IN THE COURT OF PRINCIPAL SESSIONS JUDGE, CHENNAI

Present: Thiru. S. Karthikeyan, M.A., M.L., M.Sc., P.G.D.C.F.Sc.,
Principal Sessions Judge
Monday, the 07th day of July, 2025

Crl.M.P.No. 34592/2024
in
C.C. 59/2016

T.Raju Daniel .. Petitioner/Accused

Vs.

The Assistant Director,
Directorate of Enforcement,
Government of India,
Chennai. ..Respondent/Complainant.

This petition came up before this court on 02.06.2025 for final hearing in the presence of M/s.M.Palanivel, I.Periaswamy, T.Surya, M.Nithish Kumar and M.Ebenezer, the Counsel for the petitioner and of the City Public Prosecutor for the respondent and upon hearing them, after perusing the records and having stood over for consideration till this day, this Court delivered the following:

ORDER

The petitioner/accused-3 has come up with the present application seeking for discharge under section 250 of BNSS (227 of Cr.P.C.).

2. The petitioner/accused in his petition submitted as follows:

(i) The respondent filed a complaint under section 45 (1) r/w Section 3 & 4 and 8 (5) of the Prevention of Money Laundering Act, 2002 against petitioner and two others. The Senior Manager of the Catholic Syrian Bank Limited, Peravallur Branch, Chennai had given a complaint dated 22.06.2011 to the Commissioner of Police, Chennai wherein he had interalia stated that Shri George Fernandes son of Shri Henry George and his wife Smt. Vennila Fernandes had availed gold loans from their Peravallur Branch, Chennai; that the Manager Shri T.Raju Daniel and the Assistant Manager Shri Sankar Narayanan had accepted gold ornaments without appraising the purity and quality of the gold and that the major portion of the gold ornaments were found to be spurious that the total amount of loan availed by Shri George Fernandes was Rs.2,00,55,703/- and the total amount of loan availed by his wife Smt. Vennila Fernandes was Rs.1,52,77,080/- that these two borrowers when questioned by the Bank had paid Rs.1,42,317/- and had also created some equitable mortgage over some properties as security and that the bank was thus cheated causing a financial loss of Rs.3,61,75,404/-. Based on the above complaint, the Central Crime Branch, Chennai had registered a F.I.R. in Crime No.278/2011 dated 06.07.2011 under Sections 409, 420 r/w 120B of IPC 1860.

(ii) Since the offences under section 420 r/w 120 B of IPC are Scheduled Offences under PMLA Act, the respondent registered a case in E.C.I.R. No.22/2011 dated 26.08.2011. According to the petitioner, the allegations as against the petitioner /A3 is false and the petitioner is innocent and he is in no way connected with the case registered by the Central Crime Branch, Chennai had registered a F.I.R. in Crime No.278/2011 dated 06.07.2011 under Sections 409, 420 r/w 120B of IPC 1860.

(iii) The allegations against the petitioner/A3 in the impugned complaint set out in paragraph 8, reads as follows:

"Accused No.3 Shri T.Raju Daniel, erstwhile Manager of the Peravallur Branch of the Catholic Syrian Bank had knowingly assisted Shri George Fernandes and his wife Smr.Vennila Fernandes to avail jewel loans by pleasing spurious jewel instead of real gold and was thus involved in the acquisition of proceeds of crime by Accused No.1 and 2. Therefore, he shall be guilty of the offence of money laundering and is liable for punishment under Section 4 of PMLA.."

(iv) The above charges as against the petitioner /A3 are groundless and there is no ground to proceed as against the petitioner/A3 at any view. The petitioner has discharged his duty as per banking rules and regulations. The petitioner / A3 has not at all assisted any person to commit any wrong, commission or omission in any transaction. The petitioner/A3 had not knowingly assisted in any activity relating to the proceeds of crime.

(v) The petitioner is innocent and he has been falsely implicated in this case without any truth or evidence. There are no oral or documentary evidences against the petitioner to implicate in this case and the petitioner deserves to be discharged from the case. The Apex Court repeatedly says that if there is no prima facle case made out against the accused, they shouldn't go for ordeal of trial and the accused should be discharged from the case. The Petitioner/A3 never assisted any body in the banking transactions and the entire charge against him is false and frivolous and there is no base to implicate the petitioner in this case. The petitioner has been falsely implicated in this case. In support of the case of the petitioner, the following judgments are relied and produced before this Court for kind consideration and suitable application to decide this discharge petition and for favorable orders:

(vii) In the case of STATE THROUGH CENTRAL BUREAU OF INVESTIGATION VS Dr. ANUP KUMAR SRIVASTAVA (CRL. APPEAL NO. 1336 OF 2017) The Hon'ble Supreme Court has that held that in para -18 as follows: Framing of charge is the first major step in a criminal trial where the court is expected to apply its mind to the entire record and documents placed therewith before the court. Taking cognizance of an offence has been stated to necessitate an application of mind by the court but framing of charge is a major event where the court considers the possibility of discharging the accused of the offence with which he is charged or requiring the accused to face trial. There are different categories of cases where the court may not proceed with the trial and may discharge the accused or pass such other orders as may be necessary keeping in view the facts of a given case. In a case where, upon considering the record of the case and documents submitted before it, the court finds that no offence is made out or there is a legal bar to such prosecution under the provisions of the Code or any other law for the time being in force and there exists no ground to proceed against the accused, the court may discharge the accused.

(viii) In THE RAMAKRISHNA V STATE OF BIHAR V ANR. THE HON'BLE APEX COURT 1963 AIR 1667, 1964 SCR (1) 897 rendered the judgement. No case is made out against the accused. The criminal proceedings instituted against the accused are requested to be dropped/quashed. There is no prima facie case against the Petitioner in any view in this case. The complaint itself is a contradiction with the other statement of the defacto complainant.

(ix) The case against the petition misconceived and false, without material, no prima facie evidence the same is highly unjust and is liable to be discharged. The Petitioner respectfully submits that none of the ingredients have been attracted against the Petitioner as alleged in the impugned complaint. The case against the petitioner is misconceived, false, without any material and has no prima facie evidence against the petitioner and the same is highly unjust and is liable to be discharged. The Petitioner is an innocent person and has been falsely implicated in the said case. The Petitioner reserves his rights to raise the additional grounds during the time of arguments. In these circumstances, it is humbly prayed that this court may be pleased to discharge the petitioner/Accused 3 in the above Special C.C. No.59/2016.

3. The respondent/complainant in his counter resisted the said petition as follows:

(i) The brief facts of the case is that the Directorate of Enforcement recorded a case against the accused Shri George Fernandez and others bearing file No. ECIR/CEZO/22/2011 based on the First Information Report No. 278/2011 dated 06.07.2011 under Sections 409, 420 r/w 120B of IPC 1860 registered by the Central Crime Branch, Chennai against Shri George Fernandez and others based on a complaint dated 22.06.2011 made by Senior Manager, Catholic Syrian Bank Limited, Peravallur Branch, Chennai, as the above mentioned offences are Scheduled offences under the PMLA and connected activities are involved with Proceeds of Crime.

(ii) The complaint inter alia states that Shri George Fernandes (A1) and his wife Smt. Vennila Fernandes (A2) had availed gold loans from the Peravallur Branch, Chennai, that the Manager Shri T. Raju Daniel and the Assistant Manager Shri Sankar Narayan had accepted gold ornaments without appraising the purity and quality of the gold and that the major portion of the said ornaments were found spurious, that the total amount of loan availed by Shri George Fernandes was Rs.2,00,55,703/- and the total amount of loan availed by his wife Smt. Vennila Fernandes was Rs.1,52,77,080/- that these two borrowers when questioned by the bank had paid Rs.1,42,317/- and had also created some equitable mortgage over some properties as security and that the bank was thus cheated causing a financial loss of Rs.3,61,75,404/-,

(iii) It is respectfully submitted that as the above mentioned offences are Scheduled offences under the PMLA and connected activities are involved with Proceeds of Crime, the case was taken up for investigation under the provisions of the Prevention of Money Laundering Act, 2002. During investigation under PMLA, it was revealed that attempts were made by Shri. George Fernandes to invest the Proceeds of Crime in various immovable properties in his name, his wife's name and Shri V. Kumar and project the same as untainted property. The jewel loan proceeds obtained by him from the Catholic Syrian Bank in his name, his wife's name and various other persons' names by pledging fake/spurious jewels were utilized by him to purchase properties at various places and also to construct buildings in some of them. Investigation also revealed that Shri George Fernandes had entered into a Joint Venture agreement with Smt. Meenakshi and her children for the construction of 6 flats in her land with 3 flats as her share and 3 flats as the share of Shri George Fernandes. He had constructed this building with the jewel loan amount obtained from Catholic Syrian Bank as mentioned above. Out of his share of three, he had registered two in the name of his wife and one in the name of Shri V. Kumar. As per Shri V. Kumar's statement, although the property was registered in his name, he had not paid any money for the purchase nor was he having possession of the property. The said property was in the physical possession of Shri George Fernandes who had leased it out earlier before it was taken possession by the Complainant Department. Shri George Fernandes had projected the property in the name of Shri V. Kumar as untainted property when it was actually acquired out of the Proceeds of Crime. He had also invested part of Proceeds of Crime in the purchase and construction of various other immovable properties as stated by him in his voluntary statements dated 07.09.2011 and 22.11.2011.

(iv) From the above, it could be seen that a part of the Proceeds crime was invested by Shri Geroge Fernandes in the flat No Second Floor of the building constructed by him under Joint Vent Plot No. 6, Valluvar Street. Krishnamurthy Nagar, Kodunga Chennai and registered the same in the name of Shri. V. Kuma Shri.

Venkatachalam in order to project the tainted property legitimate property, the property was attached provisionally second proviso to Section 5 (1) of the PMLA vide Prov Attachment Order No. 15/2011 dated 20.10.2011. Subsequent Complaint under Section 5(5) of the PMLA dated 15.11.2011 by the Complainant Department before the Hon'ble Adjudicating Authority (PMLA), New Delhi which was taken on record No.120/2011 and the same was confirmed vide order 15.02.2012. The property has been taken possession on 22.07.2011 vide the Complainant Department vide order No. 15/2011 dated 20.10.2011.

(v) It is also submitted that investigation under PMLA revealed Accused No. 1, Shri George Fermandes was directly involved acquisition of the Proceeds of crime having pledged the fake jewels by falsely declaring them as gold in the Peravallur Branch Catholic Syrian Bank, obtained jewel loans and utilized the proceeds of crime to invest in the purchase/construction of many immovable properties in his name, his wife's name and Shri V. Kumar. Investigation further revealed that he was involved in the activities connected with the proceeds of crime like its acquisition, possession, projecting it as untainted property and using the same.

(vi) Accused No. 2, Smt. Vennila George Fernandes, W/o Shri. George Fernandes who is the wife of Accused No.1 herein, had assisted her husband knowingly in all his criminal activities stated above. She had, thus, knowingly assisted in the acquisition and possession of the Proceeds of Crime and also the projection of the proceeds of crime as untainted property by investing the said proceeds in immovable properties in her name, her husband's name and Shri. V. Kumar in order to project these as untainted properties and used it for their own purposes.

(vii) It is also submitted that Accused No.3, Shri T.Raju Daniel, erstwhile Manager of the Peravallur Branch of the Catholic Syrian Bank had knowingly assisted Shri George Fernandes and his wife Smt. Vennila George Fernandes to avail jewel loans by pledging spurious/fake jewels instead of real gold and was thus involved in the acquisition of the Proceeds of Crime by Accused No. 1 and 2.

(viii) A Prosecution Complaint was filed by the petitioner Department against the accused persons i.e. Shri George Fernandez (Accused No.1), Smt. Vennila Fernandes (Accused No.2 and Shri Raju Daniel (Accused No.3) for the offence of Money Laundering under Section 3, punishable under Section 4 of PML Act 2002 praying for prosecution of aforesaid accused persons and confiscation of properties involved in Money Laundering in terms of Sub-Section (5) of Section & of the PML Act, 2002.

4. Counter to the grounds of discharge petition:

(i) The petitioner during the investigation of the case had deposed a voluntary statement on 08.09.2011 under Section 50 of PMLA, 2002 at Central Prison before the Assistant Director, Directorate of Enforcement, Chennai wherein he interalia stated the following:

“When 1 joined as Manager in catholic Syrian Bank, Peravallur Branch in June 2018, the above said George Fernandez came to the bank around May/June 2009 and started an S.B account and current A/c and S.B. account in the name of his wife Vennila Fernandez. He informed that he was doing construction Business as well as dealing in real estate as well as buying and selling Gold/Ornaments. He was having a construction business in the name of AMA infrastructure pvt ltd wherein he and his wife were directors. Subsequently he also started spices trading business in the name of Ashu Enterprises at Chennai. I do not remember the business address now. Initially when he opened an account he deposited 20 Lakhs in his SB A/c which was later converted into fixed deposit in the name of his family members. Subsequently, he transacted heavy amounts in his bank accounts as well as his wife account. Since he was maintaining good rapport with our bank because of his banking transactions. I had a good impression over him, Initially, I have allowed cheque clearing wave facility and he had latter given Rs 20 Lakhs each deposit in his name and in his wife name. Later, he started pledging Gold ornaments since June/July 2009 onwards. Initially he was given Jewel loan upto 4 Lakhs and later it was increased to 50 Lakhs in his name and Rs 40 Lakhs in his wife name. Since George Fernandez, informed me that he was purchasing and selling gold also, I believed his words and given gold loan freely. George Fernandez afterwards informed me that he was dealing in high value properties and required heavy funds. So he started pledging gold ornaments for several lakhs of rupees in different names. Since there was a gold loan limit per head, he started pledging gold jewels in different names and signed for different persons himself, which I came to know later. Out of the gold loans obtained from our bank he purchased several properties in his name, in his wife name and others name. He also purchased properties on power of attorney manner. He also entered joint venture agreement with one Meenakshi and others in Krishnamoorthy Nagar, Kondingaiyur Chennai and constructed flats in the said property. In that property, he had taken 3 Flats and one flat was sold to one Kumar, who is having a paint shop opposite to our bank. During February 2010, accidentally I came to know that the jewels pledged by him were spurious. Hence, I forced him to redeem the jewel immediately within 15 days time. At that time, the advance amount to him on Gold Loans was to the extent of RS. 3 crores. He was dragged on to redeem the jewels. Hence, I collected his property documents including that of his wife as collateral securities towards the Gold loan advances. The matter was informed to our zonal office and from HO they came for inspection and found that most of the jewels pledged by George Fernandez and his wife Vennial Fernandez were spurious.

(ii) Now I will answer to your following questions:

Q: When George Fernandez and his wife came to your bank with jewels, which were later found to be as spurious for jewel loan. What purpose for which they demanded the said loans

Ans: George Fernandez informed that he was pledging his jewels for purchase of properties, construction business, purchase of machineries for his spices company etc.

Q: How you have found that the jewels pledged were of spurious, whether your bank has any appraiser to value the jewels.

Ans: As informed by me early, at the time of pledging the jewels, 1 was not aware of the same and we have no appraiser in our bank. By experience only, we test the jewels…

(iii) It is a general financial practice that the lender of the loan evaluates the value of gold based on its purity and weight and then offers the loan to the customer equivalent to a percentage of its appraised value.

(iv) In this case, the complainant had not valued the gold from an authorized approved valuer (gold appraiser) of the bank and had just offered the loan without even testing its purity and has stated the reasons that no appraiser available in their bank during that time and hence he did not get the gold/jewels valued/appraised and that he had tested the jewels based on his experience and extended the loan which is totally unacceptable.

(v) The petitioner had given gold loan freely to George Fernandez based on the good impression over him since George Fernandez was maintaining a good rapport with their bank because of his banking transactions. Further, he stated that Since George Fernandez informed him that he was purchasing and selling gold also, he believed his words and had given gold loan freely to him. This clearly shows that the petitioner had not followed any of the banking rules and regulations and bent them to accommodate Shri George Fernandez by accepting the spurious jewels and offered him the gold loans thereby knowingly assisted Shri George Fernandez and his wife Smt Vennila Fernandes to avail jewel loan by pledging spurious/fake jewels instead of real gold and was thus involved in the acquisition of proceeds of crime by Accused No 1 and 2.

(vi) Hence, based on the above documentary and oral evidence, it is categorically expounded that the Petitioner A3 had knowingly assisted Al and A2 in the process of pledging spurious gold ornaments and derive POC.

(vii) Further, it is brought to the notice of the Court that the prosecution complaint was taken cognizance by the Special Court only after applying its mind and after verification of RUDs etc. Further, at the time of framing charges, the only requirement under law is that based on the materials filed by the prosecution along with Final Report, whether suspicion has been made out or not is alone required to be considered and at the time of framing charges, the court should not swift and weigh the evidence to ascertain as to whether the evidence/materials filed by the Prosecution along with Final report would entail conviction of accused. Hence, he prays for dismissal of the petition.

5. Both side heard.

The complaint and documents relied on by the prosecution are all perused.

The point for consideration is

Whether the petitioner/A3 is entitled to discharge for the offences punishable under section 4 of PMLA Act?

6. **ANSWER:**

The learned counsel for the petitioner submitted as follows:

(i) The respondent filed a complaint under section 45 (1) r/w Section 3 & 4 and 8 (5) of the Prevention of Money Laundering Act, 2002 against petitioner and two others. The Senior Manager of the Catholic Syrian Bank Limited, Peravallur Branch, Chennai had given a complaint dated 22.06.2011 to the Commissioner of Police, Chennai wherein he had interalia stated that Shri George Fernandes son of Shri Henry George and his wife Smt. Vennila Fernandes had availed gold loans from their Peravallur Branch, Chennai; that the Manager Shri T.Raju Daniel and the Assistant Manager Shri Sankar Narayanan had accepted gold ornaments without appraising the purity and quality of the gold and that the major portion of the gold ornaments were found to be spurious that the total amount of loan availed by Shri George Fernandes was Rs.2,00,55,703/- and the total amount of loan availed by his wife Smt. Vennila Fernandes was Rs.1,52,77,080/- that these two borrowers when questioned by the Bank had paid Rs.1,42,317/- and had also created some equitable mortgage over some properties as security and that the bank was thus cheated causing a financial loss of Rs.3,61,75,404/-. Based on the above complaint, the Central Crime Branch, Chennai had registered a F.I.R. in Crime No.278/2011 dated 06.07.2011 under Sections 409, 420 r/w 120B of IPC 1860. Since the offences under section 420 r/w 1208 of IPC are Scheduled Offences under PMLA Act, the respondent registered a case in E.C.I.R. No.22/2011 dated 26.08.2011.

(ii) The allegations as against the petitioner/A3 is false and the petitioner is innocent and he is in no way connected with the case registered by the Central Crime Branch, Chennai in Crime No.278/2011 dated 06.07.2011 under Sections 409, 420 r/w 120B of IPC 1860. The above charges as against the petitioner /A3 are groundless and there is no ground to proceed as against the petitioner/A3 at any view. The petitioner has discharged his duty as per banking rules and regulations. The petitioner /A3 has not at all assisted any person to commit any wrong, commission or omission in any transaction. The petitioner/A3 had not knowingly assisted in any activity relating to the proceeds of crime.

(iii) The petitioner is innocent and he has been falsely implicated in this case without any truth or evidence. There are no oral or documentary evidences against the petitioner to implicate in this case and the petitioner deserves to be discharged from the case. The Apex Court repeatedly says that if there is no prima facle case made out against the accused, they shouldn't go for ordeal of trial and the accused should be discharged from the case. The learned counsel for the petitioner relied on the decision of the Hon’ble Apex Court in STATE THROUGH CENTRAL BUREAU OF INVESTIGATION VS Dr. ANUP KUMAR SRIVASTAVA (CRL. APPEAL NO. 1336 OF 2017) and THE RAMAKRISHNA V STATE OF BIHAR V ANR. THE HON'BLE APEX COURT 1963 AIR 1667, 1964 SCR (1) 897 in this regard.

(iv) According to the learned counsel for the petitioner, the case against the petitioner is misconceived and false, without material, no prima facie evidence the same is highly unjust and is liable to be discharged. None of the ingredients have been attracted against the Petitioner as alleged in the impugned complaint. Therfore, he prays for discharge of the petitioner/Accused 3 from the charges levelled against him.

7. The learned SPP has submitted as follows :

(i) The Directorate of Enforcement recorded a case against the accused Shri George Fernandez and others bearing file No. ECIR/CEZO/22/2011 based on the First Information Report No. 278/2011 dated 06.07.2011 under Section 409, 420 r/w 1208 of IPC 1860 registered by the Central Crime Branch, Chennai against Shri George Fernandez and others based on a complaint dated 22.06.2011 made by Senior Manager, Catholic Syrian Bank Limited, Peravallur Branch, Chennai, as the above mentioned offences are Scheduled offences under the PMLA and connected activities are involved with Proceeds of Crime.

(ii) Shri George Fernandes (A1) and his wife Smt. Vennila Fernandes (A2) had availed gold loans from the Peravallur Branch, Chennai, that the Manager Shri T. Raju Daniel and the Assistant Manager Shri Sankar Narayan had accepted gold ornaments without appraising the purity and quality of the gold and that the major portion of the said ornaments were found spurious, that the total amount of loan availed by Shri George Fernandes was Rs.2,00,55,703/- and the total amount of loan availed by his wife Smt. Vennila Fernandes was Rs.1,52,77,080/- that these two borrowers when questioned by the bank had paid Rs.1,42,317/- and had also created some equitable mortgage over some properties as security and that the bank was thus cheated causing a financial loss of Rs.3,61,75,404/-,

(iii) It is respectfully submitted that as the above mentioned offences are Scheduled offences under the PMLA and connected activities are involved with Proceeds of Crime, the case was taken up for investigation under the provisions of the Prevention of Money Laundering Act, 2002. During investigation under PMLA, it was revealed that attempts were made by Shri. George Fernandes to invest the Proceeds of Crime in various immovable properties in his name, his wife's name and Shri V. Kumar and project the same as untainted property. The jewel loan proceeds obtained by him from the Catholic Syrian Bank in his name, his wife's name and various other persons' names by pledging fake / spurious jewels were utilized by him to purchase properties at various places and also to construct buildings in some of them. Investigation also revealed that Shri George Fernandes had entered into a Joint Venture agreement with Smt. Meenakshi and her children for the construction of 6 flats in her land with 3 flats as her share and 3 flats as the share of Shri George Fernandes. He had constructed this building with the jewel loan amount obtained from Catholic Syrian Bank as mentioned above. Out of his share of three, he had registered two in the name of his wife and one in the name of Shri V. Kumar. As per Shri V. Kumar's statement, although the property was registered in his name, he had not paid any money for the purchase nor was he having possession of the property. The said property was in the physical possession of Shri George Fernandes who had leased it out earlier before it was taken possession by the Complainant Department. Shri George Fernandes had projected the property in the name of Shri V. Kumar as untainted property when it was actually acquired out of the Proceeds of Crime. He had also invested part of Proceeds of Crime in the purchase and construction of various other immovable properties as stated by him in his voluntary statements dated 07.09.2011 and 22.11.2011.

(iv) From the above, it could be seen that a part of the Proceeds crime was invested by Shri Geroge Fernandes in the flat No Second Floor of the building constructed by him under Joint Vent Plot No. 6, Valluvar Street. Krishnamurthy Nagar, Kodunga Chennai and registered the same in the name of Shri. V. Kuma Shri. Venkatachalam in order to project the tainted property legitimate property. The property was attached provisionally as per second proviso to Section 5 (1) of the PMLA vide Prov Attachment Order No. 15/2011 dated 20.10.2011. Subsequent Complaint under Section 5(5) of the PMLA dated 15.11.2011 by the Complainant Department before the Hon'ble Adjudicating Authority (PMLA), New Delhi which was taken on record No.120/2011 and the same was confirmed vide order 15.02.2012. The property has been taken possession on 22.07.2011 by the Complainant Department vide order No. 15/2011 dated 20.10.2011.

(v) The petitioner Shri T.Raju Daniel, erstwhile Manager of the Peravallur Branch of the Catholic Syrian Bank had knowingly assisted Shri George Fernandes and his wife Smt. Vennila George Fernandes to avail jewel loans by pledging spurious /fake jewels instead of real gold and was thus involved in the acquisition of the Proceeds of Crime by Accused No. 1 and 2. A Prosecution Complaint was filed by the petitioner Department against the accused persons i.e. Shri George Fernandez (Accused No.1), Smt. Vennila Fernandes (Accused No.2 and Shri Raju Daniel (Accused No.3) for the offence of Money Laundering under Section 3, punishable under Section 4 of PML Act 2002 praying for prosecution of aforesaid accused persons and confiscation of properties involved in money Laundering in terms of Sub-Section (5) of Section & of the PML Act, 2002. Hence, the learned SPP prays for the dismissal of the petition.

8. This court has given its thoughtful consideration to the rival submissions put forth by either side. On careful perusal of the record, it is found that the Enforcement Directorate/Complainant has filed the complaint before this court, and the same was taken on file in C.C. 69/2016. In the complaint filed by the respondent/complainant the allegations leveled against A3 Raju Daniel is that the petitioner being the Bank Manager of Catholic Syrian Bank Limited, Peravallur Branch in collusion with the A1 and A2 accepted the pledging of spurious jewels and sanctioned gold loans to the tune of Rs.2,55,00,703/- Based on the complaint given by the Senior Manager of the Catholic Syrian Bank, Peravallur Branch dated 22.06.2011 Central Crime Branch Chennai registered First Information Report in FIR No.278/2011 dated 06.07.2011 under sections 409, 420 r/w Sec. 120B of IPC. Since section 420 r/w 120B of IPC are scheduled offence, the respondent herein has registered an ECIR No.22/2011 dated

26.8.2011 and commenced the investigation. During the investigation they found the accused herein has directly involved in acquisition of proceeds of crime and thereby committed an offence of Money Laundering within the meaning of section 3 of Prevention of Money Laundering Act. Therefore, complaint was lodged before this court against them.

9. According to the petitioner, the allegations against him are groundless and there is no ground to proceed against him. The petitioner has discharged his duty as per the banking rules and regulations. He has not at all assisted any person to commit any crime. The petitioner/A3 had not knowingly assisted in activity relating to the proceeds of crime. The learned counsel for the petitioner insisted on the word 'knowingly' and contended that absolutely there is no material to show that the accused herein is knowingly assisted the other co-accused in connection with acquiring the proceeds of crime.

10. The learned SPP has brought to the notice of this court the statement recorded under section 50 of the PMLA, wherein the petitioner herein stated that initially A1 was given Jewel Loan upto 4 lakhs and later it was increased to 50 lakhs in his name and Rs.40 lakhs in his wife name, namely the second accused. Since, George Fernandez informed the petitioner that he was purchasing and sending gold also, he believed his words and given gold loan freely. It is brought on record that the petitioner herein did not test the jewels pledged with certified appraisers and sanctioned the gold loan on experiences. It is a grave negligence on the part of the

petitioner herein. Though the learned counsel for the petitioner emphasized on the word knowingly and i.e. no material on records available on record to show, that the petitioner has knowingly has given jewel loan that the jewels are spurious. The knowledge being a mental element can be proved only from the circumstances and there cannot be any direct evidence. The petitioner herein has admitted that the jewels were not tested before sanctioning the gold loan. There appears a prime facie case for negligence. Whether is it a grave negligence warranting a punishment is to be decided only during the trial. At this stage, this court cannot conduct any mini trial to find out whether the petitioner has necessary mental element that is 'knowledge' or not and therefore, this petition is dismissed.

11. In the result, this petition is dismissed.

Dictated to steno-typist, transcribed and typed by her, corrected and pronounced by me in the open court this the 07th day of July, 2025.

KARTHIKEYAN SHANMUGAM

Digitally signed by KARTHIKEYAN SHANMUGAM

PRINCIPAL SESSIONS JUDGE

Draft/Fair Order in
Crl.M.P.No. 34592/2024 in
C.C. No. 59/2016
Dated : 07.07.2025
Principal Sessions Court,
Chennai.