MHCC020055142025

IN THE COURT OF SESSIONS, DESIGNATED AS SPECIAL COURT UNDER THE PML ACT, 2002, GR. BOMBAY
ORDER BELOW EXH.1
IN
PMLA SPECIAL CASE NO. 726 OF 2025
ECIR NO.ECIR/MBZO-I/62/2022

In the matter of-
Directorate of Enforcement,
Government of India
Represented by The Assistant Director
Mumbai Zonal Office-I,
4th Floor, Kaiser-I-Hind Building,
Ballard Estate, Fort,
Mumbai 400 001. ... **Complainant**

Versus

Kapil Wadhawan & 16 Ors. ... **Accused**

Appearance:
Ld. Spl.P.P. Mr. Sunil Gonsalves for ED, Mumbai.

CORAM : A.C.DAGA,
ADDITIONAL SESSIONS JUDGE
DESIGNATED SPECIAL COURT UNDER THE PML ACT, 2002. (C.R.N.16)

DATE : 02nd MAY, 2025.

ORDER BELOW EXHIBIT-1

1. Heard Spl.P.P at length. Perused the entire complaint. It appears that on the basis of report lodged by the Deputy General Manager and Branch Head, Union Bank of India, Industrial Finance Branch, Nariman Point, Mumbai, the Central Bureau of Investigation, AC-VI, New Delhi registered an

FIR bearing No.RC2242022A0001 dated 20/6/2022, wherein it has been alleged that the M/s Dewan Housing Finance Corporation Ltd. (DHFL), its Directors and others entered into a criminal conspiracy to cheat the Consortium of 17 Banks led by Union Bank of India and in pursuance of the said conspiracy, the said accused Kapil Wadhawan and others induced the consortium banks to sanction huge loans aggregating to Rs.42,871.42 Crores. The amount disbursed was siphoned off and misappropriated by falsifying the books of the DHFL and dishonestly defaulted on repayment of the legitimate dues of the said consortium bank, thereby causing a wrongful loss of Rs.34,615 Crores to the consortium lenders. Accordingly, offence under sections 120-B r/w 409, 420 & 477-A of IPC, 1860 and Section 13(2) r/w 13(1)(d) of PC Act, 1988 has been registered against the accused persons.

2. The offences under sections 120-B r/w 420 of IPC, 1860 and Section 13(1)(d) of PC Act, 1988 are scheduled offences, qualifying for registration of instant ECIR bearing No. ECIR/MBZO-I/62/2022.

3. During investigation by the complainant, it was found that Wadhawan Groups of Companies beneficially owned 225 companies, which runs approximately 153 companies under the RKW Groups; 48 Companies were under the WHPL Groups; 16 Companies were under hotels and sports, 8 companies under WGC Groups. Broadly all the companies are divided into two categories one was ‘Wadhawan Group

Companies' which was operated by Wadhawans and their family members and other was 'NW' companies which were non-operative companies and without any estate, there were associates, relatives and employees as directors/shareholders. The DHFL was in the business of Housing Finance. They used to raise funds from banks, institutions and disburse it to individual. The employees and the accused helped the DHFL in preparing inflated books of accounts of DHFL, by way of showing thousands of fake home loans by inducing a consortium of 29 banks (which later remained to 17 banks). The amount which were disbursed were used for the purchase of paintings, sculptures, Gemstones, 20% stakes in M/s Varva Aviation, purchase of properties etc.

4. The other accused persons who acted as Auditor, Branch Auditor, Legal Consultant, Licensor, bookie and the relatives of the Wadhawan helped them in siphoning off the said diverted amount, causing loss to the extent of Rs.34,614.88 Crores to the consortium banks. This amount itself is proceeds of crime, generated by the accused persons, by falsifying the accounts, by diverting the funds and using it for other purposes, then for which it was sanctioned. The other accused persons including the companies have not only helped in generating but have also helped the Wadhawan's in projecting the said amount as untainted, in layering and siphoning of the said amount.

5. Hence, there is a clear, *prima-facie* case which demonstrate generation of proceeds of crime as per Sec.2(1)(u)

of the Prevention of Money Laundering Act and further its placement, layering, integration leading to an offence of money laundering under Sec.3 r/w 70 punishable under Section 4 of the PML Act. All the accused persons appear to have been involved in this process of money laundering and ultimately tried to make tented money untainted. Hence, there are sufficient ground to issue process against them under section 3 r/w 70 punishable under section 4 of the PML Act. Hence, following order is passed:-

ORDER

1. Issue process against accused Nos.1 to 17 for the offence under section 3 r/w 70 punishable under section 4 of the Prevention of Money Laundering Act, 2002.

2. Issue notice against accused Nos.1 to 17 for the offence under section 3 r/w 70 punishable under section 4 of the Prevention of Money Laundering Act, 2002, returnable on 13/06/2025.

DISTRICT COURTS MAHARASHTRA

सत्यमेव जयते

AJAY CHAMPALAL DAGA

Digitally signed by AJAY CHAMPALAL DAGA
Date: 2025.05.03 16:50:25 +0530

Dt.: 02.05.2025

(A.C. Daga)
Additional Sessions Judge
Designated as Special Court under the PML Act, 2002
City Civil & Sessions Court, Mumbai

"CERTIFIED TO BE TRUE AND CORRECT COPY OF THE ORIGINAL SIGNED ORDER"	
02.05.2025 UPLOAD DATE AND TIME	(MRUNAL S. PENDKHALKAR) NAME OF STENOGRAPHER

Name of the Judge	H.H. THE ADDITIONAL SESSIONS JUDGE A.C. DAGA (COURT ROOM NO.16)
Date of pronouncement of order	02.05.2025
Order signed by P.O. on	02.05.2025
Order uploaded on	02.05.2025