

**IN THE COURT OF SUSHANT CHANGOTRA
SPECIAL JUDGE, (PC ACT) (CBI)-22
ROUSE AVENUE DISTRICT COURT : NEW DELHI**

CNR No.	DLCT11-000685-2025
Ct. Case No.	24/2025
ECIR No.	ECIR/06/HIU/2018
Under Sections	3 r/w Section 70 of the Prevention of Money Laundering Act, 2002, punishable under Section 4 of the Act.
Date of Order	15.04.2026

DIRECTORATE OF ENFORCEMENT

.....Prosecution

Versus

1. **Sh. Robert Vadra**
S/o Late Sh. Rajendra Vadra
R/o 268, Sukhdev Vihar, New Delhi – 110025
2. **Sh. Satyanand Yajee**
S/o Late Sh. Sheel Bhadra Yajee
R/o A-13, Freedom Fighter Enclave, Neb Sarai, New Delhi-110068
3. **Sh. Kewal Singh Virk**
S/o Sh. Ranjit Singh Virk
R/o H. No. 258, Sector 10-A, Chandigarh
4. **M/s Sky Light Hospitality Private Limited (now converted into Skylight Hospitality LLP)**

5. **M/s Sky Light Realty Private Limited**
6. **M/s Real Earth Estates Private Limited (now converted into Real Earth Estates LLP)**
7. **M/s Blue Breeze Trading Private Limited (now converted into Blue Breeze Trading LLP)**

(All through its Director/ Designated partner/Authorised Representative Sh. Robert Vadra having address at R/o 268, Sukhdev Vihar, New Delhi – 110025
8. **M/s Artex** Through its proprietor Sh. Robert Vadra having address at R/o 268, Sukhdev Vihar, New Delhi – 110025
9. **M/s North India IT Parks Private Limited (now converted into North India IT Parks LLP)**

Through its Director/ Designated partner/Authorised Representative Sh. Robert Vadra having address at R/o 268, Sukhdev Vihar, New Delhi – 110025
10. **M/s Lambodar Art Enterprises India Private Limited (now converted into Lambodar Art Enterprises India LLP)**

(Both through its Director/ Designated partner/Authorised Representative Sh. Robert Vadra having address at R/o 268, Sukhdev Vihar, New Delhi – 110025
11. **M/s SGY Properties Private Limited (earlier known as M/s Onkareshwer Properties Private Limited)**

Through its Director/ Authorised Representative Sh. Satyanand Yajee (the present Director) having address at Flat no. B-14/C, 1st Floor, Freedom Fighter Enclave, Neb Sarai, New Delhi.

.....Accused Persons

ORDER ON COGNIZANCE

1. The present prosecution complaint has been filed by the Directorate of Enforcement under Section 3 r/w Section 70 of the Prevention of Money Laundering Act, 2002, punishable under Section 4 of the Act.

Factual Matrix As Alleged In The Prosecution Complaint: -

2. It is alleged that Sh. Robert Vadra was the Director / Designated Partner of accused no. 4 to 7 and 9 to 10, whereas, he is the proprietor of accused no. 8 firm. Similarly, Sh. Kewal Singh Virk became director of accused no. 11 M/s SGY Properties Pvt. Ltd. (earlier known as M/s OPPL) on 19.12.2005 and he resigned from the directorship on 03.11.2009. It is also alleged that Sh. Satyanand Yajee became Addl. Director of M/s OPPL on 18.02.2008.

The Predicate / Scheduled Offences -

3. An FIR No. 0288 dated 01.09.2018 was registered at Police Station Kherki Daula, Gurugram, Haryana for offences under Sections 120-B, 420, 467, 471 IPC and Section 13 of the Prevention of Corruption Act, 1988 against Sh. Robert Vadra, Sh. Bhupinder Singh Hooda, DLF Company, M/s Onkareshwar Properties Pvt. Ltd. (M/s OPPL) and others. Section 423 of IPC was subsequently added in the said FIR on 16.01.2025. The said offences constitute scheduled offences under Part A of the Schedule to the PMLA, 2002.

4. In the FIR, it is alleged that M/s Sky Light Hospitality Pvt. Ltd. (SLHPL) had purchased land measuring 3.5 acres in Village Shikohpur, Sector-83, Gurugram from M/s Onkareshwar Properties

Pvt. Ltd. at a price of Rs. 7.5 crores vide fraudulent sale deed i.e. without actual payment of the sale consideration at the time of registration of the sale deed. M/s OPPL gave the land as a bribe to M/s SLHPL so that Sh. Robert Vadra could get housing license in the same village from the then Minister of Town and Country Planning i.e. Sh. Bhupinder Singh Hooda.

5. It is further alleged that M/s SLHPL obtained license to develop a commercial colony on the said land in violation of applicable rules and regulations by using personal influence of Sh. Robert Vadra over the then Chief Minister of Haryana, Sh. Bhupinder Singh Hooda. After the issuance of licence, the said land was sold to DLF for a sum of Rs. 58 crores. Land measuring 350 acres in Wazirabad, Gurugram was wrongly allotted to DLF in violation of the Rules due to which DLF earned profit of around Rs. 5000 crores.

Investigation Under PMLA, 2002 -

6. On the basis of afore-stated FIR, ED recorded ECIR No. ECIR/06/HIU/2018 on 21.12.2018 and investigation to unearth the proceeds of crime generated through the alleged criminal activities was initiated. During the course of investigation, the complainant agency collected various documents such as registration deeds, documents of bank accounts, certified copy of licenses issued by DTCP and other departments and entities. It also recorded statements (u/s 50 of PMLA) of several persons i.e. individuals associated with M/s Vatika Group & M/s OPPL as well as of the employees of DTCP; DLF; M/s SLHPL & M/s SLRPL. Statements

of accused persons and other persons associated with entities which had received funds out of POC were also recorded.

Allegations Qua Generation of Proceeds of Crime -

7. For the adjudication of issue at hand, it will be worthwhile to give backdrop brief of the allegations vis-a-vis:

(i) Fraudulent sale deed; (ii) Grant of license in violation of rules; (iii) Receipt of proceeds of crime from DLF; & (iv) Quantification of proceeds of crime as stated in the prosecution complaint. The gist of afore-stated allegations are as follows:-

(i) Fraudulent Sale Deed -

It is alleged that M/s Onkareshwar Properties Pvt. Ltd. (OPPL) had executed a sale deed bearing no. 4928 dated 12.02.2008 in favour of M/s SLHPL for sale of 3.53 acres of land in village Shikohpur, Sector-83, Gurugram, Haryana. The said sale deed falsely declared that the entire sale consideration of Rs. 7,50,00,000/- had already been received by the seller vide cheque no. 607251 dated 09.02.2008 drawn on Corporation Bank. In fact:

(a) The cheque was not issued by the buyer M/s SLHPL but by a different entity i.e. M/s Sky Light Realty Pvt. Ltd. (SLRPL).

(b) The said cheque was never presented for clearing or encashment & no money was ever paid through it.

(c) At the time of execution of the sale deed, neither M/s SLHPL nor M/s SLRPL had a credit balance of even Rs. 7.50 crore and both these entities had balances of Rs. 1,00,000/- or less.

(d) No cheque was physically handed over to the seller's representative Sh. Kewal Singh Virk at the time of execution of sale deed.

As per averments of prosecution complaint, the actual payments were made approximately six months later. M/s SLHPL had paid Rs.7,95,00,000/- to M/s OPPL on 09.08.2008 (towards sale consideration and stamp duty). Amount of Rs. 7,43,44,500/- was paid by M/s SLHPL to M/s OPPL on 16.08.2008. Thus, a total actual payment of Rs. 15,38,44,500/- against a stated consideration of Rs. 7,50,00,000/- was made. The stamp duty was paid by the seller M/s OPPL and it was not paid by the buyer which indicates a pre-arranged understanding that SLHPL did not have funds even for payment of stamp duty. The undervaluation of the land consideration resulted in evasion of stamp duty of approximately Rs. 44.58 lakh. It is further alleged that the balance sheets of M/s OPPL, M/s SLHPL, and M/s SLRPL for FY 2007–08 and 2008–09 also misrepresented the true consideration and financial position.

(ii) Grant of Licence by DTCP in Violation of Rules -

M/s SLHPL had filed an application dated 17.03.2008 before DTCP, Chandigarh for grant of a commercial colony licence for the afore-stated land. Investigation revealed that the application suffered from multiple infirmities i.e. it did not bear diary number or receipt; the signatory i.e. Sh. Dhirendra Dadwal was not authorized by the relevant Board Resolution; no site plan, architectural plan, or financial documents were submitted; and the demand draft submitted was the same one that had earlier been submitted by M/s OPPL.

Notwithstanding these deficiencies, the entire file was processed at all levels of DTCP on the same day i.e. 17.03.2008 and a Letter of Intent (LoI) was issued on 28.03.2008 i.e. within eleven days of filing of application. The LOI was issued in violation of the then applicable rules and procedures. M/s SLHPL was less than five months old company at that point of time and had a capital of one lakh rupees with no track record of developing any colony. From the date of purchase of the land until issuance of LoI, every payment including the stamp duty, licence fee and scrutiny fee etc were paid by the seller M/s OPPL and not by M/s SLHPL.

(iii) Receipt of Proceeds of Crime from DLF -

It has been alleged that M/s SLHPL had entered into a Collaboration Agreement dated 05.08.2008 with M/s DLF Retail Developers Ltd. for development of the licenced land. A sum of Rs. 5 crore was paid by DLF as a refundable security deposit. However, on 05.06.2008 this amount was deposited in the account of M/s Blue Breeze Trading Pvt. Ltd. (BBTPL) instead of the licensee i.e. M/s SLHPL. On 22.08.2008, DLF requested DTCP for condoning the delay for fulfilling the conditions of LOI and on 19.11.2008 it deposited fresh LC-1 alongwith scrutiny fee as directed. It was processed on the same day and was also approved by DTCP. Subsequently on 15.12.2008 license no. 203 of 2008 with validity of two years was issued to M/s SLHPL. Thereafter, on 31.03.2009, DLF paid Rs. 10 crores to M/s SLHPL. On 07.10.2009, M/s SLHPL received another tranche of the payment of Rs 35 crores from DLF on the same day. Till 07.10.2009, M/s SLHPL had received Rs. 50

crores from DLF. The license in favour of M/s SLHPL was renewed for two more years on 18.01.2011 and in principle approval for transfer of license to DLF was given on 03.04.2012. Thereafter, on 18.09.2012 M/s SLHPL sold the license land to DLF for a total sum of Rs. 58 crores, but the balance sale consideration of Rs. 8 crores was received by it from DLF on 20.09.2012. | |

As per the terms of licence, the licensee was required to deposit profit received in excess of the prescribed permissible limit of 15% with the government exchequer, but M/s SLHPL did not deposit said amount which resulted in wrongful enrichment of the accused and caused loss to the State.

(iv) Quantification of Proceeds of Crime -

It is alleged that total proceeds of crime have been quantified at approximately Rs. 43.07 crores. The same comprises of (a) Rs. 44.58 lakh on account of evasion of stamp duty; and (b) Rs. 42.62 crore as unlawful gains from the transaction with DLF, being the difference between Rs. 58 crore received and Rs. 15.38 crore actually paid towards the land. It is also pleaded that the excess profit not deposited with the government also forms part of illegal gains, but it has not been included in the quantification of proceeds of crime.

Laundering of Proceeds of Crime:-

8. It is alleged that the proceeds of crime received from DLF were laundered by accused no. 1 Sh. Robert Vadra through a structured web of group entities under his beneficial ownership and control i.e. accused no. 4 to 10. It was done by layering the transactions designed to distance the proceeds of crime from its

criminal origin for concealing its nature and for integrating it into ostensibly legitimate assets.

9. As per allegations, the first act of concealment was the routing of Rs. 5 crore received from DLF on 05.06.2008 into the account of M/s BBTPL instead of M/s SLHPL which held the licence and executed the agreement. It is further alleged that this deliberate misdirection had no commercial justification and served only to distance the initial proceeds from the source transaction.

10. Thereafter, the proceeds of crime are also alleged to have been transferred and circulated through M/s SLHPL, M/s SLRPL, M/s REEPL, M/s BBTPL, M/s Artex, Lambodar Art Enterprises LLP, and SLH LLP in multiple tranches. In 2015 and 2016, Sh. Robert Vadra converted several of the private limited companies in the group into LLP's.

11. As per allegations in prosecution complaint, the laundered proceeds were deployed across three broad categories:

(i) *In acquisition of immovable properties:* It has been alleged that accused no. 1 used proceeds of crime for purchasing multiple immovable properties which have been set out in the prosecution complaint. A total of 42 immovable properties with aggregate cost of acquisition of Rs. 37,64,16,726 were attached vide PAO No. 18/2025 dated 16.07.2025. Another property at 268, Sukhdev Vihar, New Delhi i.e. the registered address of M/s SLHPL was provisionally attached vide PAO No. 02/2019 in a separate ECIR and was therefore excluded from the present PAO.

(ii) *For discharge of direct tax liabilities; &*

(iii) *For expenditure on construction/ renovation.*

12. It is also alleged that accused no. 1 Sh. Robert Vadra by causing the proceeds of crime to be continuously rotated between group entities, used to acquire properties which were then sold and the further gains were reinvested which progressively multiplied the PoC and made its tracing increasingly difficult. Finally, it is alleged that the entire sequence of events discloses knowing and intentional participation in the process of money laundering as defined under Section 3 of the PMLA, 2002.

Pre-Cognizance Hearing -

13. Vide order dated 02.08.2025, the notice for hearing on the question of taking of cognizance was issued to all proposed accused in terms of section 223 (1) of BNSS. Accordingly, all proposed accused appeared either personally or through their counsels and the ld. counsels for both the sides advanced elaborate arguments on the subject at hand.

Arguments -

14. I have considered the arguments of ld. SPP's for ED, the ld. senior advocate representing accused no. 1, 4 to 10, ld. counsels representing accused no. 2, 3 and 11 respectively and the rebuttal arguments advanced by the ld. ASG. I have also carefully gone through the written submissions filed by both the sides as well as the judgments so relied upon by each of them.

Discussion : -

15. The ld. counsels representing both the sides had advanced their arguments at length and their arguments can be

broadly classified into two categories i.e.: (i) Arguments vis-a-vis jurisdiction of court and legality/ competency of the court to take cognizance of offences in this case; & (ii) Arguments on the merits of the case.

16. Now, at first, I shall proceed to deal with the arguments of the first category i.e. relating to jurisdiction and legality/ competency of this court qua taking of cognizance of offences.

Territorial Jurisdiction -

17. The ld. defence counsels had placed great emphasis on the argument that this court does not have the territorial jurisdiction to proceed with the complaint and therefore it cannot take cognizance of the offences alleged against them. It was argued that as per prosecution complaint all the offences of the predicate offence and the subsequent transactions had originated and were allegedly executed in District Gurugram, Haryana. Therefore this court does not have territorial jurisdiction to deal with the present complaint.

18. In my considered view, the courts are duty bound to examine the issues relating to territorial jurisdiction before proceeding with the case even at the stage of taking of cognizance, as the court not having territorial jurisdiction cannot take cognizance of the offences as alleged.

19. The procedure for determination of territorial jurisdiction of the courts to try the cases is enshrined in section 177 to 184 of Cr. PC (197 to 204 of BNSS). The broader principles with regard to territorial jurisdiction of the criminal courts was laid down

by the Hon'ble Apex Court in **Kaushik Chatterjee Vs. State of Haryana & Ors (2020) 10 SCC 92**. It was held that:

*“17. As seen from the pleadings and the rival contentions, the petitioner seeks transfer, primarily on the ground of lack of territorial jurisdiction. While the question of territorial jurisdiction in civil cases, revolves mainly around (i) cause of action; or (ii) location of the subject matter of the suit or (iii) the residence of the defendant etc., according as the case may be, **the question of territorial jurisdiction in criminal cases revolves around (i) place of commission of the offence or (ii) place where the consequence of an act, both of which constitute an offence, ensues or (iii) place where the accused was found or (iv) place where the victim was found or (v) place where the property in respect of which the offence was committed, was found or (vi) place where the property forming the subject matter of an offence was required to be returned or accounted for, etc., according as the case may be.***

20. The issue with respect to territorial jurisdiction of the special courts dealing with offences alleged under The Prevention of Money Laundering Act, 2002 was specifically dealt with by the Hon'ble Supreme Court in **Rana Ayyub Vs. Directorate of Enforcement (2023) 4 SCC 357**. The Hon'ble Supreme Court held:

“41. As we have pointed out earlier, the involvement of a person in any one or more of certain processes or activities connected with the proceeds of crime, constitutes the offence of money- laundering. These processes or activities include, (i)

concealment; (ii) possession; (iii) acquisition; (iv) use; (v) projecting as untainted property; or (vi) claiming as untainted property.

42. In other words, a person may (i) acquire proceeds of crime in one place, (ii) keep the same in his possession in another place, (iii) conceal the same in a third place, and (iv) use the same in a fourth place. The area in which each one of these places is located, will be the area in which the offence of money- laundering has been committed. To put it differently, the area in which the place of acquisition of the proceeds of crime is located or the place of keeping it in possession is located or the place in which it is concealed is located or the place in which it is used is located, will be the area in which the offence has been committed.

43. In addition, the definition of the words “proceeds of crime” focuses on “deriving or obtaining a property” as a result of criminal activity relating to a scheduled offence. Therefore, the area in which the property is derived or obtained or even held or concealed, will be the area in which the offence of money- laundering is committed....

....

48. Therefore, the question of territorial jurisdiction in this case requires an enquiry into a question of fact as to the place where the alleged proceeds of crime were (i) concealed; or (ii) possessed; or (iii) acquired; or (iv) used. This question of fact will actually depend upon the evidence that unfolds before the Trial Court. It will be useful in this regard to extract Paragraph 38 of the decision in Kaushik Chatterjee which reads as follows: -

“38. But be that as it may, the upshot of the above discussion is:

38.1. That the issue of jurisdiction of a court to try an “offence” or “offender” as well as the issue of territorial jurisdiction, depend upon facts established through evidence.

38.2. That, if the issue is one of territorial jurisdiction, the same has to be decided with respect to the various rules enunciated in Sections 177 to 184 of the Code.

38.3. That these questions may have to be raised before the court trying the offence and such court is bound to consider the same.”

21. Thus, in nutshell the courts within whose territorial jurisdiction the POC's were concealed, possessed, acquired or used shall have the territorial jurisdiction to try the case and the said facts ought to find mention in the prosecution complaint filed by Directorate of Enforcement, but its final determination shall depend on the evidence that unfolds during trial.

22. The perusal of prosecution complaint (Para 8) shows that it has been alleged that the accused no. 1 is a resident of Delhi and the registered addresses of accused no. 4 to 7 as well as of accused no. 9 to 11 are situated in Delhi. It has also been alleged that the banking transactions vide which money was allegedly laundered took place within the territorial jurisdiction of Delhi as the bank accounts of aforesaid entities / accused companies are situated in Delhi.

23. The aforementioned averments on the face of it disclose the allegations that the alleged offences were committed within the jurisdiction of Delhi. Since the said allegations clearly form part of the complaint, therefore, in view of the above-noted proposition of law, this court shall have to proceed further with this case, but it must be added that the said question of fact will finally depend on the evidence brought on record during trial. Hence, at such early stage, it cannot be said that this court does not have territorial jurisdiction to proceed with the case.

Pending Investigation in The Predicate Offence -

24. It was vehemently argued by the ld. senior advocate for accused no. 1 and accused no. 4 to 10, that the investigation of the predicate offence has yet not been concluded, therefore, this court ought not to take cognizance of the offences and it must defer the case till charge is framed in the predicate offence.

25. In support of his argument, the ld. senior advocate placed heavy reliance on the order passed by the Hon'ble Supreme court in **[Karti Chidambaram v. Directorate of Enforcement [Del HC in CMC 2373 of 2025 order dt. 09.04.2025]** and **Karti Chidambaram v. Directorate of Enforcement [SLP (Crl.) Diary No. 40582 of 2025 Order dt. 08.08.2025]**. On the contrary, the ld. ASG submitted that the aforesaid order was an interim order which does not have binding ratio and the other petition has already been withdrawn. In addition, the ld. ASG placed heavy reliance on law laid down in **Sidhant Gupta Vs. ED SLP (Crl.) 14392/2024 dated 22.10.2024** and **Sirajuddin Qureshi Vs. ED, Crl. Rev. P. 484/2025 dated 27.11.2025**.

26. In this context, there can be no denial of the fact that the offence u/s 3 of PMLA, 2002 is an independent offence and it has nothing to do with criminal activity relating to a scheduled offence – except the PoC derived or obtained as a result of that crime. (Emphasis supplied on para 269 of **Vijay Madanlal Chaudhary & Ors Vs. Union of India & Ors** 2022 SCC Online SC 929.

27. Thereafter, the issue of continuation of complaint under the PMLA, 2002 when investigation of scheduled offence had not been completed came up for consideration before the Hon'ble Supreme Court in **Sidhant Gupta's case (supra)**, wherein, it was directed that the prosecution complaint filed by DOE shall continue, but the final judgment shall not be pronounced. The directions passed by the Hon'ble Apex Court are being reproduced below:

“At this stage, learned counsel for the petitioner states that the Central Bureau of Investigation in the predicate offence has still not concluded the investigation and, therefore, even if the trial is permitted to be proceeded further in the PMLA matter, the Special Court (PMLA) may not pronounce the final judgment.”

28. Subsequently, the Hon'ble Delhi High Court also decided the same issue in **Sirajuddin Qureshi Vs. ED (supra)**. The Hon'ble Delhi High Court relied upon the decision of the Hon'ble Supreme Court in Sidhant Gupta's case and held that:

“5. In the opinion of this Court, the view taken by the Trial Court rejecting the application for stay warrants no interference. The closure report filed by the CBI has not been accepted, and the CBI Court has directed to carry out further investigation.

Consequently, the predicate offence remains under investigation and is still at large; there is, therefore, no basis to stay the PMLA proceedings. The Supreme Court in Sidhant Gupta Vs. Assistant Director, Directorate of Enforcement, which has also been relied upon in the impugned order, dealt with an identical situation where the investigation in the predicate offence was still pending, yet the PMLA trial was permitted to continue, subject only to the rider that no final judgment shall be pronounced until charges are framed in the predicate offence.

6. In view of the foregoing discussion, and the fact that the investigation in the predicate offence remains pending pursuant to the CBI Court's order directing further investigation, no ground is made out for grant of relief under section 438 BNSS. The continuation of the PMLA proceedings cannot be faulted at this stage and the view taken by the Trial Court calls for no interference.”

29. Recently, the Hon'ble Madras High Court also dealt with a similar issue. In *G. Venkatanarayanan & Anr. Vs. ED, CrI. OP No. 9663 of 2024 dated 27.11.2024*, the Hon'ble High Court held that:

*“15. The complaint under the PMLA has been filed under **Section 45** of PMLA, which cannot be equated with the final report in the predicate offence. When the procedures contemplated under the PMLA is distinct and different from that of general penal laws, the special enactment will prevail over the general law. Thus the very ground raised that the PMLA trial is to be kept in abeyance*

till the completion of predicate offence trial is untenable and unmerited.

....

17. Any attempt to increase the longevity of PMLA trial at no circumstances be encouraged by the Courts. The offences under PMLA is not dependant on the predicate offence after filing of the complaint under [section 45 PMLA](#). The trial must go on, as it is clarified in explanation (i) to [Section 44 \(1\) of PMLA](#).”

30. Therefore, in view of the above-referred proposition of law, the proceedings under the PMLA, 2002 being independent proceedings vis-a-vis the predicate offence cannot be deferred or halted on account of the fact that investigation in the predicate offence has yet not been concluded. There is no legal embargo on the court for proceeding further with the prosecution complaint despite the fact that chargesheet of predicate offence has not been filed and it is still under investigation. Accordingly, I do not find force in this argument.

Arguments on Merits -

31. It is the well settled proposition of law that the scope of inquiry vis-a-vis taking of cognizance is substantially different than the scope of inquiry at the stage of charge. The parameters required to be considered for taking of cognizance are different than the one's required to be considered at the stage of charge. The law with regard to difference between the scope of inquiry between both the stages has been laid down categorically by the Hon'ble Supreme Court in

State of Gujarat Vs. Afroz Mohammed Hasanfatta (2019) 20 SCC 539. It has been held that:

“At the time of cognizance, the scope of inquiry is very narrow and the Court has to strictly restrict itself to the averments in the complaint and has to only see whether there are sufficient grounds to initiate process.

....

39. For issuance of process against the accused, it has to be seen only whether there is sufficient ground for proceeding against the accused. At the stage of issuance of process, the court is not required to weigh the evidentiary value of the materials on record. The court must apply its mind to the allegations in the charge-sheet and the evidence produced and satisfy itself that there is sufficient ground to proceed against the accused. The court is not to examine the merits and demerits of the case and not to determine the adequacy of the evidence for holding the accused guilty. The court is also not required to embark upon the possible defences. Likewise, “possible defences” need not be taken into consideration at the time of issuing process unless there is an ex-facie defence such as a legal bar or if in law the accused is not liable. [Nupur Talwar Vs. CBI (2012) 11 SCC 465]”

32. In this backdrop this court has to be mindful of the fact that the scope of inquiry at this stage is very narrow and it is required to restrict itself to examination of the averments in the prosecution complaint and documents so annexed with it for satisfying itself that there are sufficient grounds for proceeding further with the case.

33. All the three ld. defence counsels representing accused persons had advanced their arguments on merits separately. Accordingly, I shall proceed to discuss the roles of accused persons under three separate headings.

Role of Accused no. 1 and Accused no. 4 to 10 -

34. The allegations in the prosecution complaint are to the effect that accused no. 1 i.e. Sh. Robert Vadra being the major shareholder (i.e. upto 99 %) and being the primary director /partner of accused no. 4 to 7, 9 and 10 (and proprietor of accused no. 8) had played active role in the commission of offences u/s 3 & 4 of PMLA. In the prosecution complaint, it has been alleged that a fraudulent sale deed with false declaration of consideration was executed between accused no. 11 and accused no. 4 and he being the major shareholder was the major beneficiary of the alleged proceeds of crime involved in commission of offences as described in the FIR of the predicate offence. It has also been alleged that PoC of Rs. 58 crores was generated by virtue of joint venture agreement executed by accused no. 4 with DLF and the said amount is alleged to have been routed and utilized through entities i.e. accused no. 4 to 10 belonging to accused no. 1. It has also been categorically alleged that accused no. 1 was the sole incharge and major beneficiary of the funds / assets of the aforesaid companies which were subsequently converted into LLP's.

35. At this stage, it is necessary to have a brief outlook of the definitions of the terms – ‘money laundering’, ‘proceeds of crime’ and ‘company’.

“Money Laundering” : Section 3 of PMLA - Offence of money-laundering.—Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the 1[proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming] it as untainted property shall be guilty of offence of money-laundering.

[Explanation.—For the removal of doubts, it is hereby clarified that,—

(i) a person shall be guilty of offence of money-laundering if such person is found to have directly or indirectly attempted to indulge or knowingly assisted or knowingly is a party or is actually involved in one or more of the following processes or activities connected with proceeds of crime, namely:—

(a) concealment; or

(b) possession; or

(c) acquisition; or

(d) use; or

(e) projecting as untainted property; or

(f) claiming as untainted property

in any manner whatsoever;

(ii) the process or activity connected with proceeds of crime is a continuing activity and continues till such time a person is directly or indirectly enjoying the proceeds of crime by its concealment or possession or acquisition or use or projecting it as

untainted property or claiming it as untainted property in any manner whatsoever.]

“Proceeds of Crime” : Section 2 (u) of PMLA, 2002 -
“proceeds of crime” means any property derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to a scheduled offence or the value of any such property [or where such property is taken or held outside the country, then the property equivalent in value held within the country] [or abroad];

[Explanation.—For the removal of doubts, it is hereby clarified that “proceeds of crime” include property not only derived or obtained from the scheduled offence but also any property which may directly or indirectly be derived or obtained as a result of any criminal activity relatable to the scheduled offence;]

“Company” - *The explanation 1 of Section 70 of PMLA defines company as any body corporate and includes a firm or other association of individuals.”*

36. Section 70 (1) of the Act provides that where a contravention of the provisions of the Act or its Rules is done by a company, every person who at the time of such contravention was incharge or was responsible to the company for the conduct of its business shall be deemed to be guilty of contravention. Section 70 (2) of the Act makes the director, manager, secretary or any other officer liable to be proceeded and punished where the contravention has taken place with his / her/ consent/ connivance / neglect.

37. As per above-stated averments in the prosecution complaint, the offences u/s 3 of PMLA are stated to have been

committed by the companies which were later on converted into LLP's as well as through M/s Artex. Since, accused no. 1 Sh. Robert Vadra is stated to have been primary director / partner of said companies/ LLP's, therefore, as per allegations, by virtue of section 70 of PMLA of 2002 he is liable to be proceeded in the capacity of director / partner as well.

38. As far as question of initiating process qua accused no. 8 M/s Artex is concerned, as per allegations, it is a proprietorship concern of accused no. 1 Sh. Robert Vadra. It is a well-settled principle that a proprietorship concern lacks any separate legal entity and cannot face criminal prosecution. The Hon'ble Supreme Court firmly established this issue in **Shankar Finance and Investments Vs. State of Andhra Pradesh (2008) 8 SCC 536** and held that the liability rests solely with the proprietor.

39. Arraying M/s Artex as accused No. 8 is therefore impermissible. No cognizance u/s 3 r/w Section 4 of PMLA Act can be taken against it nor can it be summoned. The proprietor, as accused no. 1 remains fully liable for acts as alleged qua M/s Artex and he has already been impleaded as accused in the prosecution complaint.

40. Therefore, the allegations in the prosecution complaint and the documents relied upon by the prosecution disclose sufficient material to proceed further and initiate process qua accused no. 1, 4 to 7 and 9 to 10.

Role of Accused no. 3 & 11 -

41. The perusal of prosecution complaint reveals that it has been alleged that accused no. 3 being the director of M/s OPPL

(which was later on converted into M/s SGY Properties Pvt Ltd) had executed a sale deed on behalf of accused no. 11 and the same is alleged to be a fraudulent one.

42. The allegations in the prosecution complaint have delineated specific role of accused no. 3 Sh. Kewal Singh i.e. to the effect that he was aware of the non-encashment of the cheque and the factum of payment of stamp duty by OPPL etc. It has been alleged that he had knowingly assisted in the generation and laundering of the proceeds of crime.

43. The execution of said sale deed is the central theme of the case of prosecution. It is alleged to be a result of the commission of scheduled offences in the predicate offence which led to generation of proceeds of crime. The property transferred vide afore-said sale deed is alleged to have been owned by M/s OPPL (later on converted into M/s SGY Properties Ltd.). Thus, without commenting further on the merits of the complaint, it has to be said that the allegations of prosecution complaint and material relied upon by DOE, at this stage, discloses sufficient material to proceed with the complaint for summoning accused no. 3 and 11 (through its present director Sh. Satyanand Yajee).

44. It is important to note that the arguments qua the merits/ demerits of the predicate offence and the allegations of the present complaint which are beyond the permissible scope of inquiry at this stage (as per **State of Gujarat Vs. Afroz Mohammed Hasanfatta supra**) have not been dealt with herein as such discussion may cause prejudice to either of the parties at the subsequent stage of charge. **It**

is needless to mention that both the parties shall be at liberty to advance those arguments at the appropriate stage/ stage for consideration on charge.

Role of Accused No. 2 -

45. The case of ED qua accused Satyanand Yajee is to the extent that he had concealed the proceeds of crime by misrepresenting facts in the balance-sheets, profit & loss account and director's report for the financial years 2007-08 and 2008-09.

46. The case of prosecution qua accused no. 2 Satyanand Yajee is on totally different footing than its case against accused Kewal Singh (A3) & M/s SGYL Pvt. Ltd (A11). In para no. 5.2 of the prosecution complaint it is stated that accused no. 2 became additional director of M/s OPPL for the first time on 18.02.2008 as 5000 shares were transferred to him. It is also stated in the prosecution complaint that the sale deed in question i.e. pertaining to 3.53 acres of land in village Shikohpur, Gurugram was executed by M/s OPPL in favour of M/s SLHPL on 12.02.2008. Hence, as per averments of the prosecution complaint, accused no. 2 was neither a shareholder nor the director of M/s OPPL at the time of execution of afore-stated sale deed. It has not been alleged that he was connected with the affairs of M/s OPPL in any manner prior to the purchase of his shares, nor it is alleged that he had played any part in the origin of proceeds of crime in any manner. Therefore, as per prosecution complaint, accused no. 2 did not play any role in the execution of sale deed or the alleged acts / omissions on the day of its execution or prior to it.

47. The allegations qua accused no. 2 appear to originate on the assumption that he had concealed the PoC by signing the balance-sheet, profit & loss account and director's report for the financial years 2007-08 and 2008-09. The balance-sheet of M/s OPPL for the financial year 2007-08 showed 'Sundry Debts' of Rs. 7.95 crores (i.e. Rs. 7.5 Cr. + 45 lakhs) and 'Loans & Advances' of Rs. 7,43,44,500/-.

48. As per case of prosecution as set out in the prosecution complaint, the payments of sale consideration (Rs. 7.5 crores) and stamp duty (Rs. 45 lakhs) i.e. total sum of Rs. 7.95 crores was due to be paid by the buyer / vendee i.e. M/s SLHPL to M/s OPPL because it had not been paid as was shown in the sale deed. Similarly, the amount of license fee etc amounting to Rs. 7.43 crores was paid by M/s OPPL to DTCP and it was later on adjusted towards the vendee i.e. M/s SLHPL. Therefore, the said amount was also due to be paid to M/s OPPL. Accordingly, all the three payments i.e. Rs. 7.50 crores + Rs. 45 lakhs + Rs. 7.43 crores had to be shown in the balance-sheet and corresponding returns to be submitted by M/s OPPL.

49. Though accused no. 2 Satyanand Yajee was not the director or shareholder of M/s OPPL at the time of transactions relating to sale deed, but he was the director of the company on the relevant dates when afore-stated returns were required to be submitted. Therefore, he being the director of the company was duty bound to sign and submit such returns / documents and as per prosecution complaint the said returns contained entries of amounts due to be received by M/s OPPL from M/s SLHPL.

50. It is required to be borne in mind that as per case of prosecution, the misrepresentation in balance-sheet etc of M/s OPPL was towards concealment of PoC. The perusal of prosecution complaint as well as documents (RUD 11) show that only the amount which was due to be received by M/s OPPL was reflected in it and neither any attempt to inflate or reduce the said amount was made in the said document. Hence, mere mentioning of parts of the amount due to be received in one or the other category cannot amount to layering or concealment of PoC.

51. It has been alleged in the prosecution complaint that a sum of Rs. 7.95 crores was shown as 'Sundry Debt', whereas, the amount of fee paid to DTCP which was to be adjusted towards M/s SLHPL was not projected as a 'Sundry Debt' in the balance-sheet. The perusal of balance-sheet of M/s OPPL for the year 2007-08 (RUD-11) reveals that the 'Sundry Debts' of Rs. 7.95 crores and 'Loan & Advance' of Rs. 7,43,44,500/- were shown in it.

52. The term 'Sundry Debtors' denotes individuals or businesses that owe money to a company for goods or services purchased on credit, representing an asset. Therefore, the amount to to be received from M/s SLHPL on account of sale of land and the stamp fee paid for it had to be shown under the head of 'Sundry Debts'.

53. The corresponding allegation qua misrepresentation is that sum of Rs. 7,43,44,500/- crores was wrongly shown as 'Loan & Advances'. One of the grounds for undervaluation of sale deed mentioned in the prosecution complaint is that amount of Rs. 7.43

crores ought to have been part of sale consideration and therefore it should have been shown as 'Sundry Debts'. However, the amount of sale consideration to be recorded in the sale deed is the 'actual market value' of the property under sale and the sale consideration does not include any other liability existing qua the property (be it any tax, fee or advance relating to it) unless and until it is expressly agreed between the parties to sale. Therefore, the amount due to be paid by M/s SLHPL to M/s OPPL on account of license fee could not have been included in the sale consideration. As a result, the reflection of entry of amount of Rs. 7.43 crores as 'Loan & Advances' in the balance-sheet of M/s OPPL was valid.

54. In paragraph no. 5.2 (iv) of the prosecution complaint, it is stated that M/s OPPL had received sum of Rs. 7.95 crores on 09.08.2008 and Rs. 7.43 crores on 16.08.2008, thus it had received excess amount of Rs. 7,43,44,500/- which was not part of sale deed and was not a part of 'Sundry Debt' declared in the balance-sheet as on 31.03.2008. The afore-stated conclusion derived by the IO is not just contrary to the facts and documents as relied upon by prosecution, but on the face of it appears totally frivolous. It is the case of prosecution itself that a sum of Rs. 7,43,44,500/- was also due to be received by M/s OPPL (as licence fee paid to DTCP) and therefore it was shown as 'Loan & Advances' in the balance-sheet.

55. In para no. 2 (vi) of the prosecution complaint, it is also alleged that as per sale deed dated 12.02.2008, the entire consideration had been received by M/s OPPL, still the balance-sheet on 31.07.2008 declared the receivable on account of sale of land to

M/s SLHPL. The afore-stated ground is also totally contradictory to the case of prosecution itself. It has already been discussed above that accused no. 2 was not even the director of M/s OPPL on the date of execution of sale deed in question. It is also the case of prosecution that the amount of sale deed had not been paid to M/s OPPL till submission of its balance-sheet for the financial year 2007-08. Therefore, as per the case of prosecution itself, accused no. 2 Sh. Satyanand Yajee being the director of the company had signed the balance-sheet depicting the facts and figures which even as per prosecution are true and correct.

56. In paragraph no. 3.7.2 (a) of the prosecution complaint, it has been alleged that although M/s OPPL in its balance-sheet had shown 'Sundry Debts' of Rs. 7.95 crores and 'Loan & Advances' of Rs. 7,43,44,500/-, but no corresponding liability was declared by M/s SLHPL in its books. However, even if the aforementioned allegation is deemed to be correct, still, suppression of a fact by another company i.e. M/s SLHPL cannot attach criminal liability to M/s OPPL or its director (who had signed the balance-sheet).

57. Therefore, in view of the aforementioned discussion, it has to be concluded that the entries in the balance-sheet do not in any manner amounts to misrepresentation of facts. The prosecution has failed to show even iota of material on record so as to prima facie show that accused no. 2 Satyanand Yajee had indulged in any process or activity connected with proceeds of crime including its concealment or possession or acquisition or use or projecting or claiming it as untainted property.

58. Thus, even the unrebutted allegations qua accused no. 2 Satyanand Yajee do not prima facie on the face of it disclose any of the ingredients of section 3 of Prevention of Money Laundering Act, 2002 punishable under Section 4 of the Act. There is absolutely no material to proceed against him or to initiate process against him. Hence, accused no. 2 Sh. Satyanand Yajee cannot be summoned in the present case.

Role of DLF -

59. The ld. senior advocate representing accused no. 1, 4 to 10 had argued that similar to the allegation that M/s SLHPL had not paid the sale consideration to M/s OPPL on the date of sale deed despite indicating the same in it, the sale deed dated 18.09.2012 between M/s SLHPL and DLF also stated that Rs. 8 crores had been paid to M/s SLHPL on 18.09.2012 even though it was received by M/s SLHPL on 20.09.2012 i.e. after execution of sale deed and yet DLF has not been arraigned as an accused.

60. It was also argued by the ld. senior advocate that the allegations of money laundering by virtue of influencing public officials into granting illegal commercial licenses can be attributed to DLF as pursuant to execution of collaboration agreement between M/s SLHPL and DLF, the original LOI, was handed over to DLF; SPA for representing M/s SLHPL before DTCP was given to DLF; commercial license was signed by AR of DLF; & renewal of commercial license was sought by DLF on 30.11.2010. He argued that all the said facts are borne out of RUD's.

61. I have given my thoughtful consideration to the aspect qua involvement of M/s DLF Universal Pvt. Ltd. There is no gain saying that non-arraigning of another accused or entity cannot be a ground for dropping the proceedings qua a person against whom there is independent sufficient material for proceeding further. At the same time, it is the settled proposition of law that before taking cognizance, the court has the power to summon additional accused or / and direct further investigation and the said discretion has to be exercised on the basis of material available on record.

62. As per averments of prosecution complaint, DLF is one of the accused in the FIR of the predicate offence. In para 2.3.5 of prosecution complaint, it has been averred that as per contents of FIR of the predicate offence, the payment of Rs. 58 crores was made in this case as sale consideration by DLF to M/s SLHPL. DLF was wrongly allotted land measuring 350 acres in Wazirabad, Gurugram in violation of rules and DLF earned profit of Rs. 5000 crores.

63. The inference sought to be drawn from the aforementioned allegation is clearly to the effect that payment of Rs. 58 crores by DLF was infact given as bribe. There is no doubt that said investigation is pending and the present prosecution complaint is also silent qua the said fact, tet there are certain crucial averments in the prosecution complaint qua DLF. It is stated that a collaboration agreement with respect to developing the land in question was executed between M/s SLHPL and M/s DLF Retail Developers Pvt. Ltd., but refundable security of Rs. 5 crores was paid to M/s BBTPL (A7) instead of M/s SLHPL. It is further alleged in the prosecution

complaint that the above-stated land was sold by M/s SLHPL to M/s DLF Retail Developers Pvt. Ltd. on 18.09.2012 and the payment of Rs. 58 crores was made in four tranches i.e.:

- (i) Payment of 5 crores to BBTPL on 05.06.2008;
- (ii) Payment of 10 crores to SLHPL on 31.03.2009;
- (iii) Payment of 35 crores to SLHPL on 09.10.2009; &
- (iv) Payment of 8 crores to SLHPL on 20.09.2012.

The perusal of prosecution complaint reveals that the above-stated facts were confronted to accused who have been arraigned in this prosecution complaint as well as to their officials while their statements u/s 50 of PMLA were being recorded. However, the prosecution complaint does not disclose if investigation qua said facts was also conducted from the officials / representatives / directors / persons involved in the transactions on behalf of M/s DLF Universal Ltd. (earlier known as M/s DLF Retail Developers Pvt. Ltd.) or not?

64. Nevertheless, considering the fact that further investigation of the case is going on, it shall be apt for the court not to comment on the merits of the aforementioned allegations. However, it is expected that further investigation shall include the above-stated facts within its purview for ensuring complete justice in the case and in case overt acts or omissions are discovered on the part of M/s DLF Universal Pvt. Ltd., then the role of the persons responsible for such acts or omissions shall also be thoroughly investigated.

Conclusion:-

65. In view of the aforementioned discussion, the prosecution complaint and prima facie broader scrutiny of documents relied upon disclose sufficient material for proceeding further with the present complaint case against accused no. 1, 3, 4, 5, 6, 7, 9, 10 & 11. Accordingly, I take cognizance of the offences under section 3 r/w Section 70 of the Prevention of Money Laundering Act, 2002, punishable under Section 4 of the Act qua accused no. 1, 3, 4, 5, 6, 7, 9, 10 & 11.

66. Issue summons to accused 1, 3, 4, 5, 6, 7, 9, 10 & 11 for appearing in the court on the next date.

67. The prayer for exemption from personal appearance of the IO of the case during the trial as prayed for is allowed. He shall continue to be represented by the ld. SPP as mentioned in the prayer.

Pronounced in open court

15.04.2026

**Sushant Changotra
Special Judge (PC Act) CBI-22
Rouse Avenue Courts
New Delhi/15.04.2026**