



**IN THE COURT OF PRINCIPAL DISTRICT & SESSIONS JUDGE,  
AHMEDABAD (RURAL)**

**PMLA CASE No.2 of 2021**

Directorate of Enforcement,  
Government of India.

V E R S U S

Laluram Laxmanji Dangi (Accused No.9).

**Appearance:**

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*Mr.S.N.Gondaliya, Learned Advocate for the Applicant/accused No.9.*

*Mr.S.V.Thakkar, Learned Special Public Prosecutor for The Complainant – E.D.*

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**ORDER BELOW DISCHARGE APPLICATION- EXH.98**

1. The applicant – accused no.9 – Laluram Laxmanji Dangi has filed this application under Section 227 of the Criminal Procedure Code, 1973 (hereinafter referred as ‘Cr.P.C.’) seeking his discharge from PMLA Case No.2 of 2021.

2. Ld. Advocate Mr.S.N.Gondaliya appearing on behalf of the applicant – accused no.9 submits that the applicant – accused is innocent and has not committed any offence as alleged against him. There is no direct evidence against the applicant – accused nor the applicant – accused has abetted any co-accused made any conspiracy in connivance with any co-accused. As per the prosecution the applicant – accused was serving as Branch Manager at Arbuda Credit Co-operative Society Ltd. having its branch office at Patan. The applicant – accused is not a member of Arbuda Credit Co-operative

Society Ltd. Nor has filled up the forms of any of the members nor attended any meetings of the credit society. There is no evidence of any transaction that has taken place through the applicant – accused nor even a single rupee has come to his account from any of the members / victims. There is no iota of evidence of applicant – accused of having received any monetary benefits nor he has given any assurance to any members for repaying their amount with higher interest. The only ground on which the prosecution – Enforcement Directorate has joined the applicant – accused is on the basis that the property was purchased by the applicant – accused which is attached by the Enforcement Directorate. It is stated that the property is purchased by him from his own money and not from the proceeds of crime as alleged by the prosecution. The entire case is based on the suspicion only and there is no iota of any evidence that proceeds of crime committed by the main accused has travelled through the present applicant – accused knowingly. The property which is purchased in the name of applicant – accused and under attachment by the Enforcement Directorate pertains to transaction which had taken place much prior to lodging of the FIR and therefore, by no stretch of imagination it can be believed that the said property falls under the definition of proceeds of crime for the offence which is subsequently taken place after the alleged sale transaction. The entire chargesheet do not reveal any evidence so as to charge the applicant – accused under Section 3 of the PMLA, 2002. Ld. Advocate for the applicant - accused has reiterated the contentions stated in his discharge application and has urged to allow the present application by discharging the applicant – accused.

3. The present application is opposed by the opponent – Enforcement Directorate. Learned Special Public Prosecutor Mr.S.V.Thakkar has appeared on behalf of ED and submitted that after thorough investigation and

collecting necessary evidence ED has filed complaint. It is stated that during the course of investigation statement of present applicant – accused and other witnesses under Section 50 of the PMLA Act are recorded which merely establishes the money laundering and proceeds of crime. He has knowingly and actively assisted main accused in purchasing the property in his name and the payment is not done by him, but by the main accused person. As the main accused was not able to purchase property, the present applicant had purchased the immovable property as SC/ST category. As per the law in force in Rajasthan, immovable properties of SC/ST category can be purchased only by SC/ST person and therefore, the main accused Shri Rakesh Kumar Agrawal who is not belonging to SC/ST category had utilized the funds in purchasing the property belonging to SC/ST category and the present applicant – accused had assisted him in purchasing such property. The present applicant – accused had purchased land / properties to the tune of Rs.62,57,000/- in his name from the money withdrawn in cash from the bank account of M/s Arbuda Credit Co-operative Society Ltd. in the guise of bogus loan and he was well aware that diverting the funds of the societies for his personal and business use are not authorized / legal. Therefore, applicant – accused knowingly and willfully assisted in the process and activities connected with acquisition, possession, concealment, use and projection of the proceeds of crime as untainted property and hence, applicant – accused has committed the offence of money laundering in terms of Section 3 of PMLA, 2002 which is punishable under Section 4 of the said Act. The evidence reveals that applicant – accused - Laluram Laxmanji Dangi (Accused No.9) is involved in the offence of money laundering as he has assisted main accused – Shri Rakesh Kumar Agrawal to hold his property which is the property purchased from the scam committed by the said accused. The applicant – accused in his statements dated 19/12/2018 and

20/12/2018 recoded under Section 50 of the PMLA 2002 stated that the payment towards purchase of these properties was not made by Shri Rakesh Kumar Agrawal. The basic ingredients of offence under Section 3 of the Prevention of Money Laundering Act clearly attracts and there is sufficient evidence to put the accused on trial. Ld. Special Public Prosecutor has reiterated the details mentioned in the reply and accordingly urged to reject the discharge application. In support of his arguments Ld. Special Public Prosecutor has relied on the following judgments;

- i. State of Maharashtra Vs. Som Nath Thapa & Ors (1996 AIR 1744).
- ii. State of Delhi Vs. Gyan Devi and Others [(2000) 8 SCC 239].
- iii. State of Orissa Vs. Debendra Nath Padhi [2005 (1) SCC 568].
- iv. Vijay Madanlal Choudhary Vs. Union of India 2022 SCC OnLine SC 929.

4. Heard the Ld. Advocates for the respective parties at length. The Court has gone through the discharge application, reply filed by the complainant - ED, judgments relied upon and case papers. It would be relevant to quote Section 227 of Cr.PC and Section 3 of the PMLA for the ready reference.

*"227 of Cr.P.C. Discharge. If, upon consideration of the record of the case and the documents submitted therewith, and after hearing the submissions of the accused and the prosecution in this behalf, the Judge considers that there is not sufficient ground for proceeding against the accused, he shall discharge the accused and record his reasons for so doing.*

**Section 3 of PMLA:** *Whosoever, directly or indirectly attempts to indulge or knowingly assist or knowingly is a part or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of offence of money laundering."*

5. It would also be relevant to consider the principles laid down by the Hon'ble Apex Court in the matter titled as **Union of India Vs. Prafulla Kumar Samal & Ors** 1979 (3) SCC 4 wherein, the Hon'ble Apex Court had elaborately discussed the scope of Section 227 Cr.PC in para 7 and have summed up the principles while considering discharge application in para 10 as under:

*“7. Section 227 of the Code runs thus:*

*“If, upon consideration of the record of the case and the documents submitted therewith, and after hearing the submissions of the accused and the prosecution in this behalf, the Judge considers that there is not sufficient ground for proceeding against the accused, he shall discharge the accused and record his reasons for so doing.” The words “not sufficient ground for proceeding against the accused” clearly show that the Judge is not a mere post office to frame the charge at the behest of the prosecution, but has to exercise his judicial mind to the facts of the case in order to determine whether a case for trial has been made out by the prosecution. In assessing this fact, it is not necessary for the court to enter into the pros and cons of the matter or into a weighing and balancing of evidence and probabilities which is really his function after the trial starts. At the stage of Section 227, the Judge has merely to sift the evidence in order to find out whether or not there is sufficient ground for proceeding against the accused. The sufficiency of ground would take within its fold the nature of the evidence recorded by the police or the documents produced before the court which ex facie disclose that there are suspicious circumstances against the accused so as to frame a charge against him.”*

*“10. Thus, on a consideration of the authorities mentioned above, the following principles emerge:*

- (1) That the Judge while considering the question of framing the charges under Section 227 of the Code has the undoubted power to sift and weigh the evidence for the limited purpose of finding out whether or not a prima facie case against the accused has been made out.*
- (2) Where the materials placed before the Court disclose grave suspicion against the accused which has not been properly explained the Court will be fully justified in framing a charge and proceeding with the trial.*
- (3) The test to determine a prima facie case would naturally depend upon the facts of each case and it is difficult to lay down a rule of universal application. By and large however if two views are equally possible and the Judge is satisfied that the evidence produced before him while giving rise to some*

*suspicion but not grave suspicion against the accused, he will be fully within his right to discharge the accused.*

- (4) *That in exercising his jurisdiction under Section 227 of the Code the Judge which under the present Code is a senior and experienced court cannot act merely as a Post Office or a mouthpiece of the prosecution, but has to consider the broad probabilities of the case, the total effect of the evidence and the documents produced before the Court, any basic infirmities appearing in the case and so on. This however does not mean that the Judge should make a roving enquiry into the pros and cons of the matter and weigh the evidence as if he was conducting a trial.”*

6. As per the prosecution case PMLA Case No.2 of 2021 is based on ECIR being ECIR No.05/AMZO/2017 dated 28/09/2017 filed against 12 accused persons. Applicant – accused – Laluram Laxmanji Dangi is shown as Accused No.9 in the complaint. The PMLA Case is based upon 21 FIRs registered against the present applicant – accused and other accused persons for cheating the innocent people (who have invested their money in ACCSL) to the tune of Rs.32,70,24,505/- and as per the chargesheets total fraud / cheating was determined to the tune of Rs.34,54,87,953/-. The accused persons had floated various schemes under the name of M/s. Arbuda Credit Cooperative Society Limited (ACCSL) which was registered as Multi State Society with Licence No. MSCS/CR/448/2011. Under the guise of said credit society, deposits were collected from the public by giving lucrative offers of higher interest rate on deposits and after collecting the deposits they have utilized the amount for their personal use and by purchasing properties in their relative's and known persons name.

7. Investigation carried out by the ED and statements of various witnesses and present applicant – accused under Section 50 of the PMLA Act, would prima facie reveals the involvement of the applicant – accused in the offence. The complaint filed by the ED after investigation (Page No.33

of the Complaint) would reveal the manner in which the proceeds of crime has travelled. The complaint states about the details of property purchased by the accused persons which is the specific say of the prosecution that these properties (i.e. properties mentioned in Table A at Para 7 Page No.34 of the complaint and mentioned in Table B at Para 7.2 at Page No.38 of the complaint) have been purchased from the proceeds of crime. It also prima facie reveals from the complaint and case papers that proceeds of crime to the tune of Rs.42,90,92,830/- were collected from the public under the pretext of higher returns on their deposits and thereafter, the said funds are diverted unauthorizedly to start some other business like Real Estate, Hotel and in acquiring of agencies TVS Bikes and Sonalika Tractors. The present applicant – accused is stated to be the Member of M/s. ACCSL and he lured the gullible investors to deposit their hard earned money in various schemes of societies so that depositors will get their amount with higher rate of interest or falsely promised to return money double after two years. He assisted Shri Rakesh Kumar Agrawal (Accused No.1) for purchasing properties from the persons belonging to SC / ST category and assisted in the process and activities connected with acquisition, possession, concealment, use and projection of the proceeds of crime. It is settled position of law that, while considering the discharge application the Court has not to conduct mini trial and enter into arena of appreciation of evidence, but has only to satisfy that whether the material collected by the prosecution is sufficient to put accused on trial. The Court has taken into consideration the nature of evidence collected by the prosecuting agency i.e. ED and have also taken into consideration the provisions of Section 3 of the PMLA Act and prima facie finds that there is sufficient evidence collected by the prosecution which is sufficient for trial.

8. In view of facts and circumstances noted hereinabove this Court is of the opinion that this is not a fit case where the applicant-accused no.9 can get discharge from the offences leveled against him as there is prima facie case against the applicant-accused no.9, hence, following final order is passed in the interest of justice:-

**:-FINAL ORDER :-**

- Present application below Exh.98 for discharge is hereby **rejected**.
- Matter is posted for framing of charge.

Pronounced and signed in the open court today.

**Date :12/03/2025**  
**Place:Ahmedabad**

**(Kamal M. Sojitra)**  
**Principal District & Sessions Judge &**  
**Designated Spl. Judge (PMLA),**  
**Ahmedabad (Rural)**  
**U.I.Code No.GJ01494**

*AVJ*