



**IN THE COURT OF XLVII ADDITIONAL CITY CIVIL AND
SESSIONS JUDGE AND SPECIAL JUDGE FOR CBI
CASES, CITY CIVIL COURT, BENGALURU (CCH-48)**

:Present :

**Sri Satish J.Bali, B.Com., LL.M.,
XLVII Addl. City Civil & Sessions Judge,
and Special Judge for CBI Cases,
Bengaluru City (CCH-48)**

Dated this the 9th day of June 2026

Spl.C. No.2118/2022

COMPLAINANT : **Assistant Director,**
Directorate of Enforcement,
Government of India,
Ministry of Finance,
Department of Revenue,

Bangalore Zonal Office,
3rd Floor, B Block, BMTC,
Shanthinagar, K.H. Road,
Bengaluru-560 027.

(By Spl. Public Prosecutor)

V/s

ACCUSED: 1. **M/s Ajmera Groups, a partnership
firm, Represented by its Partners, Shri
Tabrej Pasha and Shri Abdul Dastagir
@ Gulrez.**
2nd and 3rd Floor, Khata No.60 (Old
No.4), PID No. 60-117-60, 32nd Cross,
4th Block, Jayanagar, Bengaluru,
Karnataka -560 011.
PAN:ABJFA8474G.

2. **M/s. M.F. Enterprises, a partnership firm represented by its Partners Shri Syed Muthaheer and Shri Firoz Khan.**

No. 21/2, B. Osman Khan Road, 3rd Cross, N.R. Road, Bengaluru, Karnataka -560 002.
3. **Sri Tabrej Pasha, son of Allabakash, Male, aged 35 years.**
r/o House No.D-74, Oakyard Apartment, 4th T Block, Jayanagar, Bengaluru, Karnataka-570 011.
Date of Birth: 24-04-1987,
Email:sultan.prop@gmail.com
Mobile No.:+91 8971526957,
+91 6361486259
Passport No: R3948231
ADHAR No: 6357 9496 5694.
PAN No. BCGPP4521A.
4. **Sri Abdul Dastagir @ Gulrez, son of Late Alla Bakash, Male, aged 35 years.**
r/o House No. 5/1, 4th Main Road, Bismillah Nagar, Banneragatta Road, Bengaluru, Karnataka -570 076.
Date of Birth: 01-01-1987
E-mail: gulrezd786@gmail.com
Mobile No.:+91 9980516021,
+91 7406584311,
Passport No: R2920892
AADHAR No: 7585 9667 6027
PAN No: CLQPD9695F.
5. **Sh. Syed Mudasir, son of Late. Syed Hussain, Male, aged 44 years.**
r/o Flat No.FF01, 1st Floor, Gulmohar Residency, No.19, Dr. Ummar Shariff Road, Basavanagudi, Bengaluru, Karnataka -560 004.
Date of Birth: 16-06-1978

E-mail: uzbanamudasir@gmail.com
Mobile No. +91 91486 19095
Passport No: Old-H1186144/
New-R6992532
AADHAR No.: 8036 3174 4862
PAN No.: AODP6242F.

6. **Fairoz Khan, son of Nawab Khan, Male, aged 42 years.**

House No.111, 1st Floor, 5th Cross,
Illiya Nagar, J.P.Nagar Post,
Bengaluru, Karnataka -560 078.
Date of Birth: 01-03-1980.
Email: fkfkhan9@gmail.com
Mobile No: +91 98455 19907
Passport No: Old H1185782 /
New Z5166477.
AADHAR No: 9122 8472 6954
PAN No.: ASKPK 4331J

7. **Sh. Syed Muthahir, son of Late. Syed Hussain, Male, aged 42 years.**

DOB: 10-01-1980
Address: A.S.Mansion, No. 18, 3rd
Floor, 7th cross, Tank Garden,
Someshwara Nagar, Jayanagar 1st
Block, Bengaluru -560 011.
Email: syedmutahir77@gmail.com
Mobile: +91 97405 77677
Passport No: J7076778 (expired in
May 2021),
AADHAR No: 3600 1398 7123
PAN : AORPM0700L.

A1- Company rep. By A3 & A4
A2 -Company rep. By A6
A3- By Sri SM, Advocate
A4- By Sri MMK, Advocate
A5 to A7 – By Sri RVA Advocate.

APPLICANT:

The Competent Authority
For M/s Ajmera Groups Partnership.
[By Sri Veeresh R. Budihal, Advocate]

**ORDERS ON APPLICATION FILED UNDER SECTION 8(7)
AND 8(8) OF PREVENTION OF MONEY LAUNDERING ACT,
2002**

The Applicant / competent authority for M/s Ajmera Groups filed present application seeking directions to the complainant – Enforcement Directorate to release the immovable property and money in bank accounts shown in the schedule of the application which are subject matter of Provisional Attachment Order dated 21/12/2020.

2. In the accompanying affidavit, the Assistant Commissioner representing competent authority for M/s Ajmera Groups has sworn to the effect that Government of Karnataka in exercise of its power under Section 5(1) of Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 in terms of Government Notification No.E -RD – 124 GRC 2025, dated 9/5/2025 appointed it as competent authority.

It is further stated that M/s Ajmera Groups established and represented by its Managing Partner Thabrez Pasha and others have floated and running a well designed “ponzi scheme” with an offer to pay high rate of interest and thereby induced lakh of gullible depositors to

invest in the firm and failed to return the same to the depositors as assured and promised. It is submitted that total asset of the said firm was Rs. 9.09 Crores compared to its liability of Rs.112.10 Crores. In this regard, the jurisdictional and competent police registered several First Information Reports against the above said firm and its promoters / directors for the offences punishable under Sections 406, 420 of IPC and also under the provisions of Karnataka Money Lenders Act. It is submitted that after investigation, charge-sheet came to be filed for the offences punishable under Sections 409, 420, 120-B r/w Section 34 of IPC and Section 9 of Karnataka Protection of Interest of Depositors in Financial Establishments Act and Section 4, 5, 6 of Prize Chits and Money Circulating Banning Act, 1978.

It is submitted that when the above said firm failed to return the deposits received from the depositors, the Government of Karnataka in exercise of its power under Section 3(2) of the Act, provisionally attached the immovable properties and bank accounts vide ad-interim attachment order dated 15/2/2019 bearing No.RD 3 GRC

2019. It is submitted that the above said firm collected around Rs.112.10 Crores from the investors through various deposit scheme and defaulted in returning the said amount even after its maturity period.

It is further submitted that Miscellaneous No. 830/2019, 832/2019, 833/2019 came to be filed under Section 5(2) of KPIDFE Act, 2004 before Special Court which came to be allowed vide order dated 1/12/2022, 11/10/2019 and 18/8/2022 respectively. It is submitted that Hon'ble Special Court for KPID cases confirmed the provisional order of attachment pertaining to the schedule properties and bank accounts.

It is further submitted that the Enforcement Directorate/ complainant in exercise of its power conferred under Section 5(1) of Prevention of Money Laundering Act provisionally attached some of the properties belonging to the firm which have also been attached by the Government of Karnataka in exercise of its power under Section 3(2) of the Karnataka Protection of Interest of Depositors in Financial Establishments Act. It is submitted that the Provisional Attachment Order No. 11/2020 came to be

passed on 21/12/2020 attaching 10 bank accounts and 2 immovable properties shown in the schedule having market value about Rs.2,91,19,000/- and bank account amounting to Rs.5,31,47,021/- respectively belonging to the firm. It is submitted that the Government of Karnataka has issued Provisional Attachment Order on 15/2/2019, whereas the Enforcement Directorate issued Provisional Attachment Order on 21/12/2020 which is subsequent to the Provisional Attachment Order issued by the Government of Karnataka. It is submitted that in view of the objectives of KPIDFE Act, the amount realized from the sale of attached assets are to be distributed among the gullible depositors who are innocent persons who suffered loss of their deposits as well as assured returns on account of diversion of funds by the Financial Establishment. Hence, these depositors are eligible for settlement their claims as defined under the first proviso to Section 8(8) of the Prevention of Money Laundering Act, 2002.

It is further submitted that in view of Section 3(4) of the Karnataka Protection of Interest of Depositors in Financial Establishments Act, the provisionally attached

properties of Financial Establishment shall stand vested with the applicant once the Notification under Section 3(2) of the Act is issued and by the operation of law, the attached properties stood vested with the applicant with effect from 15/2/2019, as such, the complainant – Enforcement Directorate have no power or authority to attach the said properties which have already been attached by the Government of Karnataka and stood vested with it.

Therefore, it is prayed to pass an order directing the Enforcement Directorate to restore and release the schedule properties in its favour for distribution of the proceeds of same amongst the depositors of firm as per the provisions of Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 and thereby prayed to allow the application.

3. In response to the above said application, the complainant authority filed the memo stating no objections in releasing the properties in favour of the competent authority under the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004.

4. The Accused have not filed any objections to the said application.

5. Heard Learned counsel for the competent authority and Learned Special Public Prosecutor for complainant / Enforcement Directorate and perused the materials.

6. The following points arises for my consideration:

1. Whether the Applicant / Competent Authority is entitled for release of the properties as prayed in the application?

2. What Order ?

7. My finding to the above points are as under;

Point No.1 : In the Affirmative;

Point No.2 : As per final order; for the following:

REASONS

8. **Point No.1:** Though the present application has been filed under Section 8 of Prevention of Money Laundering Act, it is necessary to discuss certain provisions of Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 as the said

provisions have got bearing effect on the disposal of the application on hand.

9. The Karnataka Protection of Interest of Depositors in Financial Establishments Act was enacted with sole object of safeguarding the interest of the depositors in financial establishment.

10. **Section 3 of the Act** deals with Attachment of Properties on default of return of deposits. As per the said Section, if any financial establishment as defined under Clause 4 of Section 2 failed in its obligation to depositors either to return the deposited amount with assured returns or failed to pay the interest on deposited amount, Government may *suo motu* or on the basis of the reports submitted by District Magistrate pass an order of attachment of properties or deposits held by the financial establishment so as to secure the deposits of the investors. Section 3 makes it very clear that Government or District Magistrate *suo motu* or on a complaint may cause investigation of a complaint or fraudulent transaction. After such investigation, the District Magistrate shall forward his report together with the complaint to the

Government. If the Government is satisfied that any financial establishment has failed in its obligation to the depositors or is acting detrimental to the interest of the depositor with an intention to defraud them or is not likely to return the deposits or make payment of interest to the depositors may issue an order of attaching the money or property believed to be that of financial institution. This order of attachment is in the nature of an *ex parte* – *ad-interim* order of attachment, and the effect of the said order is to convert an unsecured debt into secured debt or to prevent alienation of the property attached during the pendency of the proceedings.

11. **Section 5 of the Act** deals with Competent Authority and as per the said Section, Government by notification appoints an Officer not below the rank of Assistant Commissioner to be the Competent Authority so as to give effect to the provisions of the Act. **Sub Section 2 of Section 5** makes it very clear that Competent Authority shall within 30 days from the date of receipt of order of its appointment has to apply to the Special Court making the order of attachment passed under Section 3 of the Act as

absolute. Further, **as per Section 10 of the Act**, the Special Court is constituted to deal with the order of attachment and pass such orders as it deems fit having regard to the facts and circumstances of the case. **Section 12 deals with Powers of the Special Court while dealing with application filed under Section 5 of the Act.**

12. Keeping in view the above said provisions of law, let me dwell into the merits of the application.

13. Along with the application, the applicant has furnished the Notification issued by Government of Karnataka bearing No. ಇ - ಕಂಇ 124 ಜಿ ಆರ್ ಸಿ 2025 dated 9/5/2025 appointing the Assistant Commissioner-1, Office of the Special Officer and competent authority IMA and other KPID Cases as Competent Authority. On the basis of the said notification, an order came to be passed on 23/5/2025 by the Special Officer and Competent Authority confirming its appointment by the Government of Karnataka. The Gazette Notification dated 4/4/2019 issued by Revenue Secretary bearing No. RD3 GRC 2019, Bengaluru, Dated 15/2/2019 makes it very clear that the properties and deposits of M/s Ajmera Groups i.e.,

Accused no.1 firm came to be provisionally attached. The Directorate of Enforcement has also provisionally attached the properties belonging to the accused no.1 – firm by passing Provisional Attachment Order No. 11/2020 dated 21/12/2020 in ECIR/BGZO/29/2020. The said notifications are at Annexure-A to C. The Competent Authority also furnished the order passed by the Hon'ble High Court of Karnataka in Writ Petition No. 29299 of 2023(GM-RES) dated 24/2/2025.

14. The above said records makes it very clear that Government of Karnataka has appointed Competent Authority so far as accused no.1 – firm is concerned by issuing Notification vide Annexure-A. The properties of Accused no.1 – firm and also of its Managing Directors, Partners came to be attached provisionally by Government of Karnataka by Notification dated 15/2/2019 which is at Annexure -B. The Annexure -C which is Provisional Attachment Order passed by the Directorate of Enforcement reveals that it came to be passed subsequently on 21/12/2020. Hence, it is quite clear that

Provisional Attachment Order issued by Government of Karnataka at Annexure – B was first in point of time.

15. In view of the above said provisions discussed, it is quite clear that in order to repay the invested amount to the investors, the Competent Authority has got power to proceed as against the properties of the erring financial establishment which is accused no.1 in this case. The Competent Authority also furnished the certified copies of orders passed in Miscellaneous No. 830/2019, 832/2019 and 833/2019 dated 1/12/2022, 11/10/2019 and 18/8/2022 respectively. Under the said orders, the Special Court passed an order making the order of attachment of the properties of erring financial establishment and that of its Partners, Managing Directors etc., as an absolute. This order has not been challenged as there are no records to that effect produced by the accused. The appointment of Competent Authority has also not been challenged by any of the accused. Under such circumstances, in order to exercise the powers conferred under the provisions of Karnataka Protection of Interest of Depositors in Financial Establishments Act, it is necessary to direct the

complainant i.e., Directorate of Enforcement to release the properties which are subject matter of Provisional Attachment Order dated 21/12/2020 in favour of Competent Authority. Accordingly, I answer the above said point in the “**Affirmative**”.

16. **Point No.2:** In view of the above discussion on Point No.1, I proceed to pass the following:

ORDER

The Application filed by the Competent Authority for M/s Ajmera Groups under Section 8(7) and 8(8) of Prevention of Money Laundering Act is hereby allowed.

The Complainant – Directorate of Enforcement represented by Assistant Director is hereby directed to release the properties which are subject matter of Provisional Attachment Order dated 21/12/2020 in favour of Competent Authority so as to proceed in accordance with law.

No order as to costs.

* * *

(Dictated to the Judgment Writer, transcribed and computerised by her, **Script** corrected by me and then pronounced in open Court on this the **9th day of June, 2026**)

(Satish J. Bali)

XLVII Addl. City Civil & Sessions Judge,
and Special Judge for CBI Cases,
Bengaluru City (CCH-48)

