

**APPELLATE TRIBUNAL UNDER SAFEMA AT NEW DELHI**

**FPA-PMLA-2681/DLI/2018**

Deputy Director  
Directorate of Enforcement  
(Prevention of Money laundering Act, 2002)  
Govt. of India, Delhi Zonal Office  
1<sup>st</sup> Floor, MTNL Building,  
J.L. Nehru Marg, Delhi – 110 002

... **Appellant**

**Versus**

1. Shri Puneet Godha  
S/o Shiri S.C. Chand,  
R/o E-3/18, Area Colony,  
Bhopal
2. Sh Vineet Godha  
S/o Shiri S.C. Chand,  
R/o E-3/18, Area Colony,  
Bhopal
3. Shri Sudhir Kumar Jain  
S/o, Late Shri Phool Chand  
R/o L-1704, Design Arch Ehomes,  
Sector 5, Vaishali. (U.P.)
4. Shri Neeraj Singhal  
S/o, Shri Brij Bhushan Singhal,  
R/o W-29, GK-II, Delhi.

... **Respondents**

**Advocates/Authorized Representatives who Argued**

For the Appellant : Ms. Natasha Garg, Advocate,  
For the Respondents : S/Sh. Swetab Kumar, Rahul Kaul, for R1&2,  
Lakshya Parasher, for R-3,  
Geetansh Bharti, for r-4, Advocates.

**CORAM**

**SHRI BALESH KUMAR : MEMBER**  
**SHRI RAJESH MALHOTRA : MEMBER**

**FINAL ORDER**  
**12.03.2026**

**Dictated by:** Rajesh Malhotra

Present appeal u/s 26 of the Prevention of Money Laundering Act, 2002 is filed by Directorate of Enforcement against the order dated 24.09.2018 in Original Complaint No. 971/2018, whereby the

Provisional Attachment Order No. 07/2018 dated 31.03.2018 passed by the complainant ED was not confirmed, qua the cash of Rs. 50 lacs recovered and seized by the Central Bureau of Investigation from the possession of Shri Vineet Godha @ Vicky and Shri Puneet Godha.

2. As per the facts of the case, CBI received information that Shri Sudhir Kumar Jain, CMD, Syndicate Bank had indulged in corrupt practices by extending undue favour to the various private companies and corporate houses by granting sanctions to their loan proposals in lieu of illegal gratification. In some cases, the negotiations regarding illegal gratification were done directly with private companies by Sh. S.K. Jain and in some cases the same was done through middlemen. The illegal gratification was transferred to Sh. Vineet Godha, Sh. Puneet Godha through illegal channels by middleman Sh. Vijay Pahuja @ Soni & others in two instalments of Rs. 17 lacs and Rs. 33 lacs and the same was recovered/seized by CBI during search operations.

Consequent upon the aforesaid information with regard to the involvement of Sh. Sudhir Kumar Jain, CMD Syndicate Bank in corrupt practices by extending undue favour to the various private companies and corporate houses by granting sanctions to their loan proposals in lieu of illegal gratification, the Central Bureau of Investigation, AC-1, New Delhi, registered an FIR dt. 01.08.2014 against the said Shri Sudhir Kumar Jain Ex – CMD Syndicate bank and others for the offences committed by him which are punishable u/s 120-B IPC r/w section 7,12,13(2) r/w 13(1) (d) of Prevention of Corruption Act 1988.

After completion of investigation, on 30.09.2015, the Inspector of Police, CBI, ACU-VII, New Delhi had filed a Charge Sheet dated 30.09.2015 under Section 173 of Cr.P.C, 1973 in the Court of Hon'ble Special Judge, Patiala House Court, New Delhi, wherein Sh. Sudhir Kumar Jain, Vineet Godha, Puneet Godha, Vijay Pahuja, Neeraj Singhal, Pankaj Kr. Tiwari were prosecuted for commission of offences under u/s 120-B IPC r/w section 7,12,13(2) r/w 13(1)(d) of Prevention of Corruption Act 1988 and substantive offences thereunder.

**Main allegations in the charge sheet of CBI**, are as below:-

Shri. Sudhir Kumar Jain, CMD, Syndicate Bank indulged in corrupt practices and was extending undue favours to private companies/corporate groups by sanctioning loans in lieu of illegal gratification. This illegal gratification was received by him through his close relatives Sh. Vineet Godha and Puneet Godha via illegal channels through their agents Vijay Pahuja @ Soni and others. Sh. S.K. Jain was in regular touch with Sh. Neeraj Singhal, Vice Chairman and Managing Director of M/s Bhushan Steel Limited (BSL) in respect of Corporate Credit Matters related to the Bank. M/s BSL had defaulted on payments of instalments of Rs.100 crores on a bank loan and its account with the bank was likely to be declared as Non-Performing Assets (NPA). In this regard, Sh. S.K. Jain had demanded bribe of Rs. 50 lakhs from Sh. Neeraj Singhal to avoid being declared the a/c as NPA.

Shri S.K. Jain joined Syndicate Bank on 08.07.2013, as Chairman and Managing Director of Syndicate Bank. M/s Bhushan Steel Ltd. (BSL) is an integrated primary steel producer. Shri Neeraj Singhal is the Vice Chairman and Managing Director of this company.

On 01.08.2014, M/s BSL was enjoying total credit facility of Rs.1632 crores from the Bank. This amount included working capital limits, Bill Discounting facility, Bank Guarantee limits, Letter of Credits and Term loans. This amount included Rs.137 crores sanctioned as working Capital Limit by the Bank on 18.03.2014. A consortium loan of Rs.4200 crores was extended to M/s BSL to meet requirements of its working capital/normal capital expenditure and out of this amount, Syndicate Bank had an exposure of Rs.400 crores. A loan of Rs. 400 crores was sanctioned by the Management Committee of the Bank on 15.03.2014. However, out of the sanctioned amount, release of only Rs.150 crores was allowed. Sanction letter was issued to the branch on 18.03.2014, wherein it was categorically mentioned that the proceeds of the loan would be utilized for sharing up of New Working Capital/normal expenditure. As per the sanction order, initially Rs.200 crores was to be released by Syndicate Bank. The balance amount would be released only after full tie-up only during financial year 2015-16 after obtaining permission from Corporate Office, Bangalore. It was revealed that Syndicate Bank had released Rs.150 crores to M/s BSL till 31.03.2014.

Repayments of principal of Rs.2.25 crores and Rs.100 crores (due on 24.06.2014) and interest in 7 other term loans sanctioned to M/s BSL had become overdue as on 30.04.2014. Due to shortage of funds the company had failed to make these payments. The details in this regard are given in the complaint.

Due to shortage of funds, M/s BSL failed to make timely payments of interest and principal in the above accounts. A meeting of JLF (Joint Lender Forum), officials of SBI and M/s BSL, was held

on 23.04.2014, wherein it was decided to sanction and disburse 50% of the loan amount (by respective banks) to M/s BSL. The company on its part was to infuse Rs. 800 crores in the financial year 2015 and shortfall of more than Rs.500 crores in EBIDTA (Earnings before interest, depreciation, tax and amortization) was to be met by it. M/s BSL vide letter dated 24.04.2014, followed by letters dated 28.04.2014 and 29.04.2014, requested Corporate Finance branch of Syndicate Bank to release Rs.50 crores as per minutes of the JLF held on 23.04.2014 (as it had only released Rs.150 crores out of the Rs.400 crores sanctioned on 18.03.2014. The release of Rs.150 crores of this amount was incumbent upon a number of conditions including appropriate release by other bank/consortium members. M/s BSL vide letter dated 06.05.2014 addressed to CMD of Syndicate bank, requested for disbursement/release of Rs.50 crores. On this letter itself, Shri S.K. Jain penned that "*which are the other banks who have not sanctioned, company to pursue with them vigorously. Banks who have already supported should not be pressurised for further release*". Accordingly, Corporate Office, on 15.05.2014, sought a reply on the issue from regional Officer (RO) Delhi. During a meeting of the JLF held on 09.05.2014 to discuss the implementation of the Corrective Action Plan (CAP) as decided on 23.04.2014, it was agreed that 50% disbursement of the sanctioned amount, which was supposed to be made before 31.03.2014, should be made by 31.05.2014 by all the lenders. As per the disbursement schedule, 1/4<sup>th</sup> of the 40% of the sanctioned amount (i.e. Rs.40 crores) was to be disbursed, by May-June, 2014. Disbursement of July/ September quarter was to be done after an equity infusion of Rs.200 crores (out of Rs.800 crores) in the year 2014. Similarly, the disbursement for the October-

December quarter was to be done after infusion of Rs.400 crores (out of Rs.800 crores). Company was to infuse the remaining Rs.200 crores at the beginning of the quarter January-March, 2015, followed by disbursement of the remaining loan amount.

On 14.05.2014, M/s BSL requested Corporate Office of Syndicate Bank for disbursal of 60% of the sanctioned loan of Rs. 400 crores. This was followed by another letter dated 19.05.2014 to Regional Office of the Bank for disbursement of the 50% of the sanctioned, facility. This letter was forwarded by the Branch to the Corporate Office. Vide letter dated 24.05.2014, Corporate Finance Branch, New Delhi conveyed to M/s BSL that- since disbursement of Canara Bank, Union Bank had not started and the same from State Bank of Patiala and Andhra Bank was less than expected and only 14 out of the 16 banks had sanctioned their respective loan amounts, it should expedite the sanction from the other banks for uniformity in disbursement. This was also informed to its Corporate Office. Vide letter dated 18.06.2014 and 24.06.2014, AGM, Corporate Finance Branch, Syndicate Bank informed M/s BSL about outstanding dues of Rs.22.38 crores as on 18.06.2014 and an overdue of Rs.100 crores in term loan and requested the company to make the payment and regularize its account. Vide letter dated 02.07.2014, AGM, Corporate Finance Branch, Syndicate Bank, New Delhi informed M/s BSL that an amount of Rs. 134.63 crores was outstanding and requested the company to make the payment and regularize the account. M/s BSL, however neither replied to the mentioned letters, nor deposited any money. Vide note dated 11.07.2014 from the Corporate Finance Branch, Syndicate Bank, New Delhi, duly recommended by the

Regional Office mentioning about the release of Rs.135 crores on 27.03.2014 and Rs.15 crores on 30.03.2014 was forwarded to the Corporate office. It was mentioned that the company had not submitted the end use certificate of the funds released earlier. The deteriorating financial condition of the company was also mentioned therein. Vide letter dated 14.07.2014, Regional Office forwarded the note of the Corporate Finance Branch dated 11.07.2014 to the Corporate Office recommending release of Rs. 90 crores out of Rs. 400 crores sanctioned to the company. In this note, the amount of Rs. 134.87 crores was shown as overdue in 07 accounts of the company since 30.04.2014.

Relevant phones were placed under surveillance by CBI on the dates mentioned against them after obtaining due approval from the competent authority. On 29.06.2014, Sh. S.K. Jain contacted Sh. Satish Kumar Thakkar, field General Manager, Syndicate Bank, Delhi and enquired about the status of loan accounts of M/s BSL. In response Sh. Satish Kumar Thakkar informed the status of the loan accounts of M/s BSL and M/s Bhushan Power & Steel Limited (BSPL) to him. Thereafter, S.K. Jain was in regular touch with Sh. Neeraj Singhal, Vice Chairman and Managing Director of M/s BSL in respect of loan accounts of M/s BSL. During these calls, Neeraj Singhal requested S.K. Jain for release of his corporate loan, as per Joint Lender Meeting minutes dated 09-05-2014.

Complainant also mentioned chronology of dates and the significant developments related to the proposal of M/s BSL.

Accordingly, a note CAC No.358/2918/2014 dated 25.7.2014 was placed before Executive Director on 25.07.2014 and sent to CMD

on 25.07.2014 itself. CMD sent the same to Board Secretariat on 26.07.2014 for further placement before Credit Approval Committee Tier-1. Accordingly, Credit Approval Committee (CAC) allowed the release of Rs.50 crores to M/s BSL on 25.07.2014 itself. It was further resolved to put up ratification note to the next management meeting. This matter was put up as table agenda in the meeting. In the said meeting. Shri S.K. Jain CMD told all the members that the party needs funds and he allowed the same and accordingly, the CAC also allowed the same.

Rs.3 crores was disbursed by Syndicate Bank before ratification by Management Committee. This was followed by release of a total of Rs.30.90 crores on 30.07.2014, 31.07.2014 and 01.08.2014. From the disbursed amount, the Branch, besides serving the overdue amount, recovered interest in six other accounts of M/s BSL, where interest was overdue since 30.04.2014. Management Committee approved release of an additional amount of Rs.170 crores including Rs. 50 crores in two instalments of Rs.130 crores (till September, 2014) and Rs. 40 crores (till 3<sup>rd</sup> quarter of 2014-15).

As per CBI investigation, it was revealed that Sh. Neeraj Singhal, Vice Chairman and Managing Director M/s Bhushan Steel Ltd. (BSL) provided the telephone number of Sh. Vijay Pahuja @ Soni (a middleman of S.K. Jain) to Sh. Pankaj Tiwari (an employee of M/s BSL) and asked him to deliver Rs. 50 lakhs meant for some Vicky of Bhopal. The number of Vijay Pahuja @ Soni was provided by Sh. S.K. Jain to Sh. Neeraj Singhal. As directed, Sh. Pankaj Kumar Tiwari contacted Sh. Vijay Pahuja @ Soni from landline phone no. 71194000 of M/s BSL and enquired about message related to Vicky. However,

Shri Vijay Pahuja Soni pleaded ignorance about any such message. This was reported by Shri Pankaj Tiwari to Shri Neeraj Singhal, who in turn contacted Shri S.K. Jain and informed him of the developments. Shri S.K. Jain, thereafter, contacted Shri Vineet Godha (brother in-law of S.K Jain) and communicated the facts told to him by Neeraj Singhal. While the above call was underway, Shri Vineet Godha called Shri Vijay Pahuja @ Soni and clarified the issue.

On 29.07.2014, Shri Vineet Godha (brother-in-law of Sh. S.K. Jain) contacted him and informed him about the developments. Thereafter, Shri S.K, Jain contacted Neeraj Singhal and asked him to call the person again as message was now clear to him. In light of conversation between Shri S.K. Jain and Shri Neeraj Singhal, Shri Pankaj Kumar Tiwari contacted Shri Vijay Pahuja @ Soni on 30.07.2014 and discussed about delivery of Rs.50 lakhs at Bhopal. This was informed by Shri Vijay Pahuja @ Soni to Shri Vineet Godha who in turn contacted Shri S.K. Jain on the same day. On enquiry by Shri S.K. Jain, Shri Vineet Godha informed that news had been received from Shri Vijay Pahuja @ Soni, but the transaction had not been concluded.

Shri Pankaj Kumar Tiwari was handed over Rs.50 lakhs by Shri Neeraj Singhal for delivering it to Shri Vijay Pahuja @ Soni. The chain of delivery of bribe amount of Rs. 50 lakhs from Sh. Neeraj Singhal to Sh. Vineet Godha and Puneet Godha has been revealed as under:-

Neeraj Singhal→Pankaj Kumar Tiwari →Ankit Goel→ Ram Pratap Nath→ Prakash→Ajay Bijlani→ Chetan Jaiswani @ Chintu→ Vijay Pahuja @ Soni→ Puneet Godha/ Vineet Godha.

After confirmation of message from Vijay Pahuja @ Soni, Pankaj Kumar Tiwari approached Ankit Goel (known to Mr. Pankaj Tiwari being an employee of one of the customer of M/s BSL) to help him in delivering Rs. 50 lacs at Bhopal. Shri Ankit Goel in turn approached Ram Pratap Nath of M/s Mahavir Couriers, who is an Aangadia. Investigation further disclosed that in furtherance of the criminal conspiracy, Pankaj Kumar Tiwari again contacted Vijay Pahuja @ Soni on 31.07.2014 over mobile and asked him about the token number. In response Vijay Pahuja @ Soni provided him the serial number of a Rs. 10 denomination Currency note. Thereafter, Vijay Pahuja @ Soni communicated the development to Sh. Vineet Godha. On 31.07.2014 Pankaj Kumar Tiwari alongwith Ankit Goel visited Chandni Chowk, Delhi and met Ram Partap Nath and conveyed to him to send Rs. 50 lacs to Bhopal. He also provided the token no. (Rs. 10 Currency Note) and Mobile number of Vijay Pahuja @ Soni alongwith Rs.50 lacs. Pankaj Kumar Tiwari also provided the token number (Rs.10 Currency Note) and mobile number of Vijay Pahuja @ Soni to Ankit Goel to pursue the matter as he was to travel to Mumbai on 01.08.2014. Investigation further disclosed that on 1.08.2014, Ram Partap Nath conveyed the token number and mobile number of Soni to Prakash who in turn gave it to Ajay Bijlani. Sh. Ajay Bijlani on his part informed Prakash that delivery of cash at Bhopal would be made by Chetan Jaiswani @ Chintu, another Aangadiya. He also provided him with the mobile number of Chintu. Sh. Prakash thereafter gave the number of Sh. Chetan Jaiswani @ Chintu to Sh. Ram Pratap Nath who passed the same to Sh. Ankit Goel. Ajay Bijani thereafter conveyed the mobile number of Soni and the token number to Sh.

Chetan Jaiswani @ Chintu and told him that Rs. 50 lac was to be delivered to Soni.

As directed by Pankaj Kumar Tiwari, Shri Ankit Goel contacted Vijay Pahuja Soni on his mobile phone and requested him to note down a number to be contacted for delivery. Vijay Pahuja Soni however requested him to SMS the same, which was duly done. Upon receipt of this message, Shri Vijay Pahuja Soni contacted Chetan Jaiswani @ Chintu. Thereafter, Chetan Jaiswani @ Chintu delivered Rs.17 lacs to him at his office situated at Hamidia Road, Bhopal. Shri Vijay Pahuja, in criminal conspiracy with other accused persons, in turn directed Shri Chetan Jaiswani to deliver the remaining amount at Vardhman Construction Office at Malviya Nagar, Bhopal and take back the token number from them.

On receipt of the information that a sum would be delivered to Sh. Vineet Godha at Bhopal on 01.08.2014, a trap was laid and the said bribe amount of Rs. 50 lakhs was recovered from Vineet Godha and Puneet Godha. Shri Puneet Godha admitted having collected the said amount of Rs.50 Lakhs through one Shri Vijay Pahuja @ Soni on behalf of his brother in-law S.K. Jain, Chairman and Managing Director of Syndicate Bank. He also disclosed that the sum of Rs.50 lakhs of bribe amount was received in two separate lots of Rs17 lakhs and 33 Lakhs. Thereafter, on voluntary disclosure of Puneet Godha, the Black Backpack (bag) containing Rs 33 lakhs kept by him in the dickey of Skoda Laura Car, bearing registration number MP 04 ME 0111, was recovered from the said car in presence of the independent witnesses. The remaining Rs. 17 lakhs was carried by Vineet Godha, brother of Puneet Godha, in the Jaguar XF car bearing registration

number MP 04 CL 0111. This amount was recovered from the rear seat of the said car in presence of independent witnesses.

Since commission of offences by the aforesaid suspected persons, punishable U/s 120-B-IPC r/w Sec, 7,12,13(2) r/w 13(1)(d) of PC Act 1988 are the Scheduled Offences under the Prevention of Money Laundering Act, 2002 (PMLA), an ECIR No. ECIR/09/DZ/2015 was recorded in the Delhi Zonal Office of Directorate of Enforcement, New Delhi, on 31.03.2015 against the aforesaid Suspected/Accused persons for commission of offences under Section 3 of PML Act, 2002, punishable u/s 4 of PML Act, 2002 (as amended), and the case was taken up for further investigations under the said Act, by ED.

During investigation under PMLA, respondent ED collected the documents from CBI, Banks, Income Tax Department etc. and also recorded the statement of many persons u/s 50 of Prevention of Money Laundering Act. On the basis of material collected during investigation, ED passed a Provisional Attachment Order No. 31.03.2018 and thereafter filed Original Complaint No. 971/2018 before the Adjudicating Authority for confirmation of the same.

The Adjudicating Authority after going through the complaint and relied upon documents issued the notice to the defendants. After receiving their replies and hearing the rival submissions, the Adjudicating Authority declined to confirm the PAO vide order dated 24.09.2018. Aggrieved by the said order, the complainant ED filed the present appeal.

3. During the arguments, Ld. Counsel for appellant ED contended that Rs. 50 lacs were seized by the CBI in a trap case which was

pursuant to the secret information that Shri Sudhir Kumar Jain was accepting illegal gratification from Shri Neeraj Singhal, so as to restrain from declaring the account of M/s Bhushan Steel Ltd. as Non-Performing Asset (NPA). She pointed out that after investigation, CBI already filed a charge-sheet against the accused persons and charges are also framed against them and presently the said criminal case is pending for prosecution evidence. Accordingly, she stressed that there is a prima facie case against the said accused persons (herein respondent) and hence the said recovery amount of Rs. 50 lacs is clearly the proceeds of crime and the same needs to be confirmed for attachment, till the conclusion of trial in PMLA case. She pointed out that the CBI charge-sheet clearly reveals that Shri Puneet Godha at the time of trap has taken the plea that the money recovered and seized from his possession by the CBI was in fact received by him on behalf of Shri Sudhir Kumar Jain (herein respondent No. 3). She pointed out that before the Adjudicating Authority, the respondent claimed that the amount of Rs. 50 lacs was received by Shri Puneet Godha towards the sale of some properties and accordingly he tried to project the said bribe money as untainted, as an afterthought strategy. She pointed out that the Adjudicating Authority failed to appreciate the fact that even if, the property is in the custody of Court being a case property, even then the same can be provisionally attached and confirmed. In support of her contention, she pointed out Rule-7 of the Prevention of Money Laundering (Taking Possession of Attached or Frozen Properties Confirmed by the Adjudicating Authority) Rules, 2013, states that:

*(1) Where the confirmed attached property is in the custody of any court, the authorised officer shall make an application to*

*such court by providing a copy of the provisional attachment order issued under sub-section (1) of Section 5 and the order under sub-section (3) of Section 8 passed by the Adjudicating Authority.*

*(2) The application referred to in sub-rule (1) shall contain a relief that such property and any interest or dividend payable thereon may be released in favour of the Directorate of Enforcement.*

She argued that the reasoning given by the Adjudicating Authority that the said amount of Rs. 50 lacs is the proceeds of crime before Special Court, CBI, which cannot be concealed or transferred, is clearly contrary to the provisions of Rule -7 as mentioned above and make the said Rule as redundant, which is not the true spirit of the provision. Accordingly, she stressed that the reasoning given by the Adjudicating Authority is totally misconceived and fallacious. Ld. Counsel for appellant further contended the telephone calls between the accused persons reflect the chain of circumstances leading to the trap and the recovery of the amount and there is nothing to doubt the said recovery, as proceeds of crime. In support of her contention, she pointed out Section 23 of PMLA of 2002 which provides that:

*It is pertinent to mention here that Section 23 of PML Act, 2002 provides that "Where money laundering involves two or more inter-connected transactions and one or more such transactions is or are proved to be involved in money laundering, then for the purposes of adjudication or confiscation under Section 8, it shall unless otherwise proved to the satisfaction of the Adjudicating Authority, be presumed that the remaining transactions form part of such inter- connected transactions".*

Prayer is accordingly made to set aside the impugned order and thereby confirm the PAO No. 07/2018 dated 31.03.2018 passed by the complainant ED (herein appellant).

4. During the arguments, Ld. Counsel for respondent No. 1 & 2 submitted that the amount recovered from the possession of Shri Puneet Godha was in fact the sale proceeds of the property. He

contended that no offence under the Prevention of Corruption Act, 1988 is made out against the respondents and the matter is sub-judice. He contested that the Respondent No. 3 was working as MD, Syndicate Bank and has no connection or link with any proceeds of crime. Moreover, there is nothing on record to show that the said amount of Rs. 50 Lacs are proceeds of crime. He submitted that respondent ED failed to disclose as to how non-attachment of the properties would result in frustration of the proceedings under the Act, which is a mandatory requirement to invoke the powers of attachment of any property. He argued that the respondent ED failed to appreciate that the said amount is not proceeds of crime. The charge-sheet filed by the police with respect to FIR dated 01.08.2014 does not prima facie show commission of any scheduled offence, as alleged by respondent ED. He contended that the Provisional Attachment Order No. 07/2018 dated 31.03.2018 is a violation of the express proviso to section 5(1) of PMLA, 2002, as respondent ED failed to record in writing his *reasons for believe* that immediate non-attachment of property will frustrate the purpose of section 5, that too in a case where a property is already in the possession of another court and converted into FDR. Hence, he submitted that it was unlikely that the property is likely to be concealed or dealt with, without any basis. Hence, he submitted that the *reason to believe* was not sufficient in the present case for passing the impugned order. He further contended that reason to believe found by respondent ED are required to be sent along with complaint, but in the present case, the same were even not communicated to the respondent and hence the whole attachment proceedings stand vitiated. Prayer is accordingly made to dismiss the appeal.

5. Ld. counsel for the respondent no.3 & 4 adopted the arguments of Ld. counsel for the respondent no. 1 & 2. They further submitted that there is nothing on record that respondent no.4 tendered any bribe and respondent no.3 accepted the same in pursuance to any demand. They are not claiming the said amount, being the sale proceeds in possession of R1 & R2, which was wrongly seized by the CBI. Prayer is accordingly made to dismiss the present appeal being devoid of any merits.

6. After hearing the rival submissions, we have given our thoughtful consideration to the same. Admittedly, Charge-sheet pertaining to predicate offence is already filed by the CBI and the accused persons are facing the trial after framing of charges against them. This points towards the direction that there is a strong prima facie case against the accused persons i.e. respondents herein. The Adjudicating Authority in **para 14 of impugned order** at internal page no.74 made the conclusion as under:-

*“On a thorough perusal of the PAO, Complaint, relied upon documents, the investigations conducted by the RD and the statements recorded u//s 50 of the PMLA and on careful consideration of the arguments advanced on behalf of the Complainant and Defendants undersigned comes to the prima facie conclusion that the Defendants have not committed the Scheduled Offence, generated proceeds of crime and laundered them. No doubt the properties attached are not proceeds of crime or value thereof and are not involved in money laundering. Undersigned therefore orders not confirmations of the above Provisional Attachment Order”.*

The above observations in the concluding para of the impugned order is apparently false and incorrect, seeing the fact that charges are already framed against the respondents as there was a prime facie case against them in the charge sheet case filed by CBI. We

failed to understand that on what basis the said observation was made by the Adjudicating Authority, which is also contrary to the record.

Respondent no. 1 and 2 have taken the defence that *Shri Puneet Godha is a builder and one of the partners of M/s Aarthi Aggarwal which is in the construction business. They constructed one property bearing no. E5/17, Area Colony, Bhopal. In the month of June, 2013, an agreement was entered between M/s Aarthi Aggarwal and M/s Shrimati Jewellery House Pvt. Ltd. for sale of property at E5/17 for consideration of Rs. 14 crores. The first part of the said property was sold for consideration of Rs. 6.75 crores, but the whole property was handed over on the same date. On 01.08.2014, Rs. 50 lacs was paid by Shrimati Jewellery House Pvt. Ltd. to Puneet Godha in two tranches of Rs. 33 lacs and Rs. 17 lacs in respect of the second property. On 27.05.2015, sale deed was entered between M/s Aarthi Aggarwal and M/s Shrimati Jewellery House Pvt. Ltd. for second part of the property for total sale consideration of Rs. 7.25 crores, which was registered on 30.05.2015. In the said sale deed, it is recorded that amount of Rs. 50 lacs in cash is part of above mentioned Rs. 7.25 crores, which was paid on 01.08.2014.*

In our view, the alleged defence taken by Respondent no. 1 & 2 is clearly an after thought strategy to show the bribe money of Rs. 50 lacs as part payment of sale consideration out of Rs. 7.25 crores, seeing the fact that sale deed was executed on 30.05.2015 after ten months. Even otherwise, we failed to understand why Respondent no. 1 & 2 received the said huge amount of Rs. 50 lacs in cash, instead of Cheque or DD. Moreover, at the time of arrest, Respondent no. 1 & 2 made the voluntary disclosure before CBI that said amount

was received by them as bribe at the instance of Shri Sudhir Kumar Jain, CMD, Syndicate Bank and similar statement was made by Shri Sudhir Kumar Jain. The said statements are also corroborated by the conversations recorded by the CBI amongst the Respondents. Hence, the defence taken by Respondent no. 1 & 2 is not likely to sustain during the trial in the predicate offence.

Even otherwise, the alleged defence taken by respondent no.1 & 2 needs to be proved by them during the trial in defence evidence and the same is also likely to be exposed by prosecution, by way of cross examination of defence witnesses. The registration of FIR and the filing of charge-sheet is a strong prima facie material to raise reason to believe for initiating the attachment proceedings under PMLA. We are not satisfied with contention of Ld. Counsel for the respondents that there is no reason to believe in the present case, as charge-sheet is already filed. Simply because the seized currency of Rs. 50 Lacs is already in the custody of trial court conducting the trial of CBI chargesheet case is no ground to restrain respondent ED from proceeding with the attachment proceedings qua the said amount. It is by now well-settled that attachment of the property under the PMLA, 2002 is an interim measure to protect the property and ensure its continued availability for eventual confiscation in case the prosecution case under the Act results in a conviction. Therefore, the said FDR is likely to be confiscated in favour of Central Government in case of conviction of the accused persons. Even otherwise, there is nothing on record that how the interest of the present respondents is going to be prejudiced, if the PAO passed by ED is confirmed. As already stated, attachment of property under the PMLA, 2002 is an interim measure, until the guilt of the accused

persons has been established. In case the prosecution case does not result in a conviction, the respondent legally entitled for the amount shall be entitled to claim it back.

6. In the light of our discussion in the preceding para, the present appeal is hereby allowed and thereby the impugned order is hereby set aside and the provisional attachment order no. 07/2018 dated 31.03.2018 is hereby confirmed. It is made clear that nothing expressed herein will affect the right of any party, in any manner during the criminal trials in charge sheet case and prosecution complaint case.

**Appeal Allowed.**

Pronounced on this 12<sup>th</sup> Day of March, 2026.

**(Rajesh Malhotra)**  
**Member**

**(Balesh Kumar)**  
**Member**

‘SG’