Portion is extracted as under;

"10.2. It is humbly submitted that **Shri C.Rabeek Raja** (Accused-2 herein), has been named as an accused along with

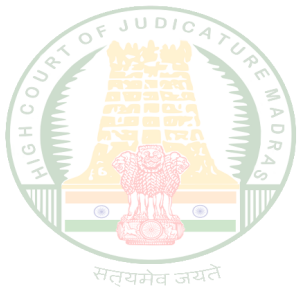


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his Proprietary concern M/s MR Granites and Partnership concern M/s RR Granites among others vide FIR No.156/2012 dated 06.08.2012, 166/2012 dated 12.08.2012, 183/2012 dated 29.08.2012, 397/2013 dated 09.07.2013 & 19/2015 dated 30.01.2015, all registered by District Crime Branch of Madurai City Police wherein he has been accused of his involvement in various illegal Granite Stones quarrying activities, forgery, illegal usage of explosives, encroachment, trespassing and causing loss to the tune of Rs.450 Crores to the Government Exchequer, along with others during the overall period between 2001 to 2012. Shri C.Rabeek Raja (Accused-2 herein), has obtained/purchased several properties in his name out of the ill-gotten earnings from the crimes committed by him vide the above FIRs and Final Reports filed therein, for the commission of offences under Sections 120B, 304, 420, 467 and 471 of the Indian Penal Code and 1860, and offence under Sections 3 & 4 of the Explosive Substances Act,1908, which are Scheduled Offences by virtue of Section 2(1)(x) & (2)(1)(y) of the Act, under Paragraph 1 as well as Paragraph 3 of Part A of the Schedule to the PMLA, 2002. The 108 immovable properties acquired by Shri C.Rabeek Raja (Accused No.2 herein), which have been identified as the proceeds of crime derived out of commission of Scheduled offences as mentioned above and have been attached from his possession vide Provisional Attachment Order No.21/2017 dated 30.10.2017, are being projected by him as untainted, which is nothing but an act of laundering the proceeds of crime derived by him. While immovable properties totally valued at **Rs.4,11,18,450/-** as per the registered documents, the guideline value as prescribed by the Government is estimated to be **Rs.36,35,58,578/-**. Accordingly it stands to reason that the above said 108 immovable properties in the name of Shri C.Rabeek Raja, are nothing but proceeds of crime which are involved in Money Laundering. Shri C.Rabeek Raja has



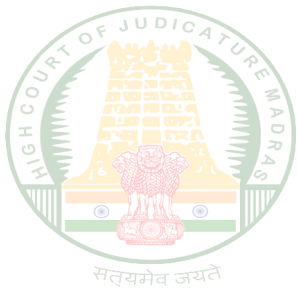
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directly indulged and actually involved in the money laundering activity connected with the proceeds of crime derived by him, including its concealment, possession, acquisition, use and claiming and projecting the same as untainted properties and thus committed the offence of money laundering under Section 3 of PMLA, 2002 and has been guilty of offence of money laundering under Section 2(1)(p) r/w Section 3 of the PMLA, 2002, punishable under Section 4 of the said Act."

"10.4. It is humbly submitted that **M/s R.R Granites, Represented by its Partner, Shri P.Rajasekaran (Accused-04 herein)**, has been named as an accused among others vide FIR No.183/2012 dated 29.08.2012, registered by District Crime Branch of Madurai City Police wherein he has been accused of his involvement in various illegal Granite Stones quarrying activities, forgery, illegal usage of explosives, encroachment, trespassing and causing loss to the tune of Rs.47 Crores to the Govt. exchequer along with others during the overall period between 2001 to 2012. Shri P.Rajasekaran (Accused No.04 herein), in the capacity of a Partner in M/s R.R. Granites, has been accused vide the above FIR and the Final Report filed therein, for the commission of offences under Sections 120B, 304, 420, 467 and 471 of the Indian Penal Code 1860, and offences under Sections 3 & 4 of the Explosives Substances Act, 1908, which are Scheduled Offences by virtue of Section 2(1)(x) & 2(1)(y) of the Act, under Paragraph 1 as well as Paragraph 3 of Part A of the Schedule to the PMLA, 2002. The immovable property acquired by Shri P.Rajasekaran (Accused No.04 herein) valued at Rs.24,89,720/-, for which Mining Permission was obtained from Government vide Document No.2111/2004 dated 29.06.2004 for M/s R.R.Granites, wherein Shri P.Rajasekaran (Accused No.04 herein) is a partner. The said immovable property, which was used to generate and launder



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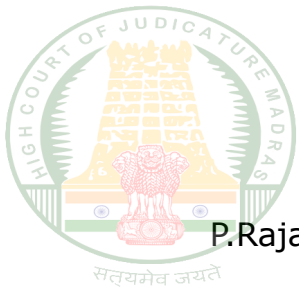


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the crime proceeds by the Accused persons named herein, and as such the same is involved in money laundering and has been attached from vide Provisional Attachment Order No.21/2017 dated 30.10.2017. Accordingly it stands to reason that Shri P.Rajasekaran has been knowingly a party to the activities connected with the proceeds of crime derived by other Accused Persons as named above, who have obtained/purchased several properties in their respective names out of the ill gotten earnings from the crimes committed by them vide the above FIR and Final Report filed therein, and thus committed the offence of money laundering under Section 3 of PMLA, 2002 and has been guilty of offence of money laundering under Section 2(1)(p) r/w Section 3 of PMLA, 2002, punishable under Section 4 of the said Act."

31. The provisional attachment of properties involved in money-laundering has been furnished in paragraph 7 containing III schedules. Schedule-I contains 5 properties, out of which item 3 pertains to the property in the name of the petitioner. There are 108 properties listed in schedule III B in the name of C.Rabeek Raja, partner of M/s.RR Granites and several other properties listed in the names of wife and sons of C.Rabeek Raja.

32. As per the averments in paragraph 5 of the complaint under the identification of proceeds of crime involved in money-laundering and reasons to believe, it is stated that the accused persons in the predicate offence C.Rabeek Raja, partner of M/s.RR Granites,



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P.Rajasekaran along with other accused persons, have committed 'scheduled offences' as defined under 2(1)(x) r/w 2(1)(y) of PMLA in the illegal quarrying of granite blocks and had caused loss to the tune of Rs.450 Crores to the Government exchequer [Rs.46.53 Crores] in respect of the petitioner in Crime No.183/2012.

33. By committing the scheduled offence, C.Rabeek Raja, partner of M/s.RR Granites and the petitioner who is also a partner in M/s.RR Granites along with other accused persons, sold the granites in international and domestic markets and realised sale proceeds. The quarry lands available in the names of P.Rajasekaran, the petitioner herein and others named persons, which were used to generate and launder the crime proceeds, have been detailed.

34. In the details furnished in item 3, the name of the petitioner and document dated 29.06.2004 in No.2111/2004 is mentioned by giving the details of the lands and its value. The averments in paragraph 6 specifically states that the pecuniary benefits obtained illegally by the aforesaid persons were reinvested in acquisition of the immovable properties in their own names and in the names of their family members, as well as in mining lease licences. The proceeds of



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crime has been used in acquisition of assets in the form of 511 immovable properties and the details of the immovable properties acquired through the proceeds of crime were also separately listed out, including 108 properties in the name of C.Rabeek Raja, partner of M/s.RR Granites and 138 properties in the name of wife of C.Rabeek Raja and 57 properties in the name of the sons of C.Rabeek Raja.

35. When the complaint filed by the respondent/Enforcement Directorate is considered as a whole, it reveals that atleast 5 cases came to be registered involving scheduled offences under the Act. The entire illegal quarrying and loss caused to Government exchequer has been calculated at Rs.450 Crores. In respect of the predicate case registered involving the petitioner, the illegal mining and loss to the state has been quantified at Rs.46.53 Crores. The Enforcement Directorate had registered the ECIR based on the predicate offence which after investigation has resulted in the impugned complaint. As per the charges in the predicate offence and the averments in the complaint under the PMLA, it is to be noted that one RR Granites, a partnership firm, had involved in a large scale illegal mining activities. While listing out nearly 108 properties purchased in the name of C.Rabeek Raja from out of the ill-gotten proceeds of crime committed



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in the scheduled offence, one of the property in the name of the petitioner is also listed out.

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36. It has been specifically averred that the quarry lands available in the name of the petitioner which is listed as item 3 were used to generate and launder the crime proceeds and therefore the property is involved in money-laundering and is liable for attachment. As such, even though the petitioner had purchased the property through sale deed on 31.01.2000, which is prior to the period 2001 to 2012, during which the illegalities had happened in respect of the predicate offence, the date mentioned as 29.06.2004 is the renewal obtained by the petitioner in respect of the property listed in item 3.

37. When the averments states that the proceeds of crime were used to generate and launder the crime proceeds through purchase of immovable properties as well as in procuring mining licences, the contention of the petitioner that simply because the property was purchased prior to 2001, the petitioner could not be implicated for an offence under the PMLA is misplaced. Even assuming that the petitioner had purchased this property as on 31.01.2000 itself, the fact remains that the petitioner had obtained a mining lease in respect of

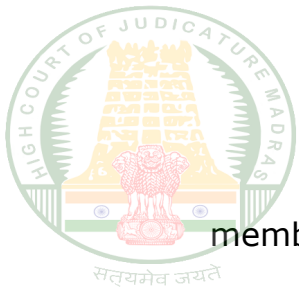


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this property on 29.06.2004. When the complaint specifically states that the proceeds of crime had been used to generate and launder the ill-gotten money, it is to be noted that the property which have been purchased by the petitioner in the year 2000 had been put to use by obtaining a transfer and renewal of mining lease in the year 2004. To start the mining operations by obtaining transfer and renewal in respect of vast extent of land definitely requires huge investments to be made to start the business and excavate the granite blocks.

38. As per Section 2(1)(v) of PMLA, property means any asset even tangible or intangible, evidencing any interest in such property, that would come within the definitions of proceeds of crime under 2(1)(u) of the Act. Further as per Section 3 of the Act concealment, possession, acquisition or use of proceeds of crime, shall be guilty of the offence of money-laundering.

39. When as per the predicate offence, the petitioner and one C.Rabeek Raja, partners of M/s.RR Granites have committed illegalities and charged for several offences including the scheduled offence and the amount quantified is Rs.46.53 Crores, apart from listing out several properties in the name of one of the partners and his family



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members running to more than 300 documents, the property standing in the name of the petitioner had also been listed out. Even though this property has been acquired prior to 2001 but still it can always be used to launder the crime proceeds.

40. In the complaint, by mentioning the document dated 29.06.2004, which is actually a renewal of lease by the petitioner and by making a specific averment that this property is used to launder the crime proceeds by obtaining mining lease licences, there are sufficient details disclosing the offence alleged to have been committed by the petitioner.

41. In fact, further while describing the role of each accused involved in the money-laundering, the complaint in paragraph 10.4 specifically states that the petitioner is named as accused in the predicate offence in FIR No.183/2012 where loss to the tune of Rs.49.53 Crores is made to the Government exchequer and the immovable property acquired by the petitioner for which mining permission was obtained from the Government, vide Document No.2111/2004 dated 29.06.2004 for M/s.RR Granites, where the petitioner is a partner, is furnished in detail. Further averment states



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that the said immovable property was used to generate and launder the crime proceeds by the petitioner and as such, he is involved in money-laundering, which resulted in the attachment of the property through provisional attachment order No.21/2017 dated 30.10.2017 and therefore the petitioner had been knowingly a party to the activities connected with the proceeds of crime and committed the offence under Section 3 of the PMLA.

42. When the complaint, on the face of it *prima facie* discloses offence under the Act and the details have been furnished by the respondent department in the complaint, the complaint has to be read as a whole and the petitioner cannot read it in-part to suit his convenience. The complaint, apart from stating that the properties were used to generate the proceeds of crime, had also stated that it is used to launder the proceeds of crime. When the details of the lease is also given, which admittedly falls within the period from 2001 to 2012 covered in the predicate offence, the same is sufficient and all other details could be gone into only during the trial.

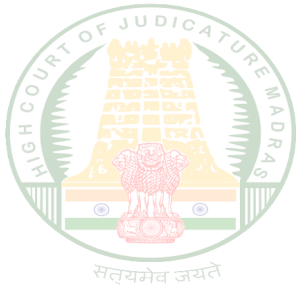
43. When the sufficient averments and materials are *prima facie* available in the complaint, the special court has rightly taken



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cognizance. It is not a case where there is no details or materials furnished or when even accepted in entirety, no case is made out against the petitioner. On the other hand, the complaint gives necessary detail in respect of the role of the accused and the property used to launder the proceeds of crime and the lease obtained from the proceeds of crime, apart from listing out several properties. While exercising the jurisdiction under Section 482 of Cr.P.C., this Court is not expected to conduct a roving enquiry to see whether the averments in the complaint would result in ultimate conviction. All that is required is to see as to whether the materials available in the complaint, prima facie discloses an offence which require a fair trial.

44. In our considered opinion, there are sufficient averments in the complaint disclosing a cognizable offence against the petitioner that require a fair trial and the case does not fall within the parameters laid down in the case of *State of Haryana v. Bhajan Lal* reported in *1992 Supp (1) SCC 335* for this Court to exercise its extraordinary jurisdiction under Section 482 Cr.P.C. for quashing the complaint at the threshold.



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45. Accordingly, this Criminal Original Petition stands dismissed.

(MANINDRA MOHAN SHRIVASTAVA, CJ)

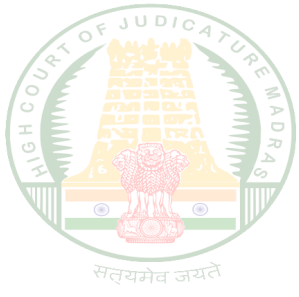
(G.ARUL MURUGAN,J)

05.03.2026

Index : Yes
Neutral Citation : Yes
bbr/sri

To:

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



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THE HON'BLE CHIEF JUSTICE
AND
G.ARUL MURUGAN,J.

bbr/sri

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05.03.2026