



2026:KER:78014

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE A. BADHARUDEEN

FRIDAY, THE 9TH DAY OF OCTOBER 2026 / 17TH ASWINA, 1948

WP(CRL.) NO. 1476 OF 2026

PETITIONER:

ADV.K.M.SHAJAHAN
AGED 63 YEARS
S/O. LATE. K.B MUHAMADALI, ADVOCATE, NEETHI, TC5/715(5),
PARAYANKONAM LANE, SREEKARYAM, THIRUVANATHAPURAM, PIN - 695017
BY ADVS.
SRI.V.SETHUNATH
SHRI.THOMAS ABRAHAM (K/1051/2010)
SHRI.SHAMNAS S.

RESPONDENTS:

- 1 STATE OF KERALA
REPRESENTED BY THE PRINCIPAL SECRETARY TO HOME DEPARTMENT,
SECRETARIAT, THIRUVANTHAPURAM, PIN - 695001
 - 2 THE STATE POLICE CHIEF
POLICE HEADQUARTERS, VAZHUTHACAUD, THIRUVANANTHAPURAM, PIN -
695010
 - 3 THE DIRECTOR
VIGILANCE ANTI-CORRUPTION BUREAU, VIKAS BHAVAN, PMG LAW COLLEGE
ROAD, THIRUVANANTHAPURAM, PIN - 695033
 - 4 ADDL. DIRECTOR GENERAL OF POLICE (ADGP) (CRIME BRANCH)
POLICE HEADQUARTERS, VAZHUTHACAUD, THIRUVANANTHAPURAM, PIN -
695010
 - 5 ENFORCEMENT DIRECTORATE KOCHI UNIT
REPRESENTED BY ADDL.DIRECTOR DIRECTORATE OF ENFORCEMENT COCHIN
ZONAL OFFICE, A & P ARCADE, S.A.ROAD, NEAR HPCL DEPOT,
KADAVANTHRA, KOCHI, PIN - 682036
- R1 TO R4 BY ADVOCATE GENERAL SRI.K.JAJU BABU
SMT.REMA R.,SPECIAL PUBLIC PROSECUTOR TO ADVOCATE GENERAL
SRI.SAJEEVAN P.K,SPECIAL PUBLIC PROSECUTOR (VACB)
R5 BY ADV.SRI.JAISHANKAR V.NAIR, STANDING COUNSEL FOR
ENFORCEMENT DIRECTORATE

THIS WRIT PETITION (CRIMINAL) HAVING COME UP FOR ADMISSION ON 29.09.2026,
THE COURT ON 09.10.2026 DELIVERED THE FOLLOWING:

JUDGMENT

Dated this the 09th day of October, 2026

This Writ Petition (Crl.) has been filed under Article 226 of the Constitution of India, by Adv.Sri.K.M.Shajahan and the prayers in the writ petition are as follows:-

- “(i) Issue a writ of mandamus or any other appropriate writ, order or direction, directing the Director Vigilance & Anti-Corruption Bureau, Thiruvananthapuram to dispose of Ext.P2 within a time frame fixed by this court.*
- (ii) Issue a writ of mandamus or any other appropriate writ, order or direction, directing the State Police chief to dispose of Ext.P1 within a time frame fixed by this court.*
- (iii) Issue a writ of mandamus or any other appropriate writ, order or direction, transferring the case in the Ext.P9 order to the Director of Vigilance & Anti-Corruption Bureau and thereupon to register an F.I.R incorporating Prevention of Corruption Act offences against the culprits involved in Ext.P9 order.*
- (iv) Grant such other and further reliefs as this Hon’ble Court deems fit and proper in the circumstances of the*

case.”

2. Heard the learned counsel for the petitioner and the learned Advocate General appearing for respondent Nos.1 to 4, and also the learned Standing Counsel appearing for the Enforcement Directorate (for short, ‘the E.D.’ hereinafter), the 5th respondent herein, in detail to address the reliefs sought for in the writ petition and also to decide the question of law raised at the time of admission hearing, which reads as under:

“whether, when an information under Section 66(2) of the Prevention of Money Laundering Act (for short, ‘PMLA Act’ hereinafter) has been passed by the Enforcement Directorate to the State Police for registering FIR for the scheduled offences found during the investigation of the Enforcement Directorate officials, the State Police has any option other than registering the FIR, or whether the State Police has the option to go for a preliminary enquiry before registering the FIR?.”

3. The petitioner herein is a lawyer and social activist who held the post of Additional Private Secretary to the then Opposition

Leader, Late Shri V.S.Achuthanandan (who later became the Chief Minister of Kerala). The petitioner is aggrieved by the inaction on the part of the State Government in not registering FIR on the basis of the information forwarded by the 5th respondent, under Section 66(2) of the Prevention of Money Laundering Act, 2002 (for short, 'the PMLA' hereinafter), as asked for by the 5th respondent, despite the petitioner having submitted Exts.P1 and P2 applications before the Vigilance Director seeking registration of FIR on the basis of the said information.

4. It is submitted by the learned counsel for the petitioner that the petitioner, being a responsible lawyer, social activist and citizen of India, who has been fighting against corruption, filed this writ petition as citizen of India, since respondent Nos.1 to 4 have failed to act upon the complaints submitted by the petitioner vide Exts.P1 and P2. In the meantime, the DGP issued Ext.P9 order appointing a Special Investigation Team, headed by Vikraman P., IPS, Superintendent of Police, Crime Branch, Kozhikode, to

conduct preliminary enquiry into the allegations and thereby, the demand urged in Exts.P1 and P2 had been negated. The prime contention raised by the learned counsel for the petitioner is that when a report under Section 66(2) of the PMLA has been forwarded to the State Police Chief, for and on behalf of the Government, recording a preliminary finding that the accused persons referred to therein have committed an offence under Section 13(1)(b) of the Prevention of Corruption Act, 1988 (for short, 'the PC Act' hereinafter), the State Police Chief/the Government has no option other than to register FIR. Therefore, the preliminary enquiry ordered by the Government as per Ext.P9 is contrary to the mandate of law and the judgments of the Hon'ble Apex Court dealing with the matter. According to him, the Government stand to go for preliminary enquiry is with ulterior motive to save the corrupt and thus, the interference of this Court is necessary to address the same, in the interest of justice.

5. Similar contentions have been reiterated by the learned

Standing Counsel appearing for the E.D., and both the learned counsel submitted relevant decisions governing the question of law already raised by this Court, at the time of admission of this writ petition as extracted above and the relevant decisions are as follows:

- 1. *Vijay Madanlal Choudhary & Ors. v. Union of India & Ors. [(2023) 12 SCC 1]***
- 2. *Lalita Kumari v. Govt. of U.P. & Ors. reported in [(2014) 1 SCC (Cri) 524] : (2014) 2 SCC 1]***
- 3. *Charansingh v. State of Maharashtra & Ors. [(2021) 5 SCC 469]***
- 4. *State of Karnataka v. T.N.Sudhakar Reddy [(2025) SCC OnLine 382]***
- 5. *Pradeep Nirankarnath Sharma v. State of Gujarat [(2025) 4 SCC 818]***
- 6. *State of Karnataka v. Channakeshava H.D. [(2025) SCC OnLine SC 753]***
- 7. *K.Athinarayanan v. State & Ors. With connected Case WP (MD) 34197/2025 & WP CrI.74/2026***
- 8. *V.S.Achuthanandan v. R.Balakrishna Pillai and Others [2011 KHC 4016]***

6. Whereas, the learned Advocate General vehemently argued that, merely upon receipt of information under Section 66(2) of the PMLA, the State Government is not duty-bound to register FIR and the State Government has the option of conducting a preliminary enquiry, as ordered in Ext.P9, to ascertain the truth of the allegations regarding the information passed by the E.D. It is further argued that none of the decisions of the Hon'ble Apex Court, in any manner, held candid ratio that such an option is completely curtailed, when the Government receives information under Section 66(2) of the PMLA.

7. The contentions raised by all sides required to be addressed with reference to the decisions cited by them. First of all, a look at Section 66(2) of the PMLA is necessary, which reads as under:

66. Disclosure of information.—

.....

(2) If the Director or other authority specified under sub-section (1) is of the opinion, on the basis of information or material in his possession, that the provisions of any other law for the time being in force are contravened, then the Director or such other authority shall share the information with the concerned agency for necessary action.

8. As per the decision pointed out by all the counsel, it could be gathered that in the decision in **Vijay Madanlal Choudhary**'s case (supra), the Hon'ble Apex Court considered the impact of Section 66(2) of the PMLA and held in paragraph Nos.53 and 60 as under:

“53. Be it noted that the authority of the authorised officer under the 2002 Act to prosecute any person for offence of money laundering gets triggered only if there exist proceeds of crime within the meaning of Section 2(1)(u) of the 2002 Act and further it is involved in any process or activity. Not even in a case of existence of undisclosed income and irrespective of its volume, the definition of “proceeds of crime” under Section 2(1)(u) will get attracted, unless the property has been derived or obtained as a result of criminal activity relating to a scheduled offence. It is possible that in a given case after the discovery of huge volume of undisclosed property, the authorised officer may be advised to send information to the jurisdictional police [under Section 66(2) of the 2002 Act] for registration of a scheduled offence contemporaneously, including for

further investigation in a pending case, if any. On receipt of such information, the jurisdictional police would be obliged to register the case by way of FIR if it is a cognizable offence or as a non-cognizable offence (NC case), as the case may be. If the offence so reported is a scheduled offence, only in that eventuality, the property recovered by the authorised officer would partake the colour of proceeds of crime under Section 2(1)(u) of the 2002 Act, enabling him to take further action under the Act in that regard.

60. *As a matter of fact, prior to the amendment of 2015, the first proviso acted as an impediment for taking such urgent measure even by the authorised officer, who is no less than the rank of Deputy Director. We must hasten to add that the nuanced distinction must be kept in mind that to initiate “prosecution” for offence under Section 3 PMLA registration of scheduled offence is a prerequisite, but for initiating action of “provisional attachment” under Section 5 there need not be a pre-registered criminal case in connection with scheduled offence. This is because the machinery provisions cannot be construed in a manner which would eventually*

frustrate the proceedings under the 2002 Act. Such dispensation alone can secure the proceeds of crime including to prevent and regulate the commission of offence of money laundering. The authorised officer would, thus, be expected to and, also in a given case, justified in acting with utmost speed to ensure that the proceeds of crime/property is available for being proceeded with appropriately under the 2002 Act so as not to frustrate any proceedings envisaged by the 2002 Act. In case the scheduled offence is not already registered by the jurisdictional police or complaint filed before the Magistrate, it is open to the authorised officer to still proceed under Section 5 of the 2002 Act whilst contemporaneously sending information to the jurisdictional police under Section 66(2) of the 2002 Act for registering FIR in respect of cognizable offence or report regarding non-cognizable offence and if the jurisdictional police fails to respond appropriately to such information, the authorised officer under the 2002 Act can take recourse to appropriate remedy, as may be permissible in law to ensure that the culprits do not go unpunished and the proceeds of crime are secured and dealt with as per the dispensation provided for

in the 2002 Act. Suffice it to observe that the amendment effected in 2015 in the second proviso has reasonable nexus with the object sought to be achieved by the 2002 Act.”

9. Similarly, in the decision in **Charan Singh’s** case (supra) also, the Hon’ble Apex Court considered this question and held in paragraph Nos.19 to 27 as under:

“19. It was held that a preliminary inquiry is not mandatory if the information received by the police officer/Investigating Agency discloses the commission of a cognizable offence. However, if the preliminary inquiry is conducted, its scope is limited to determine whether the information prima facie reveals commission of a cognizable offence and does not extend to verifying its truthfulness. The necessity of a preliminary inquiry depends on the specific facts and circumstances of each case. For instance, corruption cases fall into a category where a preliminary inquiry ‘may be made’.

20. The use of the term ‘may be made’ as noted in Lalita Kumari (supra) underscores that conducting such an

inquiry is discretionary in nature and not a mandatory obligation.

21. *Following the rationale of Lalita Kumari (supra), this Court in Managipet (supra) held that while the decision in Lalita Kumari (supra) noted that a preliminary inquiry was desirable in cases of alleged corruption, this does not vest a right in the accused to demand a preliminary inquiry. Whether the preliminary inquiry is required to be conducted or not will depend on the peculiar facts and circumstances of each case, and it cannot be said to be a mandatory requirement, in the absence of which, an FIR cannot be registered against the accused in corruption-related matters.*

22. *The relevant paragraphs from Managipet (supra) are extracted herein below:-*

"33. In the present case, the FIR itself shows that the information collected is in respect of disproportionate assets of the accused officer. The purpose of a preliminary inquiry is to screen wholly frivolous and motivated complaints, in furtherance of acting fairly and objectively. Herein, relevant information was available with the informant in respect of prima facie allegations

*disclosing a cognizable offence. **Therefore, once the officer recording the FIR is satisfied with such disclosure, he can proceed against the accused even without conducting any inquiry or by any other manner on the basis of the credible information received by him.** It cannot be said that the FIR is liable to be quashed for the reason that the preliminary inquiry was not conducted. The same can only be done if upon a reading of the entirety of an FIR, no offence is disclosed. Reference in this regard, is made to a judgment of this Court in *State of Haryana v. Bhajan Lal* [*State of Haryana v. Bhajan Lal*, 1992 Supp (1) SCC 335: 1992 SCC (Cri) 426] wherein, this Court held *inter alia* that where the allegations made in the FIR or the complaint, even if they are taken at their face value and accepted in their entirety, do not *prima facie* constitute any offence or make out a case against the accused and also where a criminal proceeding is manifestly attended with *mala fides* and/or where the proceeding is maliciously instituted with an ulterior motive for wreaking*

vengeance on the accused and with a view to spite him due to private and personal grudge.

34. Therefore, we hold that the preliminary inquiry warranted in *Lalita Kumari [Lalita Kumari v. State of U.P., (2014) 2 SCC 1: (2014) 1 SCC (Cri) 524]* is not required to be mandatorily conducted in all corruption cases. It has been reiterated by this Court in multiple instances that the type of preliminary inquiry to be conducted will depend on the facts and circumstances of each case. **There are no fixed parameters on which such inquiry can be said to be conducted. Therefore, any formal and informal collection of information disclosing a cognizable offence to the satisfaction of the person recording the FIR is sufficient.**

(emphasis supplied)

23. A three-Judge bench of this Court in *Thommandru Hannah Vijayalakshmi (supra)* extensively discussed the judicial precedents and legal principles governing the requirement of conducting a preliminary inquiry before registration of an FIR. The Court affirmed the view taken by the two-judge Bench in *Managipet (supra)*,

holding that a preliminary inquiry may not be necessary if the officer recording the FIR possesses relevant information which discloses the commission of a cognizable offence. The relevant extracts from *Thommandru Hannah Vijayalakshmi (supra)* are reproduced herein below:-

"32. [...]... we hold that since the institution of a Preliminary inquiry in cases of corruption is not made mandatory before the registration of an FIR under the CrPC, PC Act or even the CBI Manual, for this Court to issue a direction to that effect will be tantamount to stepping into the legislative domain.

39. The precedents of this Court and the provisions of the CBI Manual make it abundantly clear that a preliminary inquiry is not mandatory in all cases which involve allegations of corruption. The decision of the Constitution Bench in *Lalita Kumari [Lalita Kumari v. State of U.P., (2014) 2 SCC 1; (2014) 1 SCC (Cri) 524]* holds that if the information received discloses the commission of a cognizable offence at the outset, no preliminary inquiry would be required. It also

*clarified that the scope of a preliminary inquiry is not to check the veracity of the information received, but only to scrutinise whether it discloses the commission of a cognizable offence. Similarly. Para 9.1 of the CBI Manual notes that a preliminary inquiry is required only if the information (whether verified or unverified) does not disclose the commission of a cognizable offence. **Even when a preliminary inquiry is initiated, it has to stop as soon as the officer ascertains that enough material has been collected which discloses the commission of a cognizable offence. A similar conclusion has been reached by a two-Judge Bench in Managipet [State of Telangana v. Managipet, (2019) 19 SCC 87: (2020) 3 SCC (Cri) 7021 as well. Hence, the proposition that a preliminary inquiry is mandatory is plainly contrary to law, for it is not only contrary to the decision of the Constitution Bench in Lalita Kumari [Lalita Kumari v. State of U.P., (2014) 2 SCC 1: (2014) 1 SCC (Cri) 524] but would also tear apart the framework created by the CBI Manual.***

(emphasis supplied)

24. *Applying these principles to the case at hand, it is perspicuous that conducting a preliminary inquiry is not sine qua non for registering a case against a public servant who is accused of corruption. While preliminary inquiry is desirable in certain categories of cases including those under the PC Act, it is neither a vested right of the accused, nor a mandatory pre-requisite for registration of a criminal case. The purpose of a preliminary inquiry is not to verify the veracity of the information received, but merely to ascertain whether the said information reveals the commission of a cognizable offence. The scope of such inquiry is naturally narrow and limited to prevent unnecessary harassment while simultaneously ensuring that genuine allegations of a cognizable offence are not stifled arbitrarily. Thus, the determination, whether a preliminary inquiry is necessary or not will vary according to the facts and circumstances of each case.*

25. *In the present case, the Police Inspector of the Karnataka Lokayukta submitted a comprehensive source information report dated 10th November, 2023 to the Superintendent of Police, which included meticulous documentation and evaluation of the assets acquired by the respondent, which were grossly disproportionate to*

his known sources of income. The respondent, during his tenure of service in various departmental units, had acquired assets worth Rs.3.81,40,246/-, which were disproportionate and almost 90.72% more than his known sources of income. Thereupon, the Superintendent of Police took cognizance of the source information report and concluded that the allegations made against the respondent did constitute prima facie offences punishable under Section 13(1)(b) and Section 12 read with Section 13(2) of the PC Act.

26. *It is clearly discernible that the source information report dated 10th November, 2023, was in the nature of a preliminary inquiry in itself and nothing else. The comprehensive nature of the said report took it beyond a simple complaint, as it provided a meticulous breakdown of the respondent's monetary acquisitions. Further, the report makes cross-referencing of official income records with actual property acquisitions, bank deposits, and other financial assets. In substance, the source information report prime facie reflects a systematic pattern of financial irregularities, wherein the discrepancy in acquisition of assets was found to be 90.72% more than the known sources of income of the respondent.*

27. Thus, in our view the source information report dated 10th November, 2023, served as a critical piece of information which not only documented the financial discrepancies but also presented a clear, prima facie picture of disproportionate assets accumulated by the respondent but also demanded immediate and thorough investigative action. As we have noted above, the scope of preliminary inquiries is not to verify the absolute truthfulness of information, and it is only to ascertain whether a cognizable offence is disclosed or not therefrom. The source information report in the case at hand clearly satisfies this criterion by comprehensively documenting the financial irregularities committed by the respondent and disclosed a prima facie case of commission of a cognizable offence involving acquisition of disproportionate assets, punishable under the PC Act. Thus, we are of the opinion that the High Court erred in concluding that the FIR was liable to be quashed on account of omission to conduct a preliminary Inquiry.”

In this decision, the conclusion reached by the Hon’ble Apex Court could be found in paragraph No.51 of the judgment as under:

“51. In view of the above discussion, we conclude that:-

- a. The High Court erred in coming to the conclusion that the order dated 4th December, 2023, passed by the Superintendent of Police, was directly passed under Section 17 of the PC Act, thereby violating the mandatory provisions of the PC Act.*
- b. The preliminary inquiry is not mandatory in every case under the PC Act. If a superior officer is in seisin of a source information report which is both detailed and well-reasoned and such that any reasonable person would be of the view that it prima facie discloses the commission of a cognizable offence, the preliminary inquiry may be avoided.*
- c. Section 17 of the PC Act relates specifically to the investigation process, and not the initial act of registering the FIR, for which it relies on the provisions of the CrPC. Hence, it places limitations on only the investigation; it does not impede the fundamental duty of the law enforcement agency to record and register an FIR for cognizable offences.*
- d. On a harmonious reading of the provisions of the PC Act and the CrPC, it is manifest that the Superintendent of Police is competent to direct the registration of an FIR if he has information about the commission of a cognizable offence, punishable under*

the PC Act. The former is also competent to simultaneously direct the Deputy Superintendent of Police to register an FIR for the offences under the PC Act, with the understanding that the subsequent investigation will be subject to the restrictions outlined in Section 17 of the PC Act. A composite order to register the FIR and conduct investigation aligns with the statutory framework of the CrPC and the PC Act.”

10. Again, as relied upon by the all the counsel in the decision in **Pradeep Nirankarnath**’s case (supra) considered the same question with reference to the Constitution Bench decision in **Lalita Kumari**’s case (supra), in paragraph Nos.14 and 15, the Hon’ble Apex Court held as under:

“14. The scope of a preliminary inquiry, as clarified in the said judgment, is limited to situations where the information received does not prima facie disclose a cognizable offence but requires verification. However, in cases where the information clearly discloses a cognizable offence, the police have no discretion to conduct a preliminary inquiry before registering an FIR. The decision in Lalita Kumari does not create an absolute rule

that a preliminary inquiry must be conducted in every case before the registration of an FIR. Rather, it reaffirms the settled principle that the police authorities are obligated to register an FIR when the information received prima facie discloses a cognizable offence.

15. In the present case, the allegations against the appellant pertain to the abuse of official position and corrupt practices while holding public office. Such allegations fall squarely within the category of cognizable offences, and there exists no legal requirement for a preliminary inquiry before the registration of an FIR in such cases.”

11. That apart, the learned Standing Counsel appearing for the E.D. also given much emphasis to a decision of the Madras High Court in **K.Athinarayanan**'s case (supra) to appraise the same point and according to him, in the said decision, the Division Bench of the Madras High Court directed registration of FIR without opting the procedure for preliminary enquiry when information was provided by the E.D. under Section 66(2) of the PMLA.

12. In addition to the above decisions, the learned Advocate

General appearing for respondent Nos.1 to 4 placed decisions of the Hon'ble Apex Court in **State of Jharkhand v. Shiv Shankar Sharma** reported in [2022 KHC 7175], **B.Singh v. Union of India and Others** reported in [2004 KHC 484], and also a decision of the Single Bench of this Court in **Nandakumar V.P. v. Deputy Director, Directorate of Enforcement** reported in [2023 (6) KHC 1] with reference to paragraph No.18 to contend that *“the disclosure by the Enforcement Directorate would not exempt the notified government agencies from undertaking an independent evaluation to ascertain whether the accused has contravened any statutory provisions”*. Apart from the above decision, the learned Advocate General also relied upon the decision of the Delhi High Court in **Harish Fabiani v. Enforcement Directorate**, reported in [2022 KHC 5780], on similar issues, to substantiate his contention that registration of FIR is not mandatory upon receipt of information under Section 66(2) of the PMLA and that the option of conducting a preliminary

enquiry is still available.

13. Referring to the question of law raised, the legal position can be summarised as under:

(i) *A preliminary inquiry is not mandatory if the information received by the police officer/Investigating Agency discloses the commission of a cognizable offence. However, if the preliminary inquiry is conducted, its scope is limited to determine whether the information prima facie reveals commission of a cognizable offence and does not extend to verifying its truthfulness. The necessity of a preliminary inquiry depends on the specific facts and circumstances of each case. For instance, corruption cases fall into a category where a preliminary inquiry 'may be made'.*

(ii) *The use of the term 'may be made' as noted in Lalita Kumari (supra) underscores that conducting such an inquiry is discretionary in nature and not a mandatory obligation.*

(iii) *Following the rationale of Lalita Kumari (supra), the Hon'ble Apex Court held in Managipet (supra) that while the decision in Lalita Kumari (supra) noted that a preliminary inquiry was desirable in cases of alleged corruption, this does not vest a right in the*

accused to demand a preliminary inquiry. Whether the preliminary inquiry is required to be conducted or not will depend on the peculiar facts and circumstances of each case, and it cannot be said to be a mandatory requirement, in the absence of which, FIR could not be registered against the accused in corruption-related matters.

(iv) Once the officer recording the FIR is satisfied with such disclosure, he can proceed against the accused even without conducting any inquiry or by any other manner on the basis of the credible information received by him.

(v) There are no fixed parameters on which such inquiry can be said to be conducted. Therefore, any formal and informal collection of information disclosing a cognizable offence to the satisfaction of the person recording the FIR is sufficient.

(vi) A preliminary inquiry may not be necessary if the officer recording the FIR possesses relevant information which discloses the commission of a cognizable offence.

(vii) Since the institution of a Preliminary inquiry in cases of corruption is not made mandatory before the registration of an FIR under the CrPC, PC Act or even

the CBI Manual, Court cannot issue a direction to that effect, which would tantamount to stepping into the legislative domain.

(viii) The precedents of the Hon'ble Apex Court and the provisions of the CBI Manual make it abundantly clear that a preliminary inquiry is not mandatory in all cases which involve allegations of corruption.

(ix) Even when a preliminary inquiry is initiated, it has to stop as soon as the officer ascertains that enough material has been collected which discloses the commission of a cognizable offence. A similar conclusion has been reached by a two-Judge Bench of the Hon'ble Apex Court in Managipet's case (supra). Hence, the proposition that a preliminary inquiry is mandatory is plainly contrary to law, for it is not only contrary to the decision of the Constitution Bench in Lalita Kumari's case (supra) but would also tear apart the framework created by the CBI Manual.

(x) The disclosure by the Enforcement Directorate would not exempt the notified government agencies from undertaking an independent evaluation to ascertain whether the accused has contravened any statutory provisions.

(xi) *The facts and circumstances of each case are decisive factors in the matter of preliminary enquiry. When the information passed by the E.D under Section 66(2) of the PMLA, itself discloses commission of cognizable offence/offences, the same occupies the place of preliminary enquiry report or the same is an adequate substitute in the place of a preliminary enquiry report, in a such case, registration of FIR would become mandatory and in the said circumstances, the State Agency has no option to go for preliminary enquiry (particularly another preliminary enquiry), as the scope of such enquiry is not wide enough to go beyond the information under Section 66(2) of the PMLA.*

(xii) Most importantly, the scope of a preliminary inquiry is limited to situations where the information received does not prima facie disclose a cognizable offence but requires verification. However, in cases where the information clearly discloses a cognizable offence, the police have no discretion to conduct a preliminary inquiry before registering an FIR. The decision in Lalita Kumari (supra) does not create an absolute rule that a preliminary inquiry must be conducted in every case before the registration of an FIR. Rather, it reaffirms

the settled principle that the police authorities are obligated to register an FIR when the information received prima facie discloses a cognizable offence.

14. Thus, in a nutshell, when an information under Section 66(2) of the PMLA is forwarded for registering FIR based on the inputs in the investigation initiated by the E.D. disclosing commission of a scheduled offence or offences for which State Police is only having competence to register FIR, it is obligatory (must do) for the State Police to register FIR for the offences disclosed in the information passed under Section 66(2) of the PMLA. But, this obligation is subject to an exemption. That is to say, the disclosure by the Enforcement Directorate would not exempt the notified government agencies from undertaking an independent evaluation to ascertain whether the accused has contravened any statutory provisions, when the information passed under Section 66(2) of the PMLA lacks materials to register FIR; i.e. which did not disclose inputs for registering FIR. Thus, exemption comes into play only on the basis of the facts and circumstances of each case and the scope for addition to the information communicated under Section 66(2) of the PMLA by way of another enquiry without registering FIR is too remote and trivial. Thus, the legal question raised is answered so.

15. The learned Advocate General also disputed the competency of the petitioner to file a petition of this nature which, according to him, would fall under the category of public interest litigation and he has relied on a Division Bench decision of this Court in **Vinod Mathew Wilson v. Union of India** reported in **[2024 KHC 395]**, where this Court discussed *in extenso* while considering the *locus standi* of a person who has no connection with the matter in issue and held in paragraph No.12 as under:

“12. With respect to the contention put forth by the petitioner based on Dr.P.Nalla Thampy Thera v. Union of India and others (supra), the mandate laid down therein that public interest litigation necessitates appreciation of doctrine of locus standi on a case to case basis is not satisfactorily met with or satisfied by the petitioner in the facts and circumstances of the case at hand. We note that the petitioner has not sought to enforce any fundamental right of the general public nor does he complain that any of his fundamental rights for being violated. As revealed by the discussion of the cases above, it is no longer res

integra that entertaining public interest litigation in matters having criminal overtones should be done with great circumspection and care. We are guided in this respect by the dictum laid down by the Hon'ble Supreme Court in Janata Dal v. H.S.Chowdhary and Others, 1991 KHC 1163 : AIR 1993 SC 892 which reads as follows: "Even if there are million questions of law to be deeply gone into and examined in a criminal case of this nature registered against specified accused persons, it is for them and them alone to raise all such questions and challenge the proceedings initiated against them at the appropriate time before the proper forum and not for third parties under the garb of public interest litigants". The above proposition has been affirmed by the Apex Court in Sanjai Tiwari v. State of Uttar Pradesh and another, (2021) 15 SCC 660: 2020 SCC OnLine SC 1027."

16. The learned Advocate General also pointed out that the petitioner had made allegations against the Judges of this Court, pursuant to which, contempt proceedings had been initiated, and thereafter, he made unconditional apology to drop the proceedings.

Thus, according to the learned Advocate General, since the petitioner's stature is of such nature, he had filed this writ petition to accomplish his vested interest. In reply to this submission, it is submitted by the learned counsel for the petitioner that the petitioner was a client of the learned Advocate General himself and now, the submission made by the learned Advocate General attacking the morale of the petitioner, his own client, is to be understood in that sense alone, since the learned Advocate General and State have hesitation to register FIR asked for by the E.D. in the peculiar facts and circumstances of the case involving former Chief Minister, his daughter and son-in-law.

17. As regards the contention raised by the learned Advocate General that the petitioner has instituted the present public interest litigation, the learned counsel for the petitioner submitted that the petitioner, as a responsible, citizen fighting against corruption, has approached this Court to bring to its notice a patent illegality and thus, this is not a public interest litigation. It is further submitted that the E.D., a central investigating agency, had

also supported the grievance raised by the petitioner in equal moeity. In such circumstances, there is no reason to doubt the *bona fides* of the petitioner or to dismiss the petition as vexatious, particularly when it raised an important question of law.

18. In this connection, it is relevant to refer to the decision of the Hon'ble Supreme Court in **Ghulam Qadir v. Special Tribunal** reported in [(2002) 1 SCC 33], wherein, it was held as follows:

"38. There is no dispute regarding the legal proposition that the rights under Article 226 of the Constitution of India can be enforced only by an aggrieved person except in the case where the writ prayed for is for habeas corpus or quo warranto. Another exception in the general rule is the filing of a writ petition in public interest. The existence of the legal right of the petitioner which is alleged to have been violated is the foundation for invoking the jurisdiction of the High Court under the aforesaid article. The orthodox rule of interpretation regarding the locus standi of a person to reach the court has undergone a sea change with the development of constitutional law in our country and the

constitutional courts have been adopting a liberal approach in dealing with the cases or dislodging the claim of a litigant merely on hypertechnical grounds. If a person approaching the court can satisfy that the impugned action is likely to adversely affect his right which is shown to be having source in some statutory provision, the petition filed by such a person cannot be rejected on the ground of his not having the locus standi. In other words, if the person is found to be not merely a stranger having no right whatsoever to any post or property, he cannot be non-suited on the ground of his not having the locus standi."

(emphasis supplied)

19. Somewhat similar view was taken by the Division Bench of this Court in the decision in **Krishnan A. v. Kerala State Co-operative Marketing Federation Ltd., Kochi and Others** reported in **[2022 KHC OnLine 688]**, wherein, the Division

Bench, after referring the Hon'ble Apex Court decisions rendered by Justice V.R.Krishna Iyer starting from 1975 held in paragraph No.8 that *“the legal principle that can be gleaned from the above decisions is that save for a meddlesome interloper or a busybody, a person whose interests/rights are in some sense infringed through an action of an other, can be seen as an aggrieved person for the purposes of initiating legal action. This is more so when the alleged offending action is at the instance of the State that is expected to act fairly in matters of administration”*.

20. Here, it is crystal clear that the petitioner is an advocate and a social worker fighting against corruption. Merely because, on an earlier occasion, this Court initiated contempt proceedings against him, that by itself would not preclude him from approaching this Court as a citizen of India and as a whistleblower, in the interest of justice, raising a substantial question

of law for consideration, which also included his own grievance, particularly when his Exts.P1 and P2 petitions were practically rejected by issuing Ext.P9, thereby the competent authority failed to do their duties in accordance with law. In view of the above, this writ petition is maintainable before this Court, as the petitioner has the *locus standi* to file the same as a citizen of India and as a whistle-blower, who is aggrieved by the rejection of Exts.P1 and P2 petitions as per Ext.P9 order by the Authority concerned. In such a situation, his involvement in the contempt proceedings, after its culmination, would not be sufficient to dismiss the petition without examining the legal question involved. Therefore, this contention, at the instance of the learned Advocate General, is repelled in the interest of justice.

21. Coming back, here, as per Ext.P9, the Director General of Prosecution constituted a special team and issued an order appointing a nine-member special team to conduct an enquiry into the allegations contained in the information given by the E.D. under Section 66(2) of the PMLA. The learned counsel for the petitioner submitted that the appointment of the Special Team by the DGP was also without any authority, and that the DGP has no authority to form such a Special Team, as the same has to be based on a decision of the Government, in view of Section 21(1) of the Kerala Police Act, 2011 (for short, 'the KP Act' hereinafter).

22. Section 21 of the KP Act provides for formation of Special Wings, Units, Branches, Squads etc., and reads as under:

21. Special Wings, Units, Branches, Squads.-

(1) Government may, in order to assist the State Police Chief or other Police functionaries or District Police Chiefs or to assist the police in general in their duties and functions, by general or special order, create and maintain any Wing or Special Unit, Specialized Branch or Special Squad, etc. of such strength, internal units,

powers, duties, jurisdiction and internal or external supervisory structure as may be fixed by the Government by order.

(2) The Government may create units or make special arrangements inter alia, for the following matters, namely:-

(a) collection of intelligence directly or indirectly affecting National Security, security of the State, maintenance of law and order, maintenance of public safety, prevention of crime, security of vital installations and individuals facing grave threats from terrorists or extremists;

(b) investigation of complicated, heinous, sensational or specially important crimes;

(c) traffic control;

(d) police service related to coastal, river and backwater areas and police service for the protection of tourists and pilgrims;

(e) police service on the Railways;

(f) collection, collation, indexing and analysis of data and intelligence relating to crime and criminals and the functioning of a Bureau of Missing Persons;

(g) Juvenile Police Units for the special protection of children who reach the Police Station either as accused or as victims of crime.

(h) helping Police offices and officers in selecting, using and utilizing computers and other digital services and developing software necessary for the purpose;

(i) maintenance of the telecommunication and digital communication networks for Police purposes;

(j) identification of individuals and objects by means of fingerprints, photography or any digital or biometric technique;

(k) maintaining a well-trained reserve force with proper chain of command to be deployed whenever and wherever the district police or the local police stations fall short of manpower for the proper discharge of any police function;

(l) training of recruits and of those in service, in respect of general matters related to police services and for any other individual or group as may be fixed by the Government;

(m) specialised response units like control rooms equipped to respond to crime, calamity or accident etc;

(n) enforcement of any local or special law or

special enforcement of law in any area;

(o) digital and cyber policing;

(p) forensic support services for effectively assisting in the duties and functions of the police;

(q) administrative support services for Police functioning in terms of processing of matters of administration, finance and documentation;

(r) general support services necessary to help in the functioning of Police institutions and offices of various types and to discharge essential functions like cleaning, grooming, cooking, maintenance of equipments and areas etc;

(s) studies, research and development support for various policing related social and professional matters and for the development of modern Police services and preventive - investigative techniques.

(3) The Government shall equip these units and arrange necessary training to officers to enable such units to function at a high level of technical and professional competence.

(4) The Units constituted under sub-section (1) may consist of Police Officers of designated ranks or non-police

personnel or both as may be specified by the Government and the Government may prescribe their conditions of service, special allowances payable to them, special qualifications and skills necessary and special facilities to be made available to them individually or collectively.

Thus, under Section 21(1) of the KP Act, the Government has been given the discretion to form Special Wings, Units, Branches and Squads to assist the State Police Chief or other Police functionaries or District Police Chiefs, etc. Therefore, without such a Government decision, the State Police Chief is not empowered to constitute a Special Investigation Team.

23. Now comes the very crucial question as to whether the information under Section 66(2) of the PMLA submitted by the E.D. to the DGP could be treated as a substitute for a preliminary enquiry report for the purpose of registration of FIR, without conducting any further enquiry/preliminary enquiry? In this connection, it is relevant to note that the information forwarded by the E.D. to the DGP contains 25 pages. The genesis of the case stated in the

information is based on an investigation conducted and a criminal complaint filed by the Serious Fraud Investigation Office (for short, 'SFIO' hereinafter) in relation to the alleged corporate fraud committed in Cochin Minerals and Rutile Limited (CMRL) and M/s.Exalogic Solutions Pvt.Ltd. (OPC). The relevant portions of the said information read as under:

4. ED initiated investigations based on the investigations of SFIO. The offence under Section 447 of the Companies Act, 2013 is a scheduled offence under Section 2(1)(y) of the Prevention of Money Laundering Act, 2002. The accused persons had committed the scheduled offence of corporate fraud as defined u/s 447 of Companies Act, 2013 and had generated proceeds of crime which are being enjoyed by them. The SFIO Prosecution Complaint filed before the Hon'ble Additional Sessions Court - VII, Ernakulam, Kerala, was added as the predicate offence to the PMLA investigations through an Addendum dated 19.05.2025 to the ECIR/KCZO/11/2024.

5. During PMLA investigation, summons were issued to persons involved in the corporate fraud. CMRL MD, Finance Department Heads and IT section

employees were examined and statements were recorded. The vendors of CMRL were also summoned and examined u/s 50 of PMLA, 2002. Investigations under PMLA of various CMRL Vendors (transporters) exposed a layered cash extraction mechanism. CMRL transferred corporate funds electronically into the bank accounts of these transporters. The transporters then withdrew the amounts in cash and physically handed the cash back to the CFO or CGM of CMRL. The transporters retained a structured commission ranging between 2% and 7% for providing the banking facade. Investigation also revealed that entities including M/s Industrial Contractors and Transports, M/s Excel Transports Industrial Services, ADCO Builders Pvt. Ltd., Lime Traders, and M/s Vahini Transporters collectively received Rs.33,84,94,405/-, while M/s Engineering Designs received Rs.90,36,309/- under this fraudulent arrangement of circular payment mechanism. Analysis of CMRL's accounts further shows substantial petty cash outlays to different vendors where no supporting invoices were ever provided.

C. Offence under the Prevention of Corruption Act:

6. The current investigations shows that proceeds

of crime were generated by promoters of CMRL through various fraudulent transactions. The PMLA investigations are focusing to identify the proceeds of crime generated by promoters of CMRL and beneficiaries of the such proceeds of crime. While the existing investigations relate to corporate fraud and siphoning of funds from a public company based on the predicate offence filed by SFIO, there are other offences found to be made out during the PMLA investigations which are not covered by the existing predicate offence. Many amounts are received by public servants for favouring CMRL as bribes and the same constitutes a separate offence for which a separate predicate offence needs to be registered. The existing SFIO complaint/ predicate offence deals only with corporate fraud and siphoning of company money and does not deal with corruption offences. Accordingly, this note/ information is being shared for registration of a separate FIR relating to receipt of bribe by public servants. The findings/ evidences found during the investigation of the current case making out a case of bribe under the Prevention of Corruption Act is discussed in the following paras.

i. Bribes received on account of Shri. P Vijayan,

EX CM of Keralam.

7. Out of the several payments made by CMRL from the funds generated through fraudulent transactions, One of the payment is to Smt T Veena, daughter of Ex CM of Keralam, Sh. P. Vijayan. CMRL paid a total of Rs.2.78 Crores under the guise of IT Consultancy and Marketing Services. CMRL, engaged M/s Exalogic Solutions via a Service Level Agreement on a monthly retainer of Rs.3 Lakhs, while simultaneously appointing Smt. Veena T personally as an IT and Marketing Consultant on a monthly retainer of Rs.5 Lakhs. However, no services were provided by either Smt. Veena T or her company M/s Exalogic Solutions (OPC). It was also found during PMLA investigation that Smt. Veena was paid Rs.45 lakhs after deducting TDS without any invoices from Smt. Veena.

The details of such payments are as follows:

VEENA T PAYMENTS MADE WITHOUT INVOICES (in Rs)				
Month	Amount	TDS	Amount Paid	Payment Date
Jan-17	5,00,000.00	50,000.00	4,50,000.00	03.03.2017
Feb-17	5,00,000.00	50,000.00	4,50,000.00	03.03.2017
Mar-17	5,00,000.00	50,000.00	4,50,000.00	03.04.2017
Apr-17	5,00,000.00	50,000.00	4,50,000.00	03.05.2017
May-17	5,00,000.00	50,000.00	4,50,000.00	03.06.2017
Jun-17	5,00,000.00	50,000.00	4,50,000.00	05.07.2017

<i>Jul-17</i>	<i>5,00,000.00</i>	<i>50,000.00</i>	<i>4,50,000.00</i>	<i>05.08.2017</i>
<i>Aug-17</i>	<i>5,00,000.00</i>	<i>50,000.00</i>	<i>4,50,000.00</i>	<i>07.09.2017</i>
<i>Sep-17</i>	<i>5,00,000.00</i>	<i>50,000.00</i>	<i>4,50,000.00</i>	<i>07.10.2017</i>
<i>Oct-17</i>	<i>5,00,000.00</i>	<i>50,000.00</i>	<i>4,50,000.00</i>	<i>01.11.2017</i>
<i>Total</i>	<i>50,00,000.00</i>	<i>5,00,000.00</i>	<i>45,00,000.00</i>	

8. The above payments totalling Rs. 50 lakhs made by Cochin Minerals and Rutile Limited (CMRL) to Smt. Veena T (daughter of the then Chief Minister of Kerala), without any invoices for the initial period (January to October 2017) and in the complete absence of actual services or ERP implementation, clearly demonstrate a sham arrangement entered into solely due to personal and political connections, revealing the quid pro quo nature of the transaction wherein Smt. Veena T received substantial undue benefits from CMRL. Smt. Veena T was also examined u/s 50 of PMLA, 2002. Upon being asked about the deliverables by her company M/s Exalogic Solutions (OPC), Smt. Veena T could not provide any documentary or electronic evidence such as source codes, agreements, reports, emails, or deliverables to substantiate that any IT consultancy services were ever delivered to the CMRL company.

9. Shri P.Suresh Kumar (former CFO and CGM Finance), who executed the engagement in his official capacity with Smt. Veena T, admitted under oath that

although Smt. Veena T was initially hired under the cover of her purported technical and professional background, she was continued to be paid by CMRL due to the public relation avenues brought by her and her relationship with her father, Shri Pinarayi Vijayan, the then sitting Chief Minister of Kerala. It was found that the processing of monthly retainers was mandated directly by the MD, Shri S.N. Sasidharan Kartha, bypassing all standard corporate accounting validations.

10. The bribes paid is masked explicitly by the specific terms embedded in the hiring letter of M/s CMRL. The individual appointment/engagement letter dated 30.12.2016, recorded that Smt. T Veena was being hired "considering the infrastructure and public relations avenues she and her establishment have." This documentation confirms that the phrase "public relations avenues" was nothing but bribes paid to the former Chief Minister through his daughter. The verification of the bank statements show that Smt. T Veena and her company received a total of Rs.3.28 crore from CMRL. The investigations shows that the amounts were received without any service. The amounts received are nothing but bribe payments received on

behalf of her father Shri. P Vijayan. The detailed breakup of the amount received by Smt. T Veena are as follows:

Monthly retainers paid to Veena T and Exalogic Solutions Pvt Ltd					
SI. NO.	CMRL BANK Account Number	Credited account No	Credited account name	Date of transaction	Amount received
1	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	04-Mar-17	9,00,000
2	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	03-Apr-17	4,50,000
3	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	04-May-17	4,50,000
4	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	12-Jun-17	4,50,000
5	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	10-Jul-17	4,50,000
6	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	07-Aug-17	4,50,000
7	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	11-Sep-17	4,50,000
8	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	13-Oct-17	4,50,000
9	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	07-Nov-17	4,50,000
10	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	04-Jun-17	10,80,000
11	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	17-Jul-17	5,40,000
12	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	28-Aug-18	5,40,000
13	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	20-Sep-18	5,40,000
14	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	03-Oct-18	16,20,000
15	56205000	91140018	VEENA THAIKKANDIYIL	24-Dec-18	10,80,000

	06975	566			
16	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	07-Jan-19	10,80,000
17	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	29-Jan-19	5,40,000
18	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	03-Apr-19	5,40,000
19	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	29-May-19	10,80,000
20	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	17-Jun-19	16,20,000
21	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	04-Jul-19	5,40,000
22	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	03-Aug-19	5,40,000
23	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	05-Sep-19	5,40,000
24	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	23-Oct-19	5,40,000
25	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	07-Dec-19	5,40,000
26	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	19-Dec-19	5,40,000
27	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	14-Jan-20	5,40,000
28	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	10-Feb-20	5,40,000
29	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	18-Mar-20	5,40,000
30	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	16-Apr-20	5,40,000
31	56205000 06975	91140018 566	VEENA THAIKKANDIYIL	09-Jun-20	5,40,000
32	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	04-Mar-17	3,15,000
33	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	12-Jun-17	3,15,000
34	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	10-Jul-17	3,15,000
35	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	08-Aug-17	3,24,000

36	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	11-Sep-17	3,24,000
37	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	13-Oct-17	3,24,000
38	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	07-Nov-17	3,24,000
39	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	04-Dec-17	3,24,000
40	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	06-Jan-18	3,24,000
41	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	06-Jun-18	6,48,000
42	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	17-Jul-18	3,24,000
43	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	20-Sep-18	3,24,000
44	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	03-Oct-18	9,72,000
45	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	29-Oct-18	6,48,000
46	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	29-Jan-19	3,24,000
47	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	03-Apr-20	3,24,000
48	56205000 06975	15105300 008808	M/s Exalogic Solutions Pvt. Ltd(OPC)	18-May-19	6,48,000
Total					2,78,01,000
Amounts received from EMPOWER INDIA CAPITAL INVESTMENTS P LTD [Group company of CMRL] to EXALOGIC SOLUTIONS PRIVATE LIMITED OPC [Company of Smt.T Veena]					
1	121886300 00050	5020000 9454086	M/s Exalogic Solutions Pvt. Ltd(OPC)	06-Aug-15	25,00,000
2	121886300 00050	5020000 9454086	M/s Exalogic Solutions Pvt. Ltd(OPC)	29-Aug-16	25,00,000
Total					50,00,000
Grand total					3,28,01,000

24. Apart from that, the report of bribes received on account of

Sri.Mohamed Riyas, Ex Cabinet Minister also was highlighted in the information with a scanned image of A4 sheet and also from a red note book seized from the residence of Smt.Veena T. on 27.05.2026 and the scanned copy of the above books also appended with the report. Accordingly, the E.D. found that the pages of the book would show foreign currency transactions including a total deposit of 282,600 AED. Further, the information forwarded by the E.D. also refers to the entries contained in a notebook seized during the investigation, which, according to the E.D., disclose certain local and overseas electronic transactions handled through a UAE-based associate of Smt.Veena T and Shri Faijaz. The relevant portion of the information reads as under:

19. The noting's in the [notebook] demonstrates extensive local and overseas electronic transactions handled via a UAE-based associate of Smt. Veena T, Shri. Faijaz, including specific foreign bank accounts (LIV ENBD A/c ending - 2801, Mashreq Bank) and an explicit outbound routing of Rs.85 Lakhs ("Total sent from here 85L"). Smt. Veena T identified Faijaz as a long-standing personal friend from Calicut whom she has known for the past 10 years via a common acquaintance.

25. Thus, as per the information, it was found that the materials collected during the PMLA investigation disclosed the commission of offences under the PC Act. The relevant portions of the information are extracted below:

“21. During the said period of 2024, Smt. Veena T had no legitimate source of income and was residing with her husband in government allotted Ministers Bungalow in the neighborhood of Kerala CMs residence. These financial noting, when no official sources of income exist, indicates a close nexus where the unaccounted cash pools were accumulated either by her father Shri Pinrayi Vijayan (Ex-Chief Minister of Kerala) or her husband Shri Muhammed Riyas (Ex-Minister for Public Works Department (PWD), Tourism, and Youth Affairs in the Government of Kerala). These systematic entries are a record of illegal gratifications received by public servants and launder them into foreign assets or private assets under the cover of benami persons and needs separate investigations to prove the same under the Prevention of corruption Act.

22. The above nexus is further corroborated by the statement of Shri Varish K, S/o Moideen K.C., recorded under Section

17 of PMLA, 2002 on 18.08.2026 during the search of his residence at Feroke, Kozhikode. Shri Varish K deposed that on instructions received from Shri Mohammed Riyas during June-July 2024, unidentified persons delivered cash to him at his office, which he routed to Shri Faijaz V P in Dubai through hawala agent Shri Subair Karuvampoyil on five occasions- 03.07.2024, 20.07.2024, 22.07.2024, 23.07.2024 and 05.07.2025- aggregating to approximately Rs.1.2 Crore. Upon being confronted with hawala-related WhatsApp chats extracted from his seized mobile phone, he produced and signed printouts of the said chats with Faijaz V P and Subair as corroborative proof. This statement establishes that Shri Mohammed Riyas directed the routing of these funds through Shri Varish K between July 2024 and July 2025.

23.The WhatsApp chat printouts annexed to Shri Varish K's statement corroborate the above in specific, dated detail: (a) Shri Subair Karuvampoyil is saved in Shri Varish K's phone as "DXB Subair Koduvally Hawa" / "Subair Koduvally Customer Hawala" ([+91 98462 43113](tel:+919846243113)), a WhatsApp Business account joined April 2026, i.e. the agent is saved and operates under an explicit "Hawala" label rather than a disguised identity; (b) the chat contains entries dated 3 Jul 2024, 23 Jul 2024 and 5 Jul 2025- matching three of the five

hawala dates in Shri Varish K's oral testimony- each showing a forwarded photograph of a currency note with a visible serial number (e.g."64D 275756" on 3 Jul 2024, "43F 420830" on 5 Jul 2025), consistent with the practice of hawala operators exchanging currency-note serial numbers as a verification token between the paying and disbursing ends; (c) the same chat contains AED-INR conversion figures entered on a phone calculator and forwarded (e.g. 1,459,854.01; 1,463,414.63) and running balance/settlement figures (e.g. "-36,585.3659"), consistent with running hawala account reconciliation rather than a one-off personal transaction; (d) forwarded business-card images of "Al Haram Al Zahabi Real Estate" and "Blue Ocean" appear in the same chat thread, indicating additional UAE entities linked to the settlement chain; and (e) Shri Faijaz V P is separately saved as a WhatsApp Business account ("Faijaz Dxb"/"~Fvp") joined December 2018. Further, the screenshot of the WhatsApp group "Nammal Beypore core Team" (16 members, referred to at Shri Varish K's Q.15) shows that the group includes, in addition to Shri Faijaz V P and Shri Shyjal K, entries saved as "Minister Riyas", "Midhun Kichu Riyas Secretry" and "Vibin Minister Secretary" (the last shown as group Admin)-establishing that Shri Mohammed Riyas' own secretariat staff shared a common communication channel

with the hawala operatives, and is placed on record as a further link between Shri Mohammed Riyas' office and the fund-routing network for investigation.

24. Similarly, the statement of Shri Mohammed Shyjal K (Shaijal), S/o Ismail K, recorded under Section 17 of PMLA, 2002 on 18.08.2026 during the search of his residence at Kozhikode, reveals that Shri Mohammed Riyas personally requested a work/income opportunity for his wife Smt. Veena T, pursuant to which a proposal for a Dubai-based garment export business (through M/s Merak Prime) was floated in the presence of Shri Faijaz V P, with Shri Mohammed Riyas, Smt. Veena T and Faijaz V P travelling together with Shri Shyjal K when the proposal was discussed. Shri Shyjal K further deposed that he suggested to Smt. Veena T that his cousin Shri Varish K would invest funds in the business. This corroborates that the funds routed by Shri Varish K and Shri Shyjal K were connected to a common scheme involving Shri Mohammed Riyas' family.

25. The statement of Shri Nandulal M, S/o Narendran Malakkal, recorded under Section 17 of PMLA, 2002 on 18.08.2026, discloses a further benami communication channel: a Jio SIM card and router, activated on 19.04.2024 -days before Smt. Veena T's foreign travel - and registered in Shri Nandula M's name, was handed over by him to Shri

Mohammed Riyas at his request and passed on to Riyas' PA. Asked why the connection was taken in his name, Shri Nandulal M could only state: "It may be for hiding the real identity." It is corroborated in part by immigration records - that this SIM/router was used by Shri Mohammed Riyas and Smt. Veena T for communication during their confirmed joint Dubai trip of 03.05.2024 to 19.05.2024 (departing barely two weeks after the SIM's activation), undertaken to set up an offshore entity for routing illicit funds through accomplices such as Shri Faijaz V P, whose own travel (departing 02.05.2024, returning 27.05.2024) fully overlapped and bracketed their trip; immigration records confirm Shri Mohammed Riyas himself travelled with Smt. Veena T on both the departure and return legs, establishing his own direct presence in Dubai for this trip rather than merely having directed it from India. The flights recorded for this trip (IX-345/IX-346) are independently confirmed via public flight-tracking data to operate the Calicut-Dubai sector, corroborating the destination. This requires further verification through the SIM's call detail records and tower location data for the period. Shri Nandulal M, an associate of Shri Mohammed Riyas since 2009, also admitted purchasing two further SIMs during the April 2026 election period (one similarly passed to Riyas' PA, source of purchase unrecalled)

and to acting as Smt. Veena T's driver on the PA's instructions as recently as 16.08.2026. It is a fact that in 2023, Nandulal was appointed as Destination Manager, DTPC Kozhikode, during Shri Mohammed Riyas' tenure as Tourism Minister.

26. The statements of Shri Varish K and Shri Shyjal K dated 18.08.2026 provide further facts. Shri Varish K states Faijaz V P was introduced to him by Shri Mohammed Riyas during the 2021 elections and remained in Riyas' circle thereafter. Shri Varish K's statement shows the routing to Faijaz V P was on Shri Mohammed Riyas' direct instructions, not confined to Smt. Veena T and Faijaz V P alone. Shri Shyjal K remains a long-standing associate of Shri Mohammed Riyas.

27. The above facts shows the role of Shri. Mohamed Riyas in generation of funds which Smt. Veena was managing. The above stated facts shows that the hand written accounts seized from her house during the search on 27-05-2026 are the funds connected Shri. Mohamed Riyaz. The post search investigations show transfer of funds to Dubai between July 2024 and July 2025. This is further corroborated by the statements of Shri Varish K and Shri Shyjal K, both dated 18.08.2026, which establish that Shri Mohammed Riyas directly directed the routing of such illicit funds. These actions attract to commission of offences under the

Prevention of Corruption Act.

28.The PMLA investigation as narrated above reveals commission of a separate cognisable offence under the Prevention of Corruption Act by Shri. P.Vijayan (Ex CM of Kerlam) and Shri Mohamed Riyas (Ex Cabinet Minister), both public servants. In view of the above evidences found, the information is being shared under Section 66(2) of the PMLA, 2002 for the immediate registration of a FIR offences under the Prevention of Corruption Act, 1988 and other relevant laws against the following individuals and entities:

SI No.	Name of the Person / Entity	Role/Designation
1	Shri Pinarayi Vijayan	MLA/Ex-Chief Minister of Kerala & father of Smt. Veena T; as per admission of Shri P. Suresh Kumar (former CFO/CGM, CMRL). For receiving Rs. 3.28 crore bribe from CMRL through his daughter Smt. Veena.
2	Shri Mohammad Riyas	MLA/Ex-Minister, for receipt of bribes and transfer of such bribe funds to Dubai through Veena and known associates
3	Smt. Veena Thaikkandiyil (Veena T)	For assisting Sh. P Vijayan and Sh. Mohamed Riyas in the collection and routing of bribe funds.
4	M/s. Exalogic Solutions Private Limited	Corporate vehicle used for routing sham payments
5	Shri S.N. Sasidharan Kartha	Managing Director, M/s. CMRL for payment of bribes.
6	Shri P. Suresh Kumar	Former CFO & CGM (Finance), M/s. CMRL for assisting in payment of bribes.
7	M/s. Empower India Capital Investments Pvt.Ltd.	Entity used transfer of bribes
8	Shri Shaijal @ Shyjal	Assisting Smt. Veena and Shri Mohamed

	Mahammed	Riyas in collections and transfer of bribe funds.
9	Shri Nikhil P	Assisting Smt. Veena and Shri Mohamed Riyas in collections and transfer of bribe funds.
10	Shri Waris @ Hassan Varish	Assisting Smt. Veena and Shri Mohamed Riyas in collections and transfer of bribe funds.
11	Shri Faijaz V P	Assisting Smt. Veena and Shri Mohamed Riyas in collections and transfer of bribe funds.
12	Shri Nandulal M	Assisting Smt. Veena and Shri Mohamed Riyas in collections and transfer of bribe funds.
13	Unknown Others	Connected co-conspirators and facilitators

26. Further, the report would point out the necessity of investigating the matter by registering FIR for the offences under the relevant sections of the PC Act, along with the specific rules extracted hereinabove.

27. When the information furnished by the Directorate of Enforcement, Cochin Zonal Office, under Section 66(2) of the PMLA, vide communication dated 07.09.2026, bearing F.No. ECIR/KCZO/11/2024, is considered in its entirety, it contains sufficient primary materials disclosing, the commission of cognizable offences under the PC Act by the persons referred to in the information. The

nature and extent of the materials furnished in the information are such that and the same contains more materials what would ordinarily be required for the purpose of registering FIR and no more materials required to be collected in another enquiry as preliminary enquiry for registering FIR, as the scope of preliminary enquiry is not wide enough to collect more materials than one furnished in the information under Section 66(2) of the PMLA herein, when the information is much exhaustive. Thus, in the facts and circumstances of this case, no further enquiry is required in the instant case and the matters disclosed in the information under Section 66(2) of the PMLA make it obligatory for the State Police to register the FIR, rulling out the scope of any other enquiry.

28. When the information, along with the support of statements recorded and documents obtained, shows the commission of offences under the PC Act by the persons referred to in the information, a further preliminary enquiry, in the facts of the case, is found to be totally unwarranted, as pointed out by the learned counsel for the petitioner as well as the learned Standing Counsel appearing for the E.D., since the same contains sufficient materials to register FIR directly and to investigate the same. Here, the offence disclosed in the information

under Section 66(2) of the PMLA forwarded by the E.D. would show the commission of offences under the PC Act by the suspected persons referred to therein. In such a case, the competent authority to investigate the same is the Department of Vigilance, which is specifically empowered in this behalf. Though the Government may constitute a Special Investigation Team for investigating a particular matter, such constitution has to be in accordance with the statutory scheme under Section 21 of the KP Act.

29. In the instant case, as depicted in Ext.P9, dated 22.09.2026, issued from the Home Department, State Police Chief has directed to conduct an enquiry in the subject matter and accordingly, he had formed a special team. Since the special team was constituted for the purpose of conducting enquiry and such an enquiry (preliminary enquiry) in the facts of the case held to be not necessary, Ext.P9 is liable to be set aside and also the prayer in the petition to register FIR acting on Section 66(2) of the PMLA is liable to be allowed.

30. Here, the learned Advocate General submitted that the Government has a duty to strike a balance between the allegations raised and the rights of the suspected persons. In this connection, he has placed reliance on the decision of this Court in Crl.R.P.No.890/2023 dated 28.03.2025, filed by one Gireesh Babu, who is now no more, when he challenged the order passed by the learned Enquiry Commissioner and Special Judge (Vigilance), Muvattupuzha, rejecting the prayer for investigation raising same sets of allegations, for want of materials. It is further submitted that a similar order was challenged by Sri.Mathew A.Kuzhalsadan, the present MLA representing the Muvattupuzha constituency and a member of the Indian National Congress, before this Court in Crl.R.P.No.588/2024, which was dismissed on 28.03.2025, and that the judgment in the said Criminal Revision Petition was thereafter challenged before the Hon'ble Supreme Court, and the SLP was also dismissed by the Hon'ble Supreme Court. On perusal of the judgment of this Court rendered by a learned Single Judge in Crl.R.P.No.890/2023, it is seen that the complaint therein was essentially based on the entries maintained in a diary by a representative of CMRL. Therein, it was contended that the entries in the diary maintained by the authorised representative of

CMRL had no evidentiary value. In fact, this Court dismissed the revision, upholding the rejection of the prayer for investigation by the learned Special Judge, on the ground that the revision petitioner had failed to place any credible material to fasten criminal liability on the additional respondents. At the same time, this Court made it clear that **“the rejection of the complaint does not stand in the way of filing a fresh complaint or initiating prosecution against additional respondents 3 to 11 with adequate materials in future”**. Coming to Crl.R.P.No.588/2024, filed by Sri.Mathew A. Kuzhalsadan, therein also, the order in Crl.M.P.No.326/2024 on the files of the Enquiry Commissioner and Special Judge, Thiruvananthapuram, dated 06.05.2024, seeking an investigation into the allegation that respondent Nos.6 and 7 therein, who are M/s. Exalogic Solution Pvt.Ltd. as well as Mrs.Veena Thaikandiyil, committed offences punishable under Section 13(1)(b) of the PC Act, 1988, and Sections 120B and 34 of the Indian Penal Code (for short, ‘the IPC’ hereinafter), was challenged. In the said case, this Court considered the contentions *in extenso* and discussed the various

decisions dealing with Sections 190 and 200 to 204 of the Code of Criminal Procedure, 1973 (for short, 'the Cr.P.C.' hereinafter), and in paragraph Nos.62, this Court observed that *“unless the order passed by the Magistrate is perverse or, the view taken by the court is wholly unreasonable or there is nonconsideration of any relevant material, or there is palpable misreading of records, the Revisional Court is not justified in setting aside the order, merely because another view is possible. The Revisional Court is not meant to act as an Appellate Court. The whole purpose of the revisional jurisdiction is to preserve the power in the court to do justice in accordance with the principles of criminal jurisprudence. The revisional power of the court under Sections 397 to 401 Cr.P.C is not to be equated with that of an appeal. Unless the finding of the court, whose decision is sought to be revised, is shown to be perverse or untenable in law or is grossly erroneous or glaringly unreasonable or where the decision is based on no material or where the material facts are wholly*

*ignored or where the judicial discretion is exercised arbitrarily or capriciously, the courts may not interfere with the decision in exercise of their revisional jurisdiction. {Vide: **Sanjaysinh Ramrao Chavan v. Dattatray Gulabrao Phalke [(2015) 3 SCC 123]**, **Munna Devi v. State of Rajasthan & Anr [(2001) 9 SCC 631]** and **Asian Resurfacing of Road Agency Pvt. Ltd. v. Central Bureau of Investigation [(2018) 16 SCC 299)]}***”. Further, it was held that “in the present case, the complainant could only place certain materials highlighting ‘suspicions’ based on the allegations in the complaint and ‘not facts’ constituting the offences alleged. It was also observed that “an unnecessary investigation or an enquiry into an offence under the Prevention of Corruption Act against a public servant based on such suspicions may cause a blemish on his career or reputation. Being called to appear before a criminal court as an accused is a serious matter that affects one's dignity, selfrespect and image in the society {Vide: **Mehmood Ul**

Rehman v. Khazir Mohammad Tunda, [(2015) 12 SCC 420], Abhijit Pawar v. Hemant Madhukar Nimbalkar [(2017) 3 SCC 528] and Vijayan S. v. Central Bureau of Investigation and Others [2021 (6) KHC 467]}}.” When the matter was taken up by the Hon’ble Supreme Court by Special Leave Petition (Criminal) Diary No.33761/2025, the Hon’ble Apex Court was not inclined to interfere with the impugned final judgment and order passed by this Court.

31. Here, the crucial aspect is that the matters to be considered by a Magistrate while considering a private complaint are entirely different from those to be considered on the basis of information forwarded by the E.D. under Section 66(2) of the PMLA. As held by the learned Single Judge of this Court in the aforesaid Crl.R.Ps., placing certain materials highlighting suspicions based on the allegations in the complaint is not sufficient to constitute offences under the PC Act. But, the situation is different when an agency competent to investigate under the PMLA, on

investigation, finds the commission of offences under the PC Act by the persons referred to therein, including respondent No.7 in Crl.R.P.No.588/2024. Therefore, the subject matter covered by Crl.R.P.Nos.588/2024 and 890/2023 and the findings therein would not operate as a bar to act upon the findings of the E.D., which were communicated to the DGP as information, with a request to register FIR.

32. Here, apart from the note books and diaries, the information passed by the E.D. to the DGP, would show sufficient materials including statements of many witnesses and the suspected persons and other materials referred in the information, as extracted hereinabove. Most importantly, many materials referred to in the information have been collected after dismissal of the above revision petitions and the same, in fact, led to passing of an information under Section 66(2) of the PMLA for registering FIR. Therefore, above proceedings and order of this Court or by the Hon'ble Apex Court would not stand in the way of an effective

investigation based on sufficient materials disclosed in the information under Section 66(2) of the PMLA.

In the result, this Writ Petition (Crl.) is allowed, as indicated below:

The decision of the Government to form a Special Team to conduct enquiry as per Ext.P9 without registering FIR is found illegal in the facts of the case and therefore, the same is set aside.

Consequently, the 3rd respondent, the Director, Vigilance and Anti-Corruption Bureau, Thiruvananthapuram, is specifically directed to register FIR based on the information furnished under Section 66(2) of the PMLA for the offences disclosed therein under the PC Act, against the suspected persons specifically mentioned therein, forthwith, without any delay, and to investigate the allegations through competent officers of the Vigilance and Anti-Corruption Bureau and file the final report, without much delay.

It is specifically ordered that the DGP or the head of the

Special Investigation Team, having custody of the information under Section 66(2) of the PMLA shall hand over the same to the 3rd respondent, forthwith, and the 3rd respondent shall obtain the same for the purpose of registering FIR, without fail and proceed further, in accordance with law. In this connection, the E.D. is directed to forward all necessary documents to the 3rd respondent, forthwith, and the 3rd respondent is free to call for any other documents required for the purpose of investigation after registering FIR.

The learned Advocate General is specifically directed to communicate the order to all concerned, forthwith, without fail.

Sd/-
A. BADHARUDEEN
JUDGE

Bb

APPENDIX OF WP(CRL.) NO. 1476 OF 2026

PETITIONER'S EXHIBITS

Exhibit P1	TRUE COPY OF THE PETITION GIVEN BEFORE THE STATE POLICE CHIEF ALONG WITH ACKNOWLEDGMENT ISSUED BY THE OFFICE OF THE STATE POLICE CHIEF NO. 189373/2026/PHQ DATED 22-9-2026
Exhibit P2	THE TRUE COPY OF THE PETITION GIVEN BEFORE THE VIGILANCE DIRECTOR ALONG WITH ACKNOWLEDGMENT ISSUED BY THE OFFICE OF THE STATE POLICE CHIEF NO.112475 DATED 22-9-2026
Exhibit P3	THE TRUE COPY OF THE ORDER ISSUED BY THE INTERIM BOARD FOR SETTLEMENT-II, NEW DELHI DATED 12-6-2023
Exhibit P4	TRUE COPY OF THE INVESTIGATION REPORT DATED 27-11-2024
Exhibit P5	TRUE COPY OF THE COMPLAINT FILED BY THE SERIOUS FRAUD INVESTIGATION OFFICE, CHENNAI UNIT NOW PENDING AS CRL.M.P 1537/2025 ON THE FILE OF DISTRICT COURT, ERNAKULAM
Exhibit P6	TRUE COPY OF THE ORDER TAKING COGNIZANCE BY SESSIONS COURT NO.VIII, ERNAKULAM IN CRL.M.P 1537/2025 DATED 11-4-2025
Exhibit P7	TRUE COPY OF THE ORDER ISSUED BY THE SESSIONS COURT NO.VIII, ERNAKULAM IN CRL.MP.NO.4/2026 IN CRL.M.P 1537/2025 DATED 8-6-2026
Exhibit P8	THE TRUE COPY OF THE PRESS RELEASE ISSUED BY THE ENFORCEMENT DIRECTORATE (ED) 19-08-2026
Exhibit P9	TRUE COPY OF THE ORDER NO. T6/62125/2024/PHQ DATED 23-09-2026 ISSUED BY STATE POLICE CHIEF

RESPONDENTS' EXHIBITS : NIL