

BEFORE THE ADJUDICATING AUTHORITY

(Under the Prevention of Money Laundering Act, 2002)

New Delhi

Before

Dr. D. Singhai, Chairman

OC No.: 1146/2019

Zone: - Kolkata

Order

Date: 09.10.2019

**Ms. Mohsina Tabassum,
Deputy Director,
Enforcement Directorate,
Govt. of India, CGO Complex,
3rd MSO Building, DF Block,
6th Floor, Salt Lake City,
Kolkata – 700064.**

.....Complainant

- (1) **M/s. Shree Ganesh Jewellery House (I) Ltd.
Regd. Office at 413, Vardan Market,
25 A, Camac Street, 4th Floor,
Kolkata-700016.**

.....Defendant no. 1



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OC- 1146/19 (M/s Shree Ganesh Jewellery House (I) Ltd. & Others)

- (2) Shri Nilesh Parekh, Chairman
/Promoter of M/s. Shree Ganesh Jewellery House (I) Ltd.
5/1/1 B, Cornfield Road, Kolkata-700019.Defendant no. 2
- (3) M/s Nischay Jewels Pvt. Ltd.,
38 Southern Avenue,
Kolkata-700029.Defendant no. 3
- (4) M/s Sumit Jewels Pvt. Ltd.
Suite 413, Vardaan Market,
4th Floor, 25A Camac Street,
Kolkata-700016.Defendant no. 4
- (5) M/s Liberson Dealcomm Pvt. Ltd.,
9B, Hiland Sapphire, 13/2, Ballygunge Park Road,
Kolkata – 700019.Defendant no. 5
- (6) M/s Dhanteras Estates Pvt. Ltd.
24B, Park Street, 2nd Floor,
Park Centre, Kolkata-700016.Defendant no. 6
- (7) M/s Kalindi Enclave Pvt. Ltd.,
38 Southern Avenue,
(Dr. Meghnad Saha Sarani),
Kolkata-700029.Defendant no. 7



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(8) M/s K R Associates.

6A, Iron Side Road,

Kolkata-700019.

.....Defendant no. 8

(9) M/s Swastik Wheat Product (Agencies) Pvt. Ltd.

24 B Park Street, 2nd Floor Park Centre

Kolkata -700016.

.....Defendant no. 9

(10) M/s Safal Properties Pvt. Ltd.

,Amrapali Apartment, Flat No. 53,

4th Floor, 53/1, K M Naskar Road, Tollygunge,

Kolkata -700040.

.....Defendant no. 10

(11) Smt. Ratna Parekh

W/o Shri Nilesh Parekh,

Solomon Mansion,

7 Royd Street, Park Street,

Kolkata-700016.

.....Defendant no. 11

(12) Karan Parekh,

S/o Nilesh Parekh,

5/1/1 B, Cornfield Road,

Kolkata-700019.

.....Defendant no. 12

(13) Shri Umesh Parekh, Promoter of

M/s. Shree Ganesh Jewellery House (I) Ltd ,

6A Iron Side Road,



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Flat NO. 204,
Kolkata-700019

.....Defendant no. 13

(14) Shri Kamlesh Parekh, Promoter of
M/s. Shree Ganesh Jewellery House (I) Ltd.,
6A Iron Side Road,
Flat NO. 501, 5th Floor ,
Block B Windsor Palace,
Kolkata-700019.

.....Defendant no. 14

(15) Corporation Bank,
ARMB Wachel Molla Mansion,
8 Lenin Sarani, Dharmtolla Branch,
Kolkata-700013.

.....Defendant no. 15

(16) Axis Bank Ltd., Stressed Asset Group (East),
1 Shakespeare Sarani,
AC Market (4th Floor),
Kolkata – 700071.

.....Defendant no. 16

(17) Bata India Ltd.,
418/02 Sector-17,
Gurugram, Mehrouli Road,
Gurugram-122001

.....Defendant no. 17



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OC- 1146/19 (M/s Shree Ganesh Jewellery House (I) Ltd. & Others)

(18) Jhonson & Jhonson Pvt. Ltd.,
DLF IT Park, C-Wing (12th Floor),
8, Major Arterial Road, New Town,
Kolkata-700156.

.....Defendant no. 18

(19) M/s Aero Club (Woodland),
Karol Bagh, 2168,
Gurudwara Road,
New Delhi -110005.

.....Defendant no. 19

(20) Ambuja Reality,
City Centre Mall, Uttorayan Township,
Matigara, NH-31,
Siliguri-734010.

.....Defendant no. 20

(21) ✓ Anup Kumar Singh,
Insolvency Professional
C/o Sumedha Management Solutions (P) Ltd. Trinity Tower,
Suit No: 3G, 226/1, AJC Bose Road,
Kolkata-700020.

.....Defendant no. 21

Appearance:-

For the Complainant

: Mr. Naveen Kumar Matta, Mr. Sudarsyhan
Ghosh, Ld. Advocate,

For the Defendant No. 1 & 3

: None

For the Defendant No. 2 to 12

: Mr. S.A Saud , Ld. Advocate

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For the Defendant No. 13	: Mr. Yuvraj Parekh, Ld. Advocate
For the Defendant No. 14	: Mr. R. P Saini, Ld. Advocate
For the Defendant No. 15	: Mr. Alok Kumar, Mr. Ketul Hansraj, Ld. Advocate
For the Defendant No. 16	: Mr. Konark Rishi Bhatnagar, Ms. Aditi Agarwal, Mr. Ritul Tandon, Ld. Advocate
For the Defendant No. 17	: Mr. Neeraj Grover, Ld. Advocate
For the Defendant No. 19	: Mrs. Kanishka Singhal, Mr. Ajay Sharma, Satish Yadav, Ms. Poonam, Ld. Advocate
For the Defendant No. 20	: Mr. Abhijit Das Grover, Ld. Advocate
For the Defendant No. 21	: Ms. Pratiksha Sharma, Mr. Ankit Acharya, Ms. Soumya Chakraborty, Ld. Advocate
Date of Hearings	: 10.07.19, 02.08.19, 26.08.2019, 02.09.2019, 13.09.2019, 20.09.2019

1. This complaint has been filed by Ms. Mohsina Tabassum, Deputy Director, Directorate of Enforcement, Kolkata before this Adjudicating Authority on 13.05.2019 u/s 5(5) of the Prevention of Money Laundering Act, 2002 (PMLA) against M/s Shree Ganesh Jewellery House (I) Ltd. Kolkata (SGJHIL) and 20 others as defendant as a result of passing of a Provisional Attachment Order (PAO) No. dated 16.04.2019 by which following immovable/movable properties of defendants were provisionally attached u/s 5(1) of PMLA.



Immovable property – Table 'A' Total value Rs. 79,04,49,366/-

Table 'A'

Sl	Location	Owner of the property	Details of the property	Details of Deeds and mode of transaction	Deed Value (in Rs.)	Total amount of Deed value Stamp duty etc. paid for purchasing the property (in Rs.)	Market Value (in Rs.)
1	2	3	4	5	6	8	
1	Nariman Point	M/s Shree Ganesh Jewellery House Limited	241/242, Nirmal Building, Barrister Rajani Patel Marg, Nariman Point, Mumbai 400021	The deed of transfer of the property of commercial premises measuring 3100 square feet and the commercial premises measuring approximately 768 square feet both located on the Ground Floor of the building known as 'Nirmal' Constructed on the land bearing plot No. 241 & 242 situated at Backbay Reclamation, Nariman Point, Bombay 400021. is made and executed at Mumbai in 24.05.2011 between Mr. Rajendra Somani and Mr. Surendra Somani (both	117500000	123592000	400140000

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			<p>Transferors) as first part and M/s Shree Ganesh Jewellery House Limited as transferee as second part and Mr. Susheel Somani as confirming party and as a third part with sale deed consideration of Rs.11,75,00,000/- plus Stamp duty 60,92,000/-.</p> <p>Thus total consideration is paid towards this transaction is 12,35,92,000/-.</p> <p>Sale deed bearing no 4611/2011</p> <p>A sum of Rs. 1,31,00,000/- paid by SGJHIL vide RTGS transfer on 15.03.2011 to the bank account of Shree Gayatri Trust bearing No. 1787415573 maintained with Central bank, Mumbai main Office Branch, Mumbai-400023.</p> <p>A balance sum of Rs. 10,00,00,000/- was paid by SGJHIL vide pay order No. 733443 dated 23.05.2011 drawn on Corporation Bank, Kalbadevi Branch, Mumbai-400002 in favour of Shree</p>		
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OC-1146/19

SGJHIL

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				Gayatri Trust. All the same paid as per the instruction of the transferor. Market Value as on 24.08.2013 Rs. 4001.40 lakhs as given by Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017			
2	Hyderabad Panjagutta	M/s Shree Ganesh Jewellery House Limited	All the western portion of property bearing Municipal Nos. 6-3-883/2/2 /C-1, 6-3-883/2/2 /A, comprising of Cellar Ground plus Flour admeasuring 3,102 Sq. Ft. along with 75.027 sq yards of land in premises bearing Municipal No. 6-3-883/2/2, situate at	Sale deed bearing no.745/2011 was executed on 09.05.2011 between SGJHIL as vendee or purchaser and Shri Shivcharan Sanghi and Sri Krishna Kumar Sanghi as vendors or sellers with sale consideration of Rs. 3,75,00,000/- plus stamp duty and other charges Rs. 28,12,300/- This total consideration is paid towards this transaction is 4,03,12,300/- Certified deed received vide letter dated 07.04.2018 from Joint Sub Registrar, Sanjeev Reddy Nagar Market Value as on 24.08.2013 Rs. 496.32 lakhs as given by Shri Rajesh Deepak AGM, SBI Kolkata	37500000	40312300	49632000

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			Panjagutta, Hyderabad.	vide his statement dated 06.07.2017			
3		M/s Shree Ganesh Jewellery House Limited	All that piece of parcel Non Agricultural freehold land together with building comprising corporate office (Building No -1) and Software development centre Building No-2 standing thereon situated, lying and being at village Lohagaon, Taluka Haveli, District- Pune, bearing Survey No. 207, Hissa No. 1 B admeasuring 23200 sq mtrs and survey	Market Value as on 24.08.2013 Rs. 275.12 lakh and w.d.v. as on 30.09.2013 is Rs. 255.03 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata lakhs vide his statement dated 06.07.2017. w.d.v. value of Rs. 255.03 lakhs is being considered as the value of the property for this provisional attachment order	-	25503000	27512000

Pune

25/10/2019 P.M.A.



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			No. 207, Hissa No 2, Village - Lohagao n, taluka Haveli, District- Pune, Registra tion Sub District- Haveli NO. 2A/2 of Village Vadgoan sheri admeas uring 12988 Sq Mtrs and survey No. 33, Hiss No. 2B/2 also of village Vadgoan sheri Taluka Haveli District Pune and admeas uring 1100 Sq Mtrs and Aggregat ing in all to 74014 Sq mtrs, East Court Mall, Viman N agar,			
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OC-1146/2019 P.M.V



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			Pune - 411014				
4		M/s Shree Ganesh Jeweller y House Limited		Market Value as on 24.08.2013 Rs. 280.84 lakhs as given by Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017. payment detail provided by Mr Yogesh Pradhan (Mall Head) vide email dated 29.09.2018 the payment made by SGJHIL for Unit No. 14 is Rs. 66,42,544/- & for unit 15 for Rs. 60,71,428/- Further Mr. Abhinav Das Gupta Sr. Manager (Legal) Ambuja Realty Development Ltd. Kolkata vide his statement dated 08.05.2019 u/s 30 of PMLA clarified that in addition to the above said payments a sum of Rs. 1,20,36,000/- was paid by SGJHIL towards the application money of the above said two units .Thus total value incurred by SGJHIL for purchasing of this property is amounting to Rs. 2,47,49,967/-.		24749967	28084000

Siliguri
City
Centre
Mall

Ground
Floor,
Block-B
City
Centre
Mall,
Uttoraya
n
Township
Matigara
, NH-31,
Siliguri -
734010.

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			Same value is taken for this Provisional Attachment.				
5	Dhoraji - Gujarat	M/s Shree Ganesh Jewellery House Limited	A Commercial property Shop No. 17,18 & 19 Total Carpet area Admeasuring Sq. mtrs 39.93 situated on the First Floor of the Building Known as "Pawan Commercial Complex" which is constructed on Land Sq Mtrs 441-10 of Lat No. 76 City Survey No. 389, Chalta No. 4, within the Municipal Limit of Dhoraji and	Sale deed bearing no 2027/2011 was executed on 07.10.2011 between SGJHIL as vendee or purchaser and M/s Pawan Developers Partners & Others as vendor or seller with sale consideration of Rs. 4,80,000/-, vide Cheque No. 515898 payable at Axis Bank Ltd. Dalhousi, Kolkata/ Certified deed received vide letter dated 09.04.2018 from Sub Registrar, Dhoraji Stamp duty for the above said transaction is 24,500/- thus total payment towards this transaction is Rs. 5,04,500/- Market Value as on 24.08.2013 Rs. 9.46 lakhs as given By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017	480000	504500	946000

			situated at Junagadh Road Opp. Old Bhawatsinhji High School, Dhoraji.				
6	Kodinar - Gujarat	M/s Shree Ganesh Jewellery House Limited	A commercial property Shop No. 15 & 16 total area Sq Ft. 270.60 Sq Mtrs 25.14 situated on the Ground floor of the building known as "Abhijeet Complex" which is constructed on land bearing Subplot no. 2/B of Revenue Survey No. 20 Paiki Acre 0-10 Gutha and subplot	Sale deed bearing no 1524/2011 .was executed on 14.10.2011 between SGJHIL as vendee or purchaser and Dilipsingh Naranbhai Morji as vendor or seller with consideration of Rs. 6,00,000/- vide Cheque No. 515858 and Rs. 5,00,000/- vide Cheque no. 526469 dated 10.10.2011 payable of Axis Bank Ltd. Branch, Dalhousi Branch, Kolkata Certified deed received vide letter dated 21.04.2018 from Sub Registrar, Kodinar. Market Value as on 24.08.2013 Rs. 8.93 - lakhs as given by Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017	600000	600000	893000

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			no. 1/A, 2/A of Revenue Survey No. 20 Paiki Acre 0- 11 Gutha of Kodinar and bearing portion of city Survey No.775/ B Paiki of Kodinar City and situated at south side of Una - Kodinar Road, near Chhara Zapa, Kodinar, Dist Junagad				
7	Una - Gujarat	M/s Shree Ganesh Jeweller y House Limited	Commer cial property of total area meas uring carpet Area Approx Sq Fts. 384.02 Sq mtrs 35-69 shop balcony and staircase (Total 61.1303	Sale deed bearing no 3289/2011 was executed on 13.10.2011 between SGJHIL as vendee or purchaser and Shri Ramben bhailal Rajpura as vendor or seller with sale consideration of Rs. 18,00,000/- Rs.2,00,000/-vide cheque no. 515855 dated 07.09.2011 and Rs. 16,00,000/-	1800000	1890000	2496000

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			sq Mtrs build up) being whole first floor of the building, which is constructed on the land bearing Block-B of City Survey No. 450 admeasuring 61.1303 Sq Mtrs Vasa Chock of Una City, Una Taluka of Junagadh	vide cheque no. 526468 dated 10.10.2011 at Axis bank Ltd. Dallhousi Branch, Kolkata. Stamp duty for the above said transaction is 90,000/- thus total payment towards this transaction is Rs. 18,90,000/-. Market Value as on 24.08.2013 Rs. 24.96 lakhs as given by Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017			
8	M/s Shree Ganesh Jewellery House Limited Bhavnagar - Gujarat	Commercial property bearing office No. 1, admeasuring 58-14 Sq mtrs i.e. 625-65 Sq Feet on first floor of the building known as Shanti Aradhan	Sale deed bearing no 4893/2011 was executed on 15.12.2011 between SGJHIL as vendee or purchaser and Smt. Sardaben Rasiklal Mehta as vendor or seller with sale consideration of Rs. 14,26,000/-. Out of which 7.13 lakhs each were paid vide cheque nos. 024096 & 024097 of Axis bank in favour of Sardaben Rasiklal	1426000	14240420	2190000	

		Commer cial Complex being Constru ction on the Free Hold Plot No. 3/c at Takhtes hwar bearing City Survey Ward No. 7, Sheet No. 226 and City Survey No. 1176/3 of Bhavnag ar City of Bhavnag ar Sub District of Bhavnag ar.	Mehta Varsaben and Kanubhai Royala dated 07.12.2011 respectively. Stamp duty and other charges for the above said transaction is 14,420/- thus total payment towards this transaction is Rs. 14,40,420/- Market Value as on 24.08.2013 Rs. 21.9 lakhs as given by Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017 Certified deed received vide letter dated 10.04.2018 from Sub Registrar- Bhavnagar-1 (City)			
9	M/s Shree Ganesh Jeweller y House Limited Talaza Gujarat	Commer cial property bearing Shop no. 3 admeas uring 33.65 Sq. Mts i.e. 362.20 Sq. Feet on first floor of the building	Sale deed bearing no 1409/2011 was executed on 19.12.2011 between SGJHIL as vendee or purchaser and Gulamabbasbhai Nurmahammadbh ai Bhurani as vendor or seller with sale consideration of Rs. 7,00,000/- Rs. 7,00,000/- was paid vide chq no. 572409 dated	700000	707090	1014000

		known as " Five star Complex " being constructed on Plot No. 32 near Old bus stand Talaja bearing City Syrvey Sheet No. 28 and 29, City Survey No. 1720 and 2983 of Talaja City of Talaja Sub District of Bhanagar District.	10.12.2011 payable at Axis Bank Ltd. Dalhaousi Branch in favour of G. N. Bhurani. Stamp duty and other charges for the above said transaction is 7,090/- thus total payment towards this transaction is Rs. 7,07,090/-. Market Value as on 24.08.2013 Rs. 10.14 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017				
10	Surendranagar - Gujarat	M/s Shree Ganesh Jewellery House Limited	Shop No. 121 & 122 total carpet Area about 69.214 Sq. Mt. situated on 1st Floor on Shubha	Sale deed bearing no 5575/2011 was executed on 08.11.2011 with deed consideration of Rs. 25,00,000/- between SGJHIL as vendee or purchaser and M/s Subhalaxmi Construction as	2500000	2622500	3352000

Stamp: 10/07/2019
 Seal: Gujarat State
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		<p>laxmi Avenue Building bearing City Survey Ward No. 2 P, Tav No. 78 P Unify City Survey No. 64 P, lying and being at Surendranagar within Municipal Limit Ta. Wadhwan, Dist. Surendranagar.</p>	<p>seller or vendor . Out of 25 lakhs Rs. 2 lakhs vide cheque no. 515856 dt. 07.09.2011 and Rs. 23,00,000/- vide cheque no.526471 dt. 10.10.11 Stamp duty and other charges for the above said transaction is 1,22,500/- thus total payment towards this transaction is Rs. 26,22,500/- Certified deed received vide letter dated 14.03.2018 from Sub Registrar Surendranagar. Market Value as on 24.08.2013 Rs. 33.32 lakhs as provided by Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017</p>			
11	<p>Morbi - Gujarat</p>	<p>M/s Shree Ganesh Jewellery House Limited Commercial property - Northern Side Shop No. 1 & 2 total area Admeasuring Sq. Fts 440-00 Sq mts</p>	<p>Sale Deed bearing no 11973/2011 was executed on 07.10.2011 with sale deed consideration of Rs. 6,00,000/- between SGJHIL as vendee or purchaser and Shri Ashokbhai Mahadevbhai Zalariya as seller or vendor</p>	600000	629400	968000

			41-00 situated on the Ground Floor of the building known as "Geeta Complex -5" which is constructed on the land sq Mtrs 85-25 bearing city Survey Ward No. 1, Sheet No. 204, Chalta No. 111, City Survey No. No. 264271 of Morbi and situated at Vaghpar opp. Retaining Wall, Near the Vasant Plot, Dawoodi Nala, Morbi.	Sale consideration of Rs. 6,00,000/- paid vide cheque no. 526445 dtd.07.10.2011 payable at Axis Bank Ltd. Kolkata. Stamp duty and other charges for the above said transaction is 29,400/- thus total payment towards this transaction is Rs. 6,29,400/-. Market Value as on 24.08.2013 Rs. 9.68 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017			
12	Bilimore - Gujarat	M/s Shree Ganesh Jewellery House Limited	Rajalxmi Plaza bearing ground Floor + 3 floors and at	Sale Deed bearing no 2112/2011 was executed on 07.12.2011 with sale deed consideration of	991000	1067500	1409000

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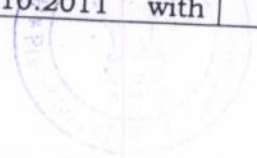
		<p>First Floor of the Building, bearing office No. 101, Bilimora Municipal No. 2491/15 admeasuring Sq. feet 542 and Sq Mtrs 50.37 in the Navsari District, Sub District Gandevi, within the limit of Bilimora Nagar Palioka in Gaubhar baug area, Rev Survey no. 41/1, Snt No. 56, City Survey No. 3071/2 + 3071/1 merged and given a New City Survey No. 3071/2.</p>	<p>Rs. 9,91,000/- between SGJHIL as vendee or purchaser and Shri Jagdishbhai Pratapji Kumavat and others as seller or vendor. a sum of Rs. 5,00,000/-vide Cheque No. 526477 and Rs.4,91,000/- vide Cheque no. 564928 dated 05.11.2011 and 07.12.2011 respectively at Axis bank Ltd. Branch, Dalhousie Branch, Kolkata/ Certified deed received vide letter dated 04.04.2018 from Sub District Registrar, Gandevi. Stamp duty and other charges for the above said transaction is 76,500/- thus total payment towards this transaction is Rs. 10,67,500/-.</p> <p>Market Value as on 24.08.2013 Rs. 14.09 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017.</p>			
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13	Amreli - Gujarat	M/s Shree Ganesh Jewellery House Limited	Shop No. 106 Admeasuring Area Approx 114-77 Sq.mtrs 10-66 Sq situated on the First Floor of the building known as " City Mall' and constructed on the land of Tika No. 1/2 City Survey No. 21 Paik total admeasuring Sq Mtrs. 476-59-50 of Amreli and situated at Raj Kamal Chowk- Amreli	Sale deed bearing no. 4349 /2011 was executed on 21.10.2011 with consideration of Rs 3,00,000/- between SGJHIL as vendee or purchaser and M/s Shanti Construction Co. Amreli, Partner Dipak Kumar Shantilal Mehta as seller or vendor. Out of Rs 3 lakhs 1 lakhs was paid by Axis bank Cheque payable at Kolkata while remaining 2 lakhs was paid by Axis bank's Cheque bearing no. 515853. Certified deed received from Sub Registrar Amreli vide letter dated 17.03.2018. Stamp duty and other charges for the above said transaction is 23,510/- thus total payment towards this transaction is Rs. 3,23,510/-.	300000	323510	
14	Amreli - Gujarat	M/s Shree Ganesh Jeweller	Shop No. 105 196-68 Sq mtrs	Sale deed bearing no. 4350/2011 was executed on 21.10.2011 with	800000	840300	1557000



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	<p>y House Limited</p>	<p>, 18-27 Sq situated on the First Floor of the building known as " City Mall' and constructed on the land of Tika No. 1/2 City Survey No. 21 Paiki total admeas uring Sq Mtrs. 476-59-50 of Amreli and situated at Raj Kama Chowk Amreli</p>	<p>sale consideration of Rs 8,00,000/- between SGJHIL as vendee or purchaser and Prakashbhai chandubhai Gohil as seller or vendor . Rs. 2 lakhs and Rs. 6 lakhs was paid by Axis bank's cheques bearing nos 497000 and 515852 dt. 07/09/2011 respectively. Certified deed received from Sub Registrar Amreli vide letter dated 17.03.2018. Stamp duty and other charges for the above said transaction is 40300/- thus total payment towards this transaction is Rs. 8,40,300/- Two sale deed executed on 21.10.2011 for the property mentioned in Sr. No. 13 & 14. Market Value as on 24.08.2013 of properties mentioned in Sr. No. 13 & 14 is Rs. 15.57 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017</p>			
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15	Ahmedabad Gita Mandir	M/s Shree Ganesh Jewellery House Limited	Shp No. 2 admeasuring 221 Sq feet and Shop No. 14 admeasuring 128 sq feet and shop no 15 admeasuring 133 sq feet in aggregate admeasuring 482 sq feet i.e. 44.78 sq. mts. On ground floor comprised in the building known as "Shaswat Arcade" being constructed by Shreedhar Builders on the non-agricultural land bearing final plot no. 104 of Hissa	Sale bearing Deed no. 14130/2011 was executed on 28.09.2011 with sale deed consideration of Rs. 21,36,000/- between SGJHIL as vendee or purchaser and Smt. Lajwantiben Shankarlal Panjwami and others as seller or vendor. Rs. 18,000/- , Rs. 18,000/- , Rs. 10,50,000/- and Rs. 10,50,000/- was paid vide cheque nos. 526419, 526418, 526417 and 526416 respectively with all dated 27.09.2017 payable at Axis bank Kolkata. Stamp duty and other charges for the above said transaction is 1,26,450/- thus total payment towards this transaction is Rs. 22,62,450/-. Market Value as on 24.08.2013 of property is Rs. 43.38 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017	2136000	2262450	4338000
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		No. 4 Paiki of Private Sub-Plot no. 1 of Kakriya T.P. Scheme No. 2 situate lying and being at Village Mouje Rajpur-Hirpur, Taluka: City Ahmedabad.				
16	M/s Shree Ganesh Jewellery House Limited Ahmedabad - Ishanpur	Free Hold Commercial Property being Unit (Shop) No. B-101 admeas 1037 Sq Fts i.e. 100.98 Sq Mts of the First Floor of, Radha Krishna Villa, on Survey No. 74 paiki, T.P. Scheme No. 37, Final Plot No. 38	Sale deed bearing no. 14364/2011 was executed on 28.11.2011 with consideration of Rs. 42,00,000/- between SGJHIL as vendee or purchaser and Smt. Anita Devi Kakwani as seller or vendor. 42,00,000/- paid by Cheque bearing no. 545616 dated 20.10.2011 drawn on Axis bank Ltd. Kolkata. Certified deed received vide letter dated 03.04.2018 from Sub Registrar Ahemdabad-5(Narol). Stamp duty and other charges for the above said	4200000	4447800	7065000

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		admeasuring 12895 sq mtrs paiki 6447.50 sq mtrs (of Private part-A) Mouje Danilim da, Taluka: City , Situated lying & being Registra tion District and Sub District of Ahemda bad-5 (Narol).	transaction is 2,47,800/- thus total payment towards this transaction is Rs. 44,47,800/- Market Value as on 24.08.2013 of property is Rs. 70.65 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017.				
17	Surat - Gujarat	M/s Shree Ganesh Jeweller y. House Limited	Commercial property bearing Shop No. 3 admeasuring 22.29 Sq mts on Ground floor of the building known as "Rajwadi Palace" being construc	Sale Deed bearing no. 24780/2011 was executed on 26.12.2011 with sale deed consideration of Rs. 15,00,000/- between SGJHIL as vendee or purchaser and Nazmaben Aiyubhai Vora as seller or vendor. Sale consideration of Rs. 15,00,000/- paid vide cheque no. 572442 dated 21.12.2011 payable at Axis	1500000	1500000	1800000

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			ted on the land bearing City Survey No. 2679, of City Ward No. 6 of Lal Darwaja Area, Surat City of Choryasi Sub District of Surat District.	bank Ltd. Kolkata. Market Value as on 24.08.2013 of property is Rs. 18.00 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017			
18	M/s Shree Ganesh Jewellery House Limited	Junagah - Gujarat	A commercial property -Shop No. 11 admeasuring Area approx Sq Fts 436.00 Sq Mts 40.52 situated on the ground Floor of the building know as "Deewan Complex" which is constructed on the land of city Survey Block	Sale Deed no. 9993/2011 was executed on 10.10.2011 with sale deed consideration of Rs. 22,00,000/- between SGJHIL as vendee or purchaser and Shri Vinodkumar Rranjivanbhai Thakker as seller or vendor. Sale consideration of Rs. 22,00,000/- Rs. 1 lakhs is paid vide axis bank cheque while remaining Rs. 21,00,000/- was paid vide cheque no. 496956 dt. 17.08.2011. Market Value as on 24.08.2013 of property is Rs. 32.70 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata	2200000	2200000	3270000

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			No.17 City Survey No. 244, Property Gh. K. No. 22/2000 , Gharbhe ni Sanad No. 4/2001 of Junagad h and situated at Janta Chowk, Junagad h.	vide his statement dated 06.07.2017			
19	Porbandar Gujarat	M/s Shree Ganesh Jeweller y House Limited	A Commer cial property -Office No.-F- 2/B Admeas uring Sq Mts. 05 00 situated on the First Floor of the Building known as " Kuber Land Mark" which is construc ted on land of city survey ward no. 3 city	Sale bearing 8859/2018 executed on 09.10.2018 with sale deed consideration of Rs. 30,00,000/- between SGJHIL as vendee or purchaser and Shri Pradipkumar N Dattav and others as seller or vendor. Sale Consideration of Rs. 30,00,000/-, vide Cheque No. 496991 payable at Axis Bank Ltd. Dalhousi, Kolkata. Certified deed received vide letter dated 25.03.2018 from Sub Registrar, Porbandar Market Value as	Deed no. 3000000	3000000	4599000

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			<p>survey No. 174 to 178 and 183 total sq mts 918-23 (as per amalgamation of City Survey record Sq. Mtrs 897-3365) of Porbandar City situated at S.V.P. Road, Khakh Chowk Area, Porbandar - 1st Floor, Kuber complex SVP Road Porbandar</p>	<p>on 24.08.2013 of property is Rs. 45.99 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017</p>			
20	<p>M/s Shree Ganesh Jewellery House Limited Dwarka-Gujarat</p>	<p>All that piece and parcel of freehold Commercial Property comprised of land admeasuring 38.57 Sq Mtrs, and construction on the first</p>	<p>Sale Deed bearing no. 2816/2011 was executed on 25.11.2011 with consideration of Rs. 5,50,000/- between SGJHIL as vendee or purchaser and Shri Rasiklal Girdhardas Pabari as seller or vendor. Sale consideration of Rs. 5,50,000/- paid vide cheque no. 564927 dated</p>	550000	578500	1687000	

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			<p>Floor of the said land admeasuring 44.87 Sq Mts. Along with common right of stair on Ground floor bearing House No. 6/50 being part of Revenue Survey No. 1 of Surajkar adi Village of Sub District Dwarka of Jamnagar District.</p>	<p>18.11.2011 payable at Axis bank Ltd. Kolkata in favour of Rasiklal Girdhardas Pabari Stamp duty and other charges for the above said transaction is 28,500/- thus total payment towards this transaction is Rs. 5,78,500/-Market Value as on 24.08.2013 of property is Rs. 16.87 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06/07.2017</p>			
21	Jetpur - Gujarat	M/s Shree Ganesh Jewellery House Limited	<p>Sale Deed of Commercial property Shop No. 4 & 5 Sq Mtrs 10-76 and 11-95 total Sq</p>	<p>Sale Deed bearing no.4354/2011 was executed on 13.9.2011 with sale deed consideration of Rs. 25,00,000/- Between SGJHIL as vendee or purchaser and Shri Dhirajlal Popatlal Koladia</p>	2500000	2622500	3001000

			<p>Mts. 22-91 situated on Ground floor constructed on the land plot No. 4, City Survey seat No. 42, Survey No. 5433/16 of Jetpur situated at Junagadh Road near Old Power House land Jetpur.</p> <p>and others as seller or vendor. Sale Consideration of Rs. 25,00,000/- Out of 25 lakhs 4 cheques of 6,25,000/-each bearing no. 515871,515873,515874 & 515875 of Axis bank Ltd. payable at Kolkata. Certified deed received vide letter Dated 20.03.2018 from District Sub Registrar Jetpur. Stamp duty and other charges for the above said transaction is 1,22,500/- thus total payment towards this transaction is Rs. 26,25,500/- Market Value as on 24.08.2013 of property is Rs. 30.01 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017.</p>			
22	Upleta - Gujarat	M/s Shree Ganesh Jeweller House Limited	<p>A constructed commercial shop premise on the ground floor situated in Upleta's City</p> <p>Sale Deed bearing no. 3564/2011 was executed on 28.09.2011 with sale deed consideration of Rs. 15,00,000/- between SGJHIL as vendee or purchaser and Shri Dhirajlal Ramjibhai Barochiya and</p>	1500000	1573500	2137000

		Survey No. 2651 Paiki, Sheet No. 35 Paiki within the boundaries of Upleta Nagarपालिका standing on the entire land area measuring 141.1 Sq Mtr having carpet area 44-16 Sq Mtr.	others as seller or vendor. Sale consideration of Rs. 15,00,000/- Out of 15 lakhs 7.5 Lakhs each was paid vide Axis bank Cheque Nos. 526402 and 526403 respectively dated 19/09/2011 Certified deed received vide letter dated 17.03.2018 from Sub Registrar Upleta, Gujrat. Stamp duty and other charges for the above said transaction is Rs. 73,500/- thus total payment towards this transaction is Rs. 1,57,3,500/- .Market Value as on 29.08.2013 of property is Rs. 21.37 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017.				
23	Rajkot - Gujrat	M/s Shree Ganesh Jewellery House Limited	Residential /Commercial Property Comprised of Land measuring 53-07 Sq. Mts or thereabout and constructed	Sale Deed bearing no. 24205/2011 was executed on 31.12.2011 with consideration of Rs. -27,00,000/- .between SGJHIL as vendee or purchaser and Shri Viral Bharatbhai Pobaru as seller or vendor. Out of 27 lakhs	2700000	2700000	3705000

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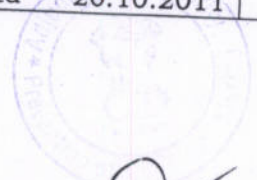
		tion admeasuring 21-23 Sq. Mts or thereabout standing thereon bearing plot no. 78 of City Survey Ward No. 15, City Survey No. 601, Paiki of NA land Revenue Survey No. 451 Paiki of Rajkot City of District -Sub District Rajkot.	Rs. 12,00,000/- was paid vide Cheque No. 564964 dt. 28.11.11 drawn on Axis Bank and Rs. 15,00,000/- was paid vide cheque no. 572441 dt. 22.12.2011 drawn on Axis Bank Dalhousi Branch, Kolkata. Market Value as on 24.08.2013 of property is Rs. 37.05lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017			
24	M/s Shree Ganesh Jewellery House Limited Rajkot Gujrat	A Commercial property Shop No. 106 & 107 total carpet area Sq Fts 286-00 situated on the First Flooe of the	Sale Deed bearing no. 7938/2011 executed on 09.09.2011 with sale deed consideration of Rs. 15,00,000/- between SGJHIL as vendee or purchaser and Shri Hirenbbhai Kishorbhai Raiyani as seller or vendor Out of 15 Lakhs Rs. * 7,00,000/-	1500000	1573500	2002000

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		building known as "Guruprasad Complex" which is constructed on the land of Plot No. 49 Sq Mtrs 370-65 & Plot No. 50 Sq Mtrs, 402-98 total Sq Mtrs 773-63 of NA Land of Revenue Survey No. 398/2 Palki of Rajkot bearing City Survey ward No. 5677 & 5639 of Rajkot.	and 7,00,000/- was paid vide cheque no. 496951 and 496952 both dated 17.08.2011 respectively and remaining 1 lakhs vide another cheque all payable at Axis Bank Ltd. Dalhousi Branch, Kolkata. Certified deed received vide letter dated 10.04.2018 from Sub Registrar, Rajkot Zone-1. Stamp duty and other charges for the above said transaction is Rs. 73,500/- thus total payment towards this transaction is Rs. 15,73,500/- Market Value as on 24.08.2013 of property is Rs. 20.02 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017.			
25	M/s Shree Ganesh Jewellery House Limited Keshod - Gujrat	Freehold Commercial property being Shop No. 102 & 103 total admeas	Sale bearing Deed no. 3148/2011 executed on 11.10.2011 with sale deed consideration of Rs. 15,20,000/- between SGJHIL as vendee or	1520000	1607431	2467000

			<p>uring carpet Area Approx. Sq Mtrs 65.50 situated on the First Floor of the Building " J.T. Mall" which is constructed on the land of Plot No. 4 Paiki Souther sa side Land admeas uring Sq Mtrs 134-89 i.e. Choras Gaj 563-00 Block No. E, City Survey NO. 13 of Keshod and situated at Ambava di Plot, Keshod, Dist. Junagad h.</p>	<p>purchaser and Shri Virambhai Jivabhai Odedara and others as seller or vendor. Out of Rs. 15.20 lakhs Rs. 2,80,000/- , 3,80,000/- ,3,80,000/- and 1,00,000/- was paid vide Axis Bank 's Cheques bearing no and dates are 496962 dt. 17.08.2011, 496961 dt. 07.08.2011, 496960 dt. 17.08.2011 , 496957 dt. 17.08.2011 and 602762 dt. 29.07.2011 respectively. Certified deed received vide letter dated 08.03.2018 from Sub Registrar, Keshod . Stamp duty and other charges for the above said transaction 87431 thus total payment towards this transaction is Rs. 16,07,431/- . Market Value as on 24.08.2013 of property is Rs. 24.67 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017.</p>			
26	Rajula - Gujarat	M/s Shree Ganesh	Rajula - Gujrat as	Sale deed bearing no. 2501/2011 was executed on	1500000	1515180	1980000

	Jewellery House Limited	mentioned in deed bearing no, 2501/2011 dated 12.12.2011.	12.12.2011 with consideration of Rs. 15,00,000/- out of Rs. 15,00,000/-, 5,00,000/- each was paid vide cheque no. 572408, 572407, & 572406 all dated 12.12.2011 payable at Axis Bank Ltd. Kolkata. Stamp duty and other charges for the above said transaction 15180 thus total payment towards this transaction is Rs. 15,15,180. Market Value as on 24.08.2018 of property is Rs. 19.80 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017.			
27	M/s Shree Ganesh Jewellery House Limited Vadodra - Gujarat	Shop and Sale Deed bearing no. 11742/2011 executed on 25.10.2011 with consideration of Rs. 36,00,000/- between SGJHIL as vendee or purchaser and Bindukumar Mohanlal Shah and others as seller or vendor. Rs. 18 Lakhs each was paid by Axis bank's Cheques bearing nos. 545618 & 545619 dtd 20.10.2011	Deed no. 11742/2011 executed on 25.10.2011 with consideration of Rs. 36,00,000/- between SGJHIL as vendee or purchaser and Bindukumar Mohanlal Shah and others as seller or vendor. Rs. 18 Lakhs each was paid by Axis bank's Cheques bearing nos. 545618 & 545619 dtd 20.10.2011	3600000	3776500	4800000



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		being part of Revenue Survey No. 122/2, 419 and 421 of Mouje Savad Gam and Revenue Survey No. 808 & 809 of Mouje Kasba Gam of District vadodra and Registra tion Sub District vadodra-3 Akota)	respectively payable at Kolkata. Certified deed received vide letter dated 05.04.2018 from Sub Registrar Akota-3. Stamp duty and other charges for the above said transaction 1,76,500 thus total payment towards this transaction is Rs. 37,76,500/-.				
28	M/s Shree Ganesh Jewellery House Limited Thangadh - Gujarat	Commercial property comprising of Western side Northern Road Side Shop admeasuring 37-50 Sq mtrs i.e. 403-44 Sq Ft. on the Ground Floor of the residenti	Deed bearing no. 2133/2011 was executed on 03.10.2011 with consideration of Rs. 15,00,000/- between SGJHIL as vendee or purchaser and Shri Rajeshbhai V Lakhani and others as seller or vendor. Out of 15 lakhs. 7.50 Lkhs each was paid by Axis bank's Cheque payable at Kolkata bearing Nos. 515867 dt. 01.10.2011 and	1500000	1573500	2017000	

			al Cum commer cial building which is construc ted on NA land plot admeas uring 170-00 Sq. Yds i.e. 142- 13-70 Sq. Mtrs being part of Plot No. 17 of Revenue Survey No. 6 and 8/2 of Village Thangad h, bearing city Survey No. 1066 Panki of Thangad h city of Tala Chotila Dist- Surendr anagar.	515858 dt. 01.10.2011 respectively. Certified deed received vide letter dated 16.03.2018 from Sub Registrar Chotila. Stamp duty and other charges for the above said transaction 73,500 thus total payment towards this transaction is Rs. 15,73,500/-. Market Value as on 24.08.2013 of property is Rs. 20.17 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06/07/2017				
29	Wankan er - Gujarat	M/s Shree Ganesh Jeweller y House Limited	All that Piece and parcel of property of Hall (Constru cted) on First	Sale bearing 2533/2011 executed on 05.10.2011 with sale deed consideration of Rs. 15,00,000/- between SGJHIL	Deed no. was on with deed	1500000	1573500	2085000

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	<p>Floor, admeasuring 33.73 Sq Mts of thereabout (along together with the rights of stairs admeasuring 5 Sq Mts. And balcony admeasuring 9.40 Sq Mts) together with proportionate right in the land constructed and forming part of City Survey No. 3133 of Sheet No. 37 of Wankaner situated at Wankaner District Rajkot.</p>	<p>as vendee or purchaser and Shri Girdharilal Bhagvanjibhai Sutar as seller or vendor. Out of 15 Lakhs, 2 lakhs RTGS from bank Account 01960100000878 and Rs. 13,00,000/- vide cheque No. 515854 dated 07.09.2011 of Axis bank Cheque payable at Kolkata, Certified deed received vide letter dated 12.03.2018 from Sub Registrar- Wankaner Stamp duty and other charges for the above said transaction 73,500 thus total payment towards this transaction is Rs. 15,73,500/-. Market Value as on 24.08.2013 of property is Rs. 20.85 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017.</p>			
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30	Gondai - Gujarat	M/s Shree Ganesh Jewellery House Limited	<p>A commercial property -Office No. 17, Admeasuring Area Sq Fts 267-57 Sq Mts 24-86 Sq. Yds 29-73 situated on the First Floor of the building known as Star Complex and constructed on the Land of Plot No. 8 total admeasuring Sq Mts 4084-88 of Revenue Survey No 420 Paiki of Gondal and situated at Jetpur Road, Gondal.</p>	<p>Sale Deed bearing no. 6363/2011 executed on 20.08.2011 with sale deed consideration of Rs. 10,00,000/- between SGJHIL as vendee or purchaser and Nandlal Hansrpariya as seller or vendor. Rs. 10 Lakhs paid vide Cheque No. 496954 dt. 17.08.2011 payable at Axis bank Dalhousi, Kolkata. Stamp duty and other charges for the above said transaction 49,000/- thus total 10,49,000/-.</p>	1000000	1049000
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31	Gondai - Gujarat	M/s Shree Ganesh Jewellery House Limited	A commercial property -Office No. 16, Admeasuring Area Sq Fts 267-57 Sq Mts 24-86 Sq. Yds 29-73 situated on the First Floor of the building known as Star Complex and constructed on the Land of Plot No. 1 to 8 total admeasuring Sq Mts 4084.88 of Revenue Survey No 420 Paiki of Gondal and situated at Jetpur Road, Gondal.	Sale Deed bearing no. 6365/2011 executed on 20.08.2011 with sale deed consideration of Rs. 10,00,000/- between SGJHIL as vendee or purchaser and Hansaben Vallabhbbhai Kavathiya as seller or vendor. Rs. 9 Lakhs paid vide Cheque No. 496953 dt. 17.08.2011 payable at Axis bank Dalhousi, Kolkata. and 1 lakhs vide axis bank cheque no 602764 dated 26.07.2011. Stamp duty and other charges for the above said transaction total 49,000/- thus total 10,49,000/- Market Value as on 24.08.2013 of property mentioned in Sr No. 30 & 31 is Rs. 29.43 lakhs as provided By Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017.	1000000	1049000	2943000
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32	Memnagar-Gujrat	M/s Shree Ganesh Jewellery House Limited	Unit/Shop No. G/102 on the Ground Floor having Super Built up area 2775 Sq. ft. i.e. 257.80 Sq Mts, Sub Plot No . 03 and 06 of Adarsh Cooperative Housing Society Ltd. situated on the land bearing Final Plot No. 251 of Town Planning Scheme No. 3 (Ellis-Bridge) Situated , lying and being Moje Shekhpur-Khanpur , Taluka	Sale Deed bearing no. 12629/2011 was executed on 23.11.2011 with sale deed consideration of Rs. 1,95,00,000/- between SGJHIL as vendee or purchaser and M/s Harshitam Realty Pvt. Ltd. as seller or vendor. Rs. 1,95,00,000/- paid by Cheque No. 564909 drawn on Axis Bank Ltd. Kolkata. Certified deed received vide letter dated 07.04.2018 from Sub Registrar Ahmedabad-3 (Memnagar). Stamp duty and other charges for the above said transaction 9,55,500/- thus total 2,04,55,500/-. Market value of the property is not available.	19500000	20455500	20455500
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			Vity, in the Registration District of Ahmedabad and Sub District of Ahmedabad-3 (Memnagar)			
33	Rajkot-Gujrat	Shree Ganesh Jewellery House (I) Ltd.	Shree Ganesh Jewellery House (I) Ltd. was the absolute owner of this premises, as evidenced by the lease deed dated 26.11.2014 bearing No. 4944/2014 between Shree Ganesh Jewellery House (I) Ltd. as lessor/one part and Bata India Ltd. as the lessee/other part as lessee.	17096000	34081000	
		Shop NO. G-17, Ground Floor, Crystal Mall, Kalavad Main Road, opposite Rani Tower, Rajkot-360005.	Pledged with LIC & Axis Bank as submitted by Shri Rajesh Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017.			Market value as on 24.08.2013 of 340.81 lakhs and closing w.d.v. as on 30.09.2013 is Rs. 170.96 lakhs as provided By Shri Rajesh

				Deepak AGM, SBI Kolkata vide his statement dated 06.07.2017. closing w.d.v as on 30.09.2013 is Rs. 170.96 lakhs is taken as the value of the property for this provisional attachment order.			
34	Liberson Dealcom m Private Ltd.	Unit No. 9B admeas uring 4260 sq ft.(super built up area) on the 9 th Floor of the new Building at the said premise s No. 13/2, Ballygun ge Park Road, under Old P.S.(Old) Ballygun ge (New) Karaya, Kolata- 700019, under Ward No. 65 of Kolkata Municip al Corporat ion.	The Deed of Conveyance bearing no. I- 10498 of 2011 made on 2.12.2011 by and between PDK Estates Pvt. Ltd. (Formerly known as Mokabari Kanoj Tea Estate Pvt. Ltd. Owner First Part, Hiran Project Ltd. - Developer-Second Part, and Liberson Dealcomm Private Ltd. a company (PAN AABCL1352Q) represented by its Director Smt. Ratna Nilesh Parekh Purchaser-Third Part and Mr. Sanjay Prakash, S/o late Ved Prakash, Confirming Party as Fourth Part with sale consideration of Rs. 1,22,15,000/- (Market value as on 03.12.2011 as assessed by Addl. Registrar of	12215000	15489487	46778100	

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				<p>Assurance-1 of Kolkata s Rs. <u>4,67,78,100/-</u>) Stamp duty and other charges for this transaction is Rs. 32,74,487/- . thus total payment towards this transaction is Rs. 1,54,89,487/- .</p> <p>It is to be mentioned that as per Auditor' Report of SGJHIL for 2011-12 dated 24.05.2012 Liberson Dealcomm Private Ltd. was directly /indirectly under common control with SGJHIL. as reflected in related party disclosure in accordance with AS-18.</p>			
35	<p>Liberson Dealcomm Private Ltd. Ballygunge Kolkata</p>	<p>Unit No. 10B admeasuring 4260 sq ft. (Super builtup area) on the 10th Floor of the new Building at the said premises No. 13/2, Ballygunge Park Road, under</p>	<p>The Deed of Conveyance bearing no. I-10499 of 2011 made on 2.12.2011 by and between PDK Estates Pvt. Ltd. (Formerly known as Mokalbari Kanoi Tea Estate Pvt. Ltd.) Owner-First Part , Hilan Project Ltd. - Developer-Second Part and Liberson Dealcomm Private Ltd. a company (PAN AABCL1352Q) represented by its Director Smt.</p>	12215000	15519307	47204100	

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		<p>Old P.S.(Old) Ballygunge (New) Karaya, Kolata-700019, under Ward No. 65 of Kolkata Municipal Corporation.</p>	<p>Ratna Nilesh Parekh Purchaser-Third Part and Mr. Sanjay Prakash, S/o late Ved Prakash, Confirming Party and Fourth Part with sale consideration of Rs. 1,22,15,000/- .(Market value as on 03.12.2011 as assessed by Addl. Registrar of Assurance-1 of Kolkata is Rs. 4,72,04,100/-)</p> <p>Stamp duty and other charges for this transaction is Rs. 33,64,307/- . thus total payment towards this transaction is Rs. 1,55,19,307/-</p> <p>It is to be mentioned that as per Auditor' Report of SGJHIL for 2011-12 dated 24.05.2012 Liberson Dealcomm Private Ltd. was directly /indirectly under common control with SGJHIL. 9 as reflected in Related party disclosure in accordance with AS-18.</p>			
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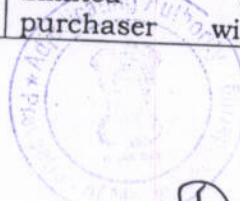
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36	Park Street-Kolkata	M/s Dhanteras Estates Pvt. Ltd.	<p>No. 91A/1, Park Street, (previous ly 91A and 91 B, Park Street and prior thereto 91, park Street and previous to that 44 Park Street) , Office Block NO. 501 having super built up area measuri ng about 7414 Sq Ft. situated on the 5th Floor of the building named "Avni Signature" lying at premise s No. 91 A/1, Park Street, Kolkata-700016 in South Division of Town Kolkata, within</p>	<p>The Deed of conveyance bearing No. I-16044 of 2011 is made on 27.12.2011 between Inter Continental Promoters Pvt. Ltd. as the Vendor / One part and M/s Dhanteras Estates Pvt. Ltd. represented by its Director Shri Hitesh Rajanikant Dhinoja as a purchaser/ other part with sale consideration of Rs. 11,82,33,520/- 1,00,54,035/- was paid by RTGS through ICICI Bank Ltd. on 23.12.2011 Rs. 3,70,87,569.98 was paid by banker's Cheque no. 265224 dated 27.12.2011 on ICICI bank Ltd., 215 Nariman Point, Mumbai-400021. Rs. 2,43,89,137/- was paid by banker's cheque no. 265222 dated 27.12.2011 2011 on ICICI bank Ltd., 215 Nariman Point, Mumbai-400021. Rs. 2,84,69,258.02 by demand draft No. 202321 dated 26.12.2011 on ICICI bank Ltd.</p>	118233520	126509876	126509876
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			<p>Kolkata Municipal Corporation .</p> <p>Connaught Place, New Delhi. Rs. 1,82,33,520/- was paid by Demand Draft No. 202323 dated 27.12.2011 on ICICI bank Ltd. Connaught Place, New Delhi.</p> <p>Stamp duty and other charges for this transaction is Rs. 82,76,356/- thus total payment towards this transaction is Rs. 12,65,09,876/-.</p> <p>It is to be mentioned that as per Auditor Report of SGJHIL for 2012-13 dated 27.05.2013 M/s Dhanteras Estates Pvt. Ltd. was directly and indirectly under common control with SGJHIL. as reflected in Related party disclosure in accordance with AS-18. Market value of this property is not available.</p>			
37	Mondal Para, W.B.	Shree Ganesh Jewellery House (I) Ltd.	<p>One stories pucca building lyuying at Mouza Sinthee, Plot No 14, Premises No.</p> <p>Deed of sale is executed on 11.03.2002 between Smriti Chakraborty as vendor or seller and Shree Gojanand Jewellers Private Limited as purchaser with</p>	1000000	1000000	1646000


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	<p>12/1/14 , Mondal Para Lane , Kolkata- 700090, P.S. Bara Nagar, District- 24 North Pargana s, Addition al District, Sub Registry Office Cossipor e, Dum Dum, within the Limits of Baranag ar Municip ality compris ed in Dag No 161,163, 160,158, 159,175, 180 and Khatian No. 563,564, 565,566 at yearly rent of Rs. 50/- J.L. No. 11, R.S. No. 9 Touzi No. 1298/28 33.</p>	<p>sale consideration of Rs. 10,00,000/- (presently Amalgamated with Shree Ganesh Jewellery House Ltd. as per the Red Herring Prospectus u/s 60 B of Company Act,1956 of Shree Ganesh Jewellery House Ltd. dated 12.03.2010 and as per the FIR registered By CBI, BF& FC dated 12.07.2016.)</p> <p>Value as on 24.08.2013 Rs 16.46 lakhs was submitted by Shri Rajesh Deepak AGM, SBI, Kolkata vide his statement dated 06.07.2017.</p>			
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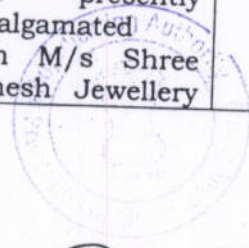
38	Domjur- Howrah	Shree Ganesh Jeweller y House (I) Ltd.	Land situated at Mouza-Domjur, J.L. No. 33, under C.S., Khatian No. 369,370 & 1464, RS khatian No. 273,658, 1847,20 76,2539 and 5139 in P.S. Domjur and land admeas uring 61.30 cottah situated at Villagde Sasthita, P.O. Domjur, under Domjur Gram Panchay at, Dist-Howrah owned by SGJHIL and Shri Umesh Parekh, . As evidenced from letter dated 20.03.20	Exclusively mortgaged with Corporation Bank. as evidenced from letter dated 20.03.2018 received from Corporation Bank, ARMB, Kolkata . Market value of the property as on 15.05.2017 is Rs. 1429.21 Lakhs as submitted by Corporation Bank, ARMB Branch, Kolkata, on 23.03.2018. the same value is taken in this attachment. In this connection one deed of partition dated 12.11.2001 was on record between Mr. Umesh Parekh S/o Late Shailendra Parekh as one part Mr. Subhash Parekh S/o Late Daulat Parekh as second part and Mr. Dinesh Parekh S/o Late Daulat Parekh as third part with property apportioned in Schedule B, C & D respectively among these three persons. The said properties which comprises of all that piece or parcel of Danga, Doba, Pond & Bastu land by an area of 318 satak comprising in	NA	142921000	142921000
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		<p>18 received from Corporation Bank, ARMB, Kolkata. All the Factory shed & Building along with Land at Domjur, P.S. - Domjur, Dist-Howrah</p>	<p>Mouza Domzur, P.S.-Domjur, Dist-Howrah, J.L. No. 33 and declared price as per the Partition deed for property mentioned in Schedule B, C & D is Rs. 12,84,000/- each that is total value of the above mentioned property is Rs. 38,52,000/- .Further property mentioned in schedule C was purchased by M/s Shree Ganesh Jewellery House Pvt. Ltd.(Purchaser) from Shri Subhash Parekh (Vendor) as evidenced in sale deed dated 17.01.2003 with sale deed consideration of Rs.2,00,000/- Market Value assessed is Rs. 16,60,000/- for this property as per the above said deed. Further property mentioned in Schedule D was purchased by M/s Janki properties Pvt. Ltd.(Purchaser) (M/s Janki Properties Pvt. Ltd. presently Amalgamated with M/s Shree Ganesh Jewellery</p>			
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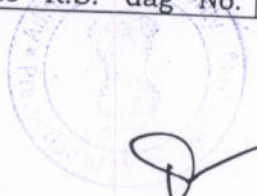
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				<p>House Ltd.) from Shri Dinesh Parekh (Vendor) as evidenced in sale deed dated 15.01.2002 with sale deed consideration of Rs.99,000/- Market Value assessed is Rs. 12,84,000/- for this property as per the above said deed. Another sale deed dated 16.12.2003 executed between Sri Umapasa Dhara and others as vendors and Shree ganesh Jewellery House (Pvt.) Ltd. as purchaser with sale consideration of Rs. 5,09,000/- for the property of all that piece and parcel of the Sali land in the Dist Howrah, P.S. & A.D.S.R. office at Domjur, in the Mouza-Domjur, J.L. No. 33 under C.S. Khatian No. 1464, 370 & 369, LR.S. khatian No. 658, 273,2076,5139,25 39 & 1847 in Mouza Domjur, P.S: Domzur, District Howra pertaining to R.S. Dag No. 5108, to the extent of 17 Decimal Began Land (Full of the Plot) appertaining to R.S. dag No.</p>		
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			5111, to the extent of 17 Decimal Danga (Full of the plot) appertaining to R.S. Dag No. 5113, to the extent of 11 Decimal Bagan Land (Full of the Plot) and appertaining to R.S. Dag No. 5114, to the extent of 17 Decimal Bagan Land (Full of three Plot) in total four Dags to the extent of 62 Decimal Danga & Bagan land. Market Value assessed was Rs. 16,90,000/- for this property as per the above said deed.			
39	Shree Ganesh Jeweller y House (I) Ltd Park Street- Kolkata	Premise s being 2815 Sq Ft super Built up area and 2516 sq Ft carpet area on the second floor being Flat No. 2A in the building namely Park Centre situated at 24 A Park	M/s Doyen Traders and Properties Ltd. was the absolute tenant /landlord of this premises. Doyen Traders and Properties Ltd. got merged with Shree Ganesh Jewellery House (I) Ltd. as per amalgamation dated 01.04.2006 as evidenced by the lease deed bearing No. I-02820 of 2009 dated 27.02.2009 between Shree Ganesh Jewellery House as lessor and Johnson &	NA	45000000	45000000

			Street, Kolkata-700016.	Johnson Limited as lessee. Approximate market value is taken as Rs. 4,50,00,000/- as on 15.05.2017 on the basis of valuation details as provided by Corporation Bank in the serial no .4 and also as this property is adjacent and located in the same building mentioned below in serial no. 4. Further value of Rs. 4,50,00,000/- is being taken for this property for this provisional attachment order.			
40	Shree Ganesh Jewellery House (I) Ltd. Exclusively mortgaged with Corporation Bank	Premises no. 24 Flat No. 2-B, Park Street on the second floor North side and being a portion of the aforesaid multi storied building " Park Centre" situated and comprised in the land	Park Street, Kolkata	Indenture of sale made on 30.11.1999 between Sk. Abul Mohsin as vendor on part and M/s Doyen Traders and properties (P) Ltd. as purchaser/another part, with sale consideration of Rs. 4,50,000/- M/s Doyen Traders and properties (P) Ltd. was amalgamated as discussed above and also as per MCA 21 Data Base . It also revealed from the MCA 21 data base that Mr. Nilesh Parekh and Mr. Umesh Parekh	450000	450000	17283000



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			<p>containing built up area of 890 Sq ft. P.S. Park Street, Calcutta - 700016, within the local limits of Calcutta Municipal Corporation ward No. 63.</p>	<p>were Directors of the Company. Exclusively mortgaged with Corporation Bank as evidenced from letter dated 20.03.2018 received from Corporation Bank, ARMB, Kolkata. Market value of the property as on 15.05.2017 is Rs. 172.83 Lakhs as submitted by Corporation Bank, ARMB Branch, Kolkata, on 23.03.2018.</p>		
41	<p>Shri Nilesh Parekh & Shri Umesh Parekh Exclusively mortgaged with Corporation Bank</p> <p>Camac Street, Kolkata</p>	<p>All that proportionate undivided leasehold interest in the piece and parcel of land containing by estimation an area of 1 Bigha 11 cottahs 6 chittacks 5 sq ft. (be little more or less) situate lying and being</p>	<p>Exclusively mortgaged with Corporation Bank as evidenced from the letter dated 20.03.2018 from Corporation Bank, ARMB Branch, Kolkata. Market value of the property as on 15.05.2017 is 51.10 lakhs as per the valuation details submitted on 23.03.2018 by Chief Manager Corporation Bank, ARMB Kolkata. In this regard two gift deeds dated 06.02.2004 and 01.08.2003 between Smt. Rani Parekh (also known as Ratna Parekh) W/o Nilesh Parekh as donor and Shri Nilesh Parekh and</p>		5110000	5110000



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			<p>premise s no. 25 A , Camac Street, in the Unit No. 125, 1st Floor, admeas uring 231 Sq ft. Vardaan Market, 25A , Camac Street , Kolkata- 17.</p>	<p>between Smt. Sumona Parekh W/o Shri Umesh Parekh , donor and Shri Umesh Parekh donee respectively. Market value of Rs. 51.10 lakhs is being taken for this PAO.</p>		
42	<p>Shree Ganesh Jeweller y House (I) Ltd.</p> <p>Exclusiv ely mortgag ed with Corperat ion Bank.</p> <p>Camac Street, Kolkata</p>	<p>413, Vardaan Market, 25A, Camac Street, Kolkata- 700016</p>	<p>Exclusively Mortgaged with Corporation Bank as evidenced from the letter dated 20.03.2018 from Corporation Bank, ARMB Branch, Kolkata. Market value of the property as on 15.05.2017 is 311.40 lakhs as per the valuation details submitted on 23.03.2018 by Chief Manager Corporation Bank, ARMB Kolkata. The above said market value is taken for the attachment value</p>		31140000	31140000

				of the property.			
43	Ballygunge Kolkata	M/s Swastik Wheat Product (Agencies) Pvt. Ltd.	All that the piece and parcel of land containing according to the title deed as area of 2 Bighas 2 Cottah 7 chittack s 7 sq ft of land be the same a little more or less (but excluding g 700 sq meters of land marked for acquisition) situate lying at and being G-02, situated at the North-West Corner of the Ground floor at Premise No. 227,	The Deed of Conveyance bearing No. I-09821 of 2009 made on 06.09.2006 between Peerless General Finance & Investment Co. Ltd. as Vendor / one part and M/s Swastik Wheat Product (Agencies) Pvt. Ltd. as purchaser with sale consideration of Rs 96.00 Lacs. /-.(Market value as on 05.11.2008 as assessed by Addl Registrar of Assurance of Kolkata Rs. 1,58,73,000/-) Stamp duty and other charges for this transaction is Rs. 9,52,380/- thus total payment towards this transaction is Rs. 1,05,52,380/- . It is to be mentioned that as per Auditor' Report of SGJHIL for 2011-12 dated 24.05.2012 Sswastik Wheat Product (Agencies) Pvt. Ltd. was directly /indirectly under common control	9600000	10552380	15873000

			<p>Acharya Jagadish Bose Road, Police Station Ballygunge, Kolkata-700019 containing a total super Built up area of 2100 Sq Ft, in Division 6, Sub-division "O" Holding No.3 in Mouza-Chakraberia of the town of Calcutta</p>	<p>with SGJHIL. as reflected in Related party disclosure in accordance with AS-18.</p>			
44	Garhahat -Kolkata	<p>M/s Liberson Dealcomm Pvt. Ltd.</p>	<p>Premise No. 5/3/1B Flat No. 4WC lying situated on the south eastern side of the fourth floor of the west block of Mani Kanchan Apartment</p>	<p>The Deed of conveyance bearing No. 10621 of 2004 (Endorsement for Deed No. I-13966 of 2009) made on 22.12.2004 between Shri Arabinda Das & Smt. Sharmila Das as Vendors and M/s Liberson Dealcomm Pvt. Ltd. as a purchaser with sale consideration of Rs 30 Lakhs. /-.(Market value as on 22.12.2007 as assessed by</p>	3000000	3407200	4072000

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		admeasuring a covered area of 1904 Sq ft. Dr. Radha Kumud Mukherjee Srani, P.S. Gariahat, Kolkata-700019.	<p>Addl. Registrar of Assurance-1 of Kolkata Rs. <u>40,72,000/-</u></p> <p>Stamp duty and other charges for this transaction is Rs. 4,07,200/-.</p> <p>thus total payment towards this transaction is Rs. 34,07,200/-.</p> <p>It is to be mentioned that as per Auditor' Report of SGJHIL for 2011-12 dated 24.05.2012 Liberson Dealcomm Private Ltd. was directly /indirectly under common control with SGJHIL as reflected in Related party disclosure in accordance with AS-18</p>			
45	Shri Nilesh Parekh, Exclusively mortgaged with Corporation Bank Mirja Gahb Street, Kolkata	All that one storyed brick built measuring tenamnet dwelling house together with piece and parcel of land thereunto belonging on part whereof	<p>The deed of Gift is made on 08.02.2004 between Late Kumud Parekh W/o Shailendra Nath Parekh as donor & one part and Shri Nilesh Parekh as donee & Second part. Exclusively mortgaged with Corporation Bank as evidenced from the letter dated 20.03.2018 from Corporation Bank, ARMB Branch, Kolkata.. Market value of the property as on 15.05.2017 is</p>	NA	41440000	41440000

			<p>the same is receted and built contain on area of 6 cotthas 13 Chittacks 5 Sq. ft more or less situated lying at and being premises No. 55 A, Mirja Galib Street , Kolkata.</p>	<p>414.40 lakhs as per the valuation details submitted on 23.03.2018 by Chief Manager Corporation Bank, ARMB Kolkata. The above said market value is taken for the attachment value of the property.</p>			
46	<p>Ironside Road, Kolkata</p>	<p>Sri Kamlesh Parekh & Mrs. Priti Kamlesh Parekh</p>	<p>Flat No. 501, on the fifth floor of Block B at Windsor Palace, containing a total covered area of 2040 Sq ft. plus parking space at 6A, Ironside Road, Kolkata-19</p>	<p>Agreement made on 08.05.1992 between Nityanath Estates Pvt. Ltd. (Owner of the property) and Sri Kamlesh Parekh & Mrs. Priti Kamlesh Parekh Purchaser and the United Properties Pvt. Ltd. Builder for construction of Apartment type B1 on 5th Floor of Block B, being Flat - No. 501 at Windor Palace, 6A, Ironside Side Road, Calcutta-700019. The market value of this property is 2,00,00,000/- approximately.</p>	NA	20000000	20000000

				<p>Approximate market value is taken as Rs. 2,00,00,000/- as on 03.12.2011 on the basis of valuation assessed by Addl Registrar of Assurance-I Kolkata in respect to the property at 13/2 Ballygunje Park Road, Kolkata-19 provided in serial no. 41 of para 7.5 of the PAO. This instant property is located in the same area as mention is serial no 41 of Para 7.5 Further value of Rs. 2,00,00,000/- is being taken approximate value of this property for this provisional attachment order.</p>			
47	<p>M/s Shree Ganesh Jewellery House Ltd.</p> <p>Shyampur Calcutta</p>	<p>Exclusively mortgaged with Corporation Bank</p>	<p>All that partly two storeyed and three storeyed messuag e tenanments lands hereditaments together with the piece and parcel of land</p>	<p>Indenture of sale made in 01.04.2004(Endorsement for deed number I-03829 of 2009 between Samit Pani Brahmchari and others as one part - Vendors or sellers and M/s Janki Properties Pvt. Ltd. presently Amalgamated with M/s Shree Ganesh Jewellery House Ltd. as purchaser with sale consideration of Rs. 10,00,000/-</p>	1000000	1816598	21870000

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		<p>thereunto belonging known and / or part thereon the same is erected and built containing an area of 7 (Seven) Cottahs 2 Chittacks more or less and constructed area about 4619 sq. ft. situate lying at being premises No 9 Ram Narayan Bhattacharya Lane Block No. XXV Holding No. 56 and 57 in North Division P.S. Shyampur, Hatibagan Calcutta -700006</p>	<p>Stamp duty payable for this transaction was RS. 8,16,598/- thus total amount paid towards this transaction is 18,16,598/- Market Value of the property is Rs. 81,65,876/- as on 05.12.2007. Exclusively mortgaged with Corporation Bank as evidenced from the letter dated 20.03.2018 from Corporation Bank, ARMB Branch Kolkata. Market value of the property as on 15.05.2017 is 218.70 lakhs as per the valuation details submitted on 23.03.2018 by Chief Manager Corporation Bank, ARMB Kolkata. The above said market value is taken for the attachment value of the property.</p>				
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48	Bhowani pur- Kolkata	M/s Safal Properti es Pvt. Ltd. represen ted by Shri Hitesh Dhinoja	All that Piece or parcel of land admeas uring 7 cottahs 4 Chittack s 30 sq ft. be the same or little more or less together with two storied brick built dwelling house therein contain ng total covered area measuri ng about 3488 Sq ft. situate lying at and being Municip al Premise s No. 40, Rupcha nd Mukherj ee Lane , Kolkata- 700025 together with	The Deed of conveyance bearing no.3653 of 2008 is made on 07.04.2008 between Natraj Sen And others as seller/ Vendors as one part and M/s Safal Properties Pvt. Ltd. represented by Shri Hitesh Dhinoja as purchaser and other part with sale consideration of Rs.1,90,30,000/- Out of Rs. 1,90,30,000/- Rs. 95,50,000/- was paid by pay order No. 551285 dated 03.04.2008 on Corporation Bank Barbourne Road Branch favouring Natraj Sen and Rs. 95,15,000/- was paid by pay order No. 551284 dated 03.04.2008 on Corporation Bank Barbourne Road Branch favouring NatPrithviraj Sen. Stamp duty and other charges for this transaction is Rs. 13,27,170/- thus total amount paid towards this transaction is Rs. 2,03,57,170/- It is to be	19030000	20357170	20357170
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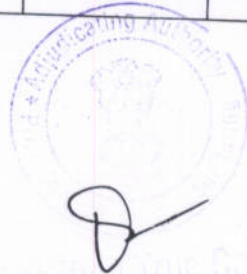
		1/3 rd right in the common passage lying on the eastern side P.S. Bhowani pur within Ward No. 73 of the Kolkata Municipal Corporation District-South 24 Pargana. ing	mentioned that as per Auditor' Report of SGJHIL for 2012-13 dated 27.05.2013 M/s Safal Properties Private Ltd. was directly /indirectly under common control with SGJHIL. as reflected in Related party disclosure in accordance with AS-18			
Total 48				394846520	790449366	1211829746

Movable property – Amounts lying in different bank accounts of, rent payable to SGJHIL as lessor and stock seized by DRI Kolkata- Table 'B'

Total value: Rs. 53,63,25,108/-

TABLE: "B"

Sr. No.	Name Of The Account	Account No.	Name of the bank with Branch Address	Available Balanace as on 16.04.2019 (in Rs.)	Remarks
01	Shree Ganesh	0127G005203	The Bank	122304074	Fixed deposit



	Jewellery House (I) Ltd.		of Nova Scotia, Bandra Kurla Complex , MUmbai		(Security) towards bullion margin account of SGJHIL for import & trading of gold.
02	Shree Ganesh Jewellery House (I) Ltd.	30169286109	SBI Kolkata	15715471	Rent from properties of SGJHIL as mentioned in Para 5.4 were credited to this TRA account of SBI.
03	Shree Ganesh Jewellery House (I) Ltd.	34236724194	SBI Kolkata	18140853	Nilesh Parekh & Umesh Parekh are the Authorized signatory.
04.	Nischay Jewels Pvt. Ltd.	00520160100 0046	Corporati on Bank, ARMB	28044	Existence of Common Directors with other

			Wachel Molla Mansion, 8 Lenin Sarani, Dharmtoll a Branch, Kolkata- 13		associate companies of SGJHIL namely Mr. Hitesh Dhinoja and Mr. Mithilesh Sharma. Summons were issued to the both of these Directors but they had not appeared.
05	Nillesh Parekh (HUF)	SB 21418	-do-	336757	The then Promoter & Chairman of SGJHIL during the period of bank fraud.
06.	Ratna Parekh	SB 11716	-do-	1310315	Ratna Parekh is W/o Nillesh Parekh ,was also director of few related Companies of SGJHIL & a



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					beneficiary had not responded to summons as such NBW issued by the Spl. Court.
07.	Karan Parekh	SB 18919	-do-	199682	S/o Nillesh Parekh who is a beneficiary overseas Companies in BVI with Nillesh Parekh and fund have been tranferred to his a/c from SGJHIL a/c held with Corporation bank. had not responded to summons as such NBW issued by the Spl. Court.
08.	Shree Ganesh Jewellery House	CBCA 210	-do-	6018	CC account

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	Ltd.				
09.	Sumit Jewels Pvt. Ltd.	00520160100 0514	-do-	543889	Associate Company of SGJHIL at Manikancha SEZ & a company directly/indirectly in common control of SGJHIL(as per audited balance sheet 2013-14) Mr. Sanjeet Kumar Sharma and Shri Ashok Prakash Sahni are the Directors of the Company as per the MCA-21, Database. Mr. Ashok Prakash Sahni was expired on 23.03.2018. Mr. Sanjeet Kumar

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					Sharma was summoned he had not appeared.
10.	Liberson Dealcomm Pvt. Ltd.	00520160100 0137	-do-	467710	Ratna Parekh W/o Nillesh Parekh was the director of this Company. Nillesh parekh & Karan Parekh is using one of it's property as permanent residence in Kolkata (Passport address) Mrs. Ratna Parekh had not responded to summons as such NBW issued by the Spl. Court
11.	Kalindi Enclave Pvt. Ltd.	00520020100 5328	-do-	36208	An enterprise in which Promoters &

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					<p>Directors of SGHIL has significant influence (as per audited balance sheet 2012-13 & 13-14). As per the MCA 21 Data Base Mr. Hitesh Rajnikant Dhinoja and Mr. Pitamber Thakur are the Directors of this company. Mr. Hitesh Rajnikant Dhinoja was summoned but he had not appeared.</p>
12.	Dhanteras Estate Pvt. Ltd	00520160100 0562	-do-	18761	<p>An enterprise in which Promoters & Directors of SGHIL had significant influence (as per audited balance</p>



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					<p>sheet 2012-13) As per the MCA 21 Data Base Mr. Hitesh Rajnikant Dhinoja and Mr. Pitamber Thakur are the Directors of this company. Mr. Hitesh Rajnikant Dhinoja was summoned but he had not appeared.</p>
13.	M/s K R Associates	CBCA 246	-do-	40902	<p>Ratna Parekh & Late Kumud Parekh Mother of , Shri Nilesh Pa,reckh Shri U meshParekh &Shri Kamlesh Parekh are the partners of this company and the</p>

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					<p>Authorised signatory of their account having adequate evidence of fund transfer from SGJHL Bank A/c.</p>
14.	Safal Properties Pvt. Ltd.	CBCA 107	-do-	56140	<p>An enterprise in & which Promoters Directors of SGHIL has significant as per influence audited balance & 13-2012 sheet (14-13 Further Director of M/s Safal Properties Pvt. Ltd. namely Shri Hitesh Dhinoja and Shri Mithilesh Sharma were summoned but they did not</p>

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					appear.
15.	Kamalesh Parekh, Promoter	SB/01/11714	-do-	521794	Promoter & major share holder of SGJHIL as per the bank complaint and as per the investigation under PMLA
16.	Kamalesh Parekh (HUF) Promoter	SB/01/11993	-do-	553427	-Do-
17	Umesh Parekh	00520010101 1048	-do-	223102	One of the promoter and Director of SGJHIL



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18.	Liberson Dealcomm Pvt. Ltd.	50200003312 873	HDFC, Kolkata	40000	Smt. Ratna Parekh was the Director of M/s Liberson Dealcomm Pvt. Ltd and presently Authorized signatory Ratna Parekh. As discussed in sr. no. 10.
19.	Kalindi Enclave Pvt. Ltd	50200003312 886	-do-	40000	Authorised signatory Ratna Parekh. As discussed in Sr. No. 11.
20.	K R Associates	50200003645 390	-do-	40000	Authorised signatory Ratna Parekh, As

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					discussed in Sr. No. 13
21.	Nilesh Parekh	02191000066 519	-do-	62095	Promoter
22.	Nilesh Parekh & Umesh Parekh	05168640000 022	-do-	65690	Promoter
23.	Sree Ganesh Jewellery House (I) Ltd.	00140460000 322	-do-	161059	Current Account
24.	Ratna Parekh W/o, Nilesh Parekh	05161870000 370	-do-	28262	as mentioned in .serial no6.
Total 24				Rs. 16,09,40,253/-	



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Details of the rent accrued upon the lease of the properties of the lessor Shree Ganesh Jewellery House (I) Ltd. is as under:

Sr.No.	Name of the Lessee to whom rent is accrued upon and payable to Lessor Shree Ganesh Jewellery House (I) Ltd.	Property details	Amount in Rs. As on 31.03.2019	Remark
01	Bata India Ltd.	Shop NO. G-17, Ground Floor, Crystal Mall, Kalavad Main Road, opposite Rani Tower, Rajkot-360005.	50,05,232/-	Property is owned by Shree Ganesh Jewellery House (I) Ltd. Further Lease deed and Amenities Agreement were executed between Lessor, M/s Shree Ganesh Jewellery House (I) Ltd. and Bata India Limited on 26.11.2014. the said lease is granted by the lessor to the lessee with a monthly


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				<p>rent of 27,882/- , and other applicable charges/deposits for 9 years from the date of commencement of the lease. Further the aforesaid rent will be enhanced by 15 % after every 3 years on the last rent paid as per the above said lease agreement. Thus rent payable wef Nov 2017 would be Rs. 32,064/- Further as per amenities agreement dated 26.11.2014 amenities charge of Rs. 2,19,452/- was payable every month. Vide letter dated 28.02.2018 It was submitted by Bata India Ltd. that they had paid rent and amenities charges to the lessor SGJHIL up to December 2017 and</p>
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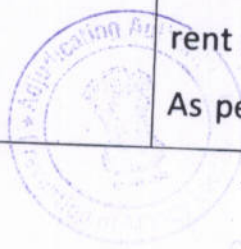
				Security deposit of Rs. 18,00,000/- was paid to the lessor SGJHIL. Further as per the statement dated 10.05.2019 of Vivek Sood Sr. Manager Legal Bata India Ltd. payable outstanding rent is Rs. 50,05,232/- the same is taken as rent payable to SGJHIL.
02	Jhonson & Jhonson Pvt. Ltd.	Flat No. 2A, Park Street Building, 24 A Park Street, Kolkata-700016.	53,78,918/-	By way of lease agreement dated 27.02.2009 and lease agreement dated 01.08.2012 (Lease Deeds) Jhonson & Jhonson Pvt. Ltd.(Lessee) had taken lease of the premises situated at Flat No. 2A, Park Street Building, 24 A Park Street, Kolkata-700016. from Shree Ganesh Jewellery House (I) Ltd (



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				Lessor). The said lease is expired on 28.02.2018 and total rent payable to SGJHIL is Rs. 53,78,918/-.
03	M/s Aero Club (Woodland)	Shop No. B014 & B015 situated at the Ground Floor, City Centre, Uttorayan, Siliguri, Post Office and Police Station, Matigara, District- Darrjeeling, W.B.	44,93,934/-	<p>Lease agreement was executed on 10.04.2013 between SGJHIL as lessor and M/s Aero Club (Woodland) as lessee for a period of 9 years for the property situated at Shop No. B014 & B015 situated at the Ground Floor, City Centre, Uttorayan, Siliguri, Post Office and Police Station,- Matigara, District- Darrjeeling, W.B.</p> <p>As per the said agreement Rent of the premises was 1,74,522/- which is to be enhanced by 15 % after every 3 years on the last rent paid</p> <p>As per letter of Aero Club, (</p>

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			<p>Wood Land) dated 07.12.2017 they have paid monthly rent at the enhanced rate of Rs. 2,00,700/- per month up to February 2017. Thus rent payable wef March 2017 would be Rs. 50,17,500/- from which Security Deposit (Already paid) of Rs. 5,23,566/-. Will be deducted Net rent payable as on 31.03.2019 would be Rs. 44,93,934/-. Further as per the statement dated 10.05.2019 of Mr. Nitin Tiwari Regional Sales Manager, Aeroclub Kolkata , a sum of Rs. 42,40,890/- was paid to SGJHIL.</p>
<p>Total</p>	<p>1,48,78,084</p>		

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Directorate of Revenue Intelligence, Kolkata Zonal Unit, Kolkata had seized huge amount of Gold and silver Jewellery, some melted Gold of 24 carat purity, precious stones like diamonds and semi precious stones worth Rs. 36,05,06,771.00/- from the premises of M/s Shree Ganesh Jewellery House (I) Ltd., at Unit-II, 4th Floor, Module No. 4 SW, Manikanchan SEZ, Kolkata u/s 110 of customs Act, 1962 on 23.02.2018.

2. I had gone through Original Complaint, Provisional Attachment Order and the relied upon documents carefully and I found that there are reasons to believe that defendants prima facie appear to have committed an offence u/s 3 of PMLA and they are in possession of proceeds of crime. Notices were issued to all defendants asking them to file their written submission which are received from all except D-1, D-3 & D-16 which will be discussed hereinafter.

3. Detailed analysis of the evidence leading to the conclusion that the properties are involved in money laundering:

3.1. Brief facts of the case:

3.1.1 The State Bank of India, on behalf of the consortium of 25 Banks made a complaint before the CBI, BS & FC, Kolkata, indicating that M/s Shree Ganesh Jewellery House (I) Ltd. had defrauded the consortium of banks of Rs. 2672 crore by way of mis-utilization of cash credit facilities obtained as working capital and fraudulently discounting of export bills. The CBI had registered a FIR dated 12.07.2016 on the basis of this complaint u/s 120 B read with section 420 and 471 of IPC and 13 (1)(d) r/w 13(2) of PC Act, 1988 against M/s SGJHIL and its promoters/Directors/employees, unknown officials of Nationalized Banks and unknown others. CBI investigation is going on, which reveals that SGJHIL was incorporated on 13.8.2002 with Corporate Office in Kolkata and it has manufacturing



units at (i) 12/1/14, Mondalpara Lane, Mondalpara, Kolkata-700090, (ii) Mouza- Domjur, Sathitala, Howrah, District-711405 and (iii)(GSW-5. 4-SW, GNE-2 &3SE), Manikanchan Special Economic Zone, SDF Building, Sector-V, Salt Lake, Kolkata-700091 in the State of West Bengal.

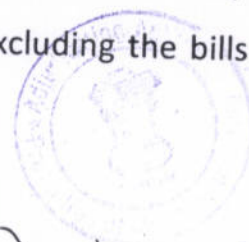
3.1.2 As per AR Shri Nilesh Parekh was one of the founders of M/s. SGJHIL and holds 13.25% shares of the company as a promoter. He was the chairman of the Company. However, he resigned on 30.06.2015 from the board of directors. In the annual reports of the Company he is also shown as Promoter Executive Director. He has two brothers Shri Kamlesh Parekh & Shri Umesh Parekh. Shri Umesh Parekh was one of the founders of M/s. SGJHIL and holds 14.10% shares of the company as a promoter. He was the Managing Director of the company. However, he resigned on 30.05.2015 from the board of Directors. In the annual reports of the company he is shown as Promoter Executive Director. Shri Kamlesh Parekh was never in the board of Directors of M/s. SGJHIL; but he holds the maximum number of shares of the company, i.e. 24.15%. He is settled in Dubai and leads a lavish lifestyle there. He has opened a premiere Jewellery Lounge in the name and style of "Aastha Jewellery Lounge" at Dubai which caters to VIPs only.

It further revealed that Shri Ashok Prakash Sahni is a CA. He is associated with M/s. SGJHIL since August, 2008. He is the Chief Financial Officer. He became Addl. Director on 11.05.2015 and Director on 01.06.2015 of M/s. SGJHIL and he was continuing as a Director. Shri Kaushal Kr. Surana is also a CA. He is associated with M/s. SGJHIL since August, 2010. He is General Manager- Finance of M/s. SGJHIL. He is one of the key persons of the said company and he was authorized to operate bank accounts of the company with some limitation. Shri Mukund Chandak is a qualified company Secretary. He is associated with M/s. SGJHIL since November, 2006. He was designated



as the Company Secretary of the said Company on 15.11.2006. However, he resigned from Company Secretary on 01.10.2014. During the relevant period he was one of the key persons of the said company and he submitted loan applications in some banks on behalf of M/s. SGJHIL and was authorized to operate bank accounts of the company with some limitation. Shri Sanjeet Kumar Sharma is Manager Accounts & Finance of M/s. SGJHIL and he is also authorized to operate Bank accounts of M/s. SGJHIL with some limitation. Shri Ashish Roy is associated with M/s. SGJHIL since September, 2007 and he is responsible for the management and administration of treasury division of the said company. In two banks he was authorized to sign documents and operate bank accounts of M/s. SGJHIL with some limitation.

3.1.3 It is further revealed in the said FIR that the Company M/s. SGJHIL was banking with the State bank of India, Industrial Finance Branch, Kolkata since inception and availed credit facilities in the form of Foreign bill discounting and cash credit which was enhanced from time to time. The last regular sanction of credit facility was sanctioned on 07/11/2012 by the consortium leader SBI in which fund based & non-fund based limits were enhanced from Rs. 3110 crores to Rs. 4102 crores, out of which Fund based working capital facility was enhanced by SBI from Rs.250 cr. to Rs.350 Cr. It is pertinent to mention here that, at the time of availing the credit facilities from the Consortium of banks, the Borrower Company, i.e., SGJHIL, for the purpose of securing the repayment of the credit facilities and interest accrued thereon, had created Primary Security by way of Hypothecation of receivables discounted (exclusive for respective Banks); Hypothecation of entire stocks and other receivables and other Current Assets of the Company (both present and future) on pari-passu basis with other financing banks under Consortium (excluding the bills discounted at respective



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Banks); Collateral Security of STDR (25% of the FB & NFB Limits of the Company, excluding FC limits) & 2nd pari-passu charge on Fixed Assets (both present & future of the Company) and Personal Guarantees by Shri Nilesh Parekh & Shri Umesh Parekh, who were the main promoter directors of the company at the material time and Corporate Guarantee by M/s. Alex Green Energy Pvt. Ltd., an associate company of SGJHIL in accordance with the Sanction Letters issued by SBI.

3.1.4. It further revealed from the said FIR that State Bank of India, IFB, Kolkata discounted 64 numbers of Foreign Bills aggregating USD 6.63 crore (Rs. 339.49 crore), out of which goods covered under 62 Foreign Bills aggregating USD 6.49 crore (Rs. 391.08 crore) were shown exported through the manufacturing unit of M/s. SGJHIL at Manikanchan Special Economic Zone at Salt Lake, Kolkata and the goods covered under the remaining two Bills were exported through their manufacturing unit of M/s. SGJHIL at Domjur, Howrah. The payment of 64 Foreign Bills Discounted by SBI amounting to Rs. 339.49 crore is outstanding along with 3 standby LCs, aggregating to Rs. 87.66 crore, as these LCs devolved on the bank.

3.1.5. It is further revealed from the said FIR that accounts of the Borrower Company with the State Bank of India which is a member of the consortium and its lead Bank, became NPA on 14/01/2014 with an outstanding amount of Rs. 398,47,59,521/-. The credit audit conducted by State Bank of India pointed out that the account became NPA mainly because of loss incurred due to non-realization of export payments due from Wholly Owned Subsidiaries/Group Companies. As on 20.01.2015, the total exposure of State Bank of India was Rs. 583.50 crore and the outstanding was Rs. 430.49 crore.



3.1.6. FIR further revealed that the money trail made during enquiry transpired that borrower company was availing Import Finance in the shape of Foreign Letter of Credit or standby LC from one member bank of the consortium for import of gold, but after manufacturing and exporting gold jewellery the borrower was availing Export Finance in the shape of Foreign Bills Discounting facility from another member bank of the consortium so that the proceeds of export cannot be used to pay off the liability of Import Finance. It is further noted that a sum of Rs.20,17,60,548/- was illegally diverted to pay the liabilities of the suspect borrower on 20.03.2013 to Tata Capital Ltd., which has nothing to do with jewellery business, out of FBD amount of Rs.20,60,00,000 of SBI. A further sum of Rs.2,00,00,000 was also illegally diverted to an associate Company M/s. Veeyu India Pvt.ltd. on 18.04.2013 out of FBD amount Rs.4,75,00,000 of SBI. Although huge amount was outstanding for the foreign bills of M/s. Ibrahim Al- Sayegh Jewellery FZE discounted by SBI, the FBD amount of Rs.2,00,00,000 under the Bill reference no.0193613NC0000739 was first sent to Corporation Bank on 24.05.2013 and from there, Import Direct Remittances were made to the said Foreign party which shows the mala fide and dishonest intention on the part of the borrower. The money trail made during enquiry in respect of credit facilities extended by Corporation Bank transpired that the borrower used the platform of consortium banking to avail multiple finance against export bill discount facility with one bank using the gold imported out of SBLCs issued by some other bank, M/s. SGJH had siphoned off the working capital loans for long term uses such as construction of factory and giving loan to the related companies besides round tripping to their own account at another bank and shipping the diamonds back to its subsidiary M/s. SGHJ FZE. The export buyer M/s. Silver Sands Ltd. Hong Kong had less than one year of operating history and their line of business was wholesale general

merchandise. At their given address, only their Company Secretary existed. Also as per records submitted to the Bank, their address as "1805, Royal Commercial Centre, 56-Parkes Street, Jordan, Kowloon, Hong Kong" was different from the address mentioned in the credit report of M/s. Ernst & Young. M/s. Silver Sands Ltd. carries the same address and similar rubber stamps as those of M/s. Taurus Star HK Ltd. & M/s. Rubelite HK Ltd., both Hong Kong based companies, with whom M/s. SGJHIL purportedly entered into merchanting trade. M/s SGJHIL after procuring diamonds worth US\$ 17,12,51,523 from M/s. Crystal Gems FZE, UAE, directly supplied to last two companies during June-September 2012 and on 15.11.2013. The said two companies returned the diamonds worth US\$ 15, 61,13,850 to M/s. SGJHIL.

3.1.7. It is further revealed that M/s. Sparkle Jewellery LLC, UAE and M/s. Astha Jewellery LLC, UAE incidentally owned by Shri Kamlesh Parekh, have the same business address, M/s Ibrahim Al-Sayegh was holding 51% shares of M/s. Astha Jewellery LLC, whose export bills were also discounted and crystallized. The money trail enquiry in Corporation Bank in respect of two crystallized Export Bills of M/s. Sparkle Jewellery FZE, UAE revealed further that export bill proceeds were diverted and utilized to pay Rs.7.75 crore to Axis Bank and Rs.9.26 crore to M/s. Al Marhaba Trading FZC, Sharjah under Direct Import Remittance. Shri Manish Ashar, in whose name and e-mail address of M/s Al Marhaba Trading FZC exists, is alleged to be an employee of M/s. Sparkle Jewellery FZE. It appears that M/s. SGJHIL got the export bill drawn on M/s Sparkle Jewellery FZE discounted by the bank and remitted to M/s Al Marhaba Trading FZC by way of accommodation towards setting right part of the loss of Rs.2570 crore under bullion trade.



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3.1.8. Furthermore, the credit extended by other members of the consortium Banks to the Borrower Company and subsequent default of credit so extended to the Borrower Company, M/s. SGJHIL also happened in the same line to a significant extent as discussed above.

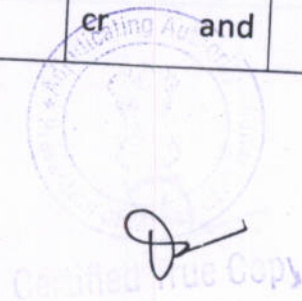
3.1.9. The details of credit facilities sanctioned by the 25 Banks of the Consortium to the Borrower Company, M/s. Shree Ganesh Jewellery House (I) Ltd., as well as the transaction and losses incurred by all lending Banks and the outstanding NPA would be evident from this chart at a glance as under:-

Sl.	Name of Banks and Branch	Total Fund Based Limits in Crore(Rs)	Total Non Fund Based Limits in Crore (Rs)	Total Limits in Crore (Rs)	Date of NPA	Outstanding as on the date of NPA in Crore(Rs.)
1.	State Bank of India, FB, Kolkata	450 (FBD limit of 450 including adhoc of 100 & CC sub limit of 50)	133.50 (SBLC), LC, Gold Loan of 100 & Forward Contract of 33.50	583.50	14.01.2014	398.47

2.	Exim Bank, RO, Kolkata	80 (FBD limit of 80)	NIL	80	30.09.2014	31.02
3.	Indian Overseas Bank, MCB, Kolkata	Nil	50 (SBLC, LC Gold Loan 50)	50	31.03.2014	30.85
4.	Dena Bank, Park Street Branch, Kolkata	Nil	40 (SBLC, LC Gold Loan 40)	40	28.02.2014	37.44
5.	State Bank of Bikaner & Jaipur, CB, Kolkata	75 (CC limit of 75)	53 (SBLC, LC Gold Loan 50 & Forward	128	17.01.2014	92.59

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			Contract of 3)			
6.	State Bank of Hyderabad,, CB, Kolkata	120 (FBD limit of 120 with EPC sub limit of 20)	25 (SBLC, LC Gold Loan of 25)	145	14.03.2014	108.94
7.	State Bank of Patiala, CB, Kolkata	100 (FBD of 100 with CC sub limit of 10 & EPC sub limit of 30)	25 (SBLC, LC Gold Loan of 25)	125	30.06.2014	93.51
8.	Corporation Bank, CBB, Kolkata	100 (FBDN/FDBP/FDB D/PSCFC)	440 (BG cum— Stand by LC Inland/Imp ort LC/SBLC- Rs.170.00 cr, Forward purchase contract- Rs.100.00 cr and	540.00	24.02.2014	195.78 (Present BB Rs.166.20 cr and U/Int Total - Rs.262.20 cr)



			Forward Sale contract- Rs.170.00 cr)			
9.	Bank of India, MCB, Kolkata	50 (FBD of 50)	NIL	50	09.02.2014	40.64 (liability transferred to ARC
10.	IDBI Bank, CBG-I, Kolkata	60 (CC limit of 60)	30 (SBLC, LC, Gold Loan of 30 with forward contract sub limit of 5)	90	30.01.2014	80.43

11.	State Bank of Travancore, Main Branch, Kolkata	125 (FBD limit of 125 with CC sub limit of 25)	100 SBLC, LC, Gold Loan of 100 with forward contract sub limit of 100)	225	19.01.2014	157.15 (Liability transferred to ARC)
12.	State Bank of Mysore, IFB, Kolkata	100 (FBD of 100)	35 (SBLC, LC, Gold Loan of 35)	135	23.01.2014	130.66 (Presently 93.05)
13.	Allahabad Bank, IFB, Kolkata	30 (FBD limit of 30)	70 (SBLC, LC, Gold)	100	31.03.2014	78.54

			Loan of 70			
14.	Bank of Baroda, IBB, Kolkata	100 (FBD of 100 with CC sub limit of 10)	100 SBLC, LC, Gold Loan of 100 & forward contract sub limit of 10)	210	29.01.2014	144.98
15.	Bank of Maharashtra, N.S.Road Branch, Kolkata	80 (FBD limit of 80)	122 (SBLC, LC, Gold Loan of 122)	202	19.01.2014	144.94
16.	Central Bank of India, CFB, Kolkata	50 (FBD limit of 25 and CC limit of 25)	50 (SBLC, LC, Gold Loan of 50)	100	29.06.2014	52.02

17.	Punjab National Bank, IBB, Kolkata	90 (FBD limit of 90)	145 (SBLC, LC, Gold Loan of 145)	235	31.03.2014	163.99
18.	UCO Bank, FCC Branch, Kolkata	75 (FBD limit of 75)	125 (SBLC, LC, Gold Loan of 125)	200	04.02.2015	104.68
19.	UBI, CFB, Kolkata	50 (FBD limit of 50)	50 (SBLC, LC, Gold Loan of 50)	100	31.03.2014	67.21
20.	Syndicate Bank, LCB, Kolkata	50 (FBD sub limit of 40 and CC sub limit of 10)	50 (SBLC, LC, Gold Loan of Rs.100)	100	29.03.2014	69.30
Total of Public Sector Banks		1785.00	1653.50	3438.50		2223.14
21.	Dhanlaxmi Bank,	15 (CC limit of	85 (SBLC,	100	03.03.2014	25.21

	Sarat Bose Road, Kolkata	15)	LC, Gold Loan of 75 and Forward Contract of 10)			
22.	Axis Bank Ltd., Corporate Banking Branch, Shakespeare Sarani, Kolkata/ Dalhousie Square Branch, Kolkata	(235 sub limits Cash Credit/ Bills Discounting (FC/ INR) of Rs. 200 cr& convertible Debentures of Rs. 35.00 cr)	260 (LC/ Bills Discountin g of 200 lacs. Loan 295 Non-equivalent Risk on Forward Contract of Rs.60 lacs)		13.01.2015	272.93
23.	Karnataka Bank, Overseas Branch, Kolkata	100 (FBD limit of 100)	2 (Forward Contract of 2)	102	04.08.2014	83.29
24.	The South Indian Bank Ltd., Corporate Branch, Kolkata	50 (CC limit of 50)	Nil	50	31.12.2013	51.14

25.	Laxmi Vilas Bank, Red Cross Bank, Kolkata	25 (FBD limit of 25)	37 (SBLC, LC, Gold Loan of 10 & Forward Contract of 37)	62	09.04.2014	16.29
Total of Private banks		225	384	609	-	448.86
GRAND TOTAL of PSB and Private Banks		2010	2037.50	4047.50	-	2672.00

It can be seen from the above table that out of total limit (FB+NFB) of Rs.4047.50 crore, a whopping amount of Rs.2672.00 crore (excluding interest) is outstanding in respect of all 25 members banks of the consortium as on the date of NPA whereas, an amount of Rs.2228.14 crore (approx.) is the outstanding amount in respect of all 20 member Nationalised Banks of the consortium as on the date of NPA out of total limit (FB+NFB) of Rs.3438.50 crore. Similarly, out the total limit (FB+NFB) of Rs.609.00 crore, a whopping amount of Rs.448.86 crores (approx.) is outstanding in respect of all 5 member private banks as on the date of NPA.



3.1.10. It is further revealed from the FIR that as per the Memorandum and Articles of Association of the Borrower Company, Shri Nilesh Parekh, Shri Umesh Parekh and Shri Kamlesh Parekh are the subscribers of equal equity shares and presently the company is under liquidation.

3.1.11. Based on the mandates provided by SBI and majority of the lenders, the case was admitted in the CDR. As per the CDR mechanism, the viability of the project was required to be ascertained. So, SBI appointed M/s. Dun & Bradstreet Information Services India Pvt. Ltd. for a Techno-Economic Viability study of the proposed debt restructuring proposal of the borrower. In the TEV Study Report so submitted by M/s. Dun & Bradstreet Information Services India Pvt. Ltd. the borrower's version of the reasons for alleged poor performance were mentioned.

(a) **Alleged Loss in Bullion Trade:** The borrower company purportedly suffered an alleged loss of Rs.1137 crore for entering into a bullion trade contact with M/s. Al Marhaba Trading FZC, out of which Rs.452 crore was absorbed by the subsidiary to the extent of its net worth and Rs.685 crore (approx) was absorbed by M/s. SGJHIL in the following manner.

- i) Rs.61.75 crore was to be provided in the books as a diminution in value of investment in its subsidiary due to erosion in net worth of the subsidiary.
- ii) Rs.623.72 crore was provided as provisions for bad debt since the subsidiary was also one of the debtors of the company.

The total amount purportedly supplied to M/s. Al Marhaba Trading FZC by the subsidiary of the borrower under the bullion trade arrangement was approx. Rs.3480 crore.



(b) **Alleged Loss in merchandising trade:** In merchanting trade the borrower purportedly suffered an alleged loss of Rs.396 crore approx.

M/s. Dun & Bradstreet Information Services India Pvt. Ltd. concluded in their TEV Study Report to the effect that the project of the borrower under CDR was not economically viable.

3.1.12. The findings made by M/s. Thomson Reuters Dubai approved by CBI reiterated the suspicion of related party transactions highlighted in the E&Y report to the effect that Shri Kamlesh Parekh is a common investor in M/s. Al Marhaba Trading, Dubai, M/s. Aastha Jewellery LLC, M/s. Sparkle Jewellery FZE, Dubai, M/s Al Marhaba Trading (FZC) was originally started by Shri Chintan Ojha and Shri Jignesh Shah who is in fact an employee of the borrower company M/s. SGMIL as Assistant of Packing Department.

3.1.13 Enquiry further revealed that 3 overseas importers had written back saying that they had settled their account with M/s. Shree Ganesh Jewellery House (I) Ltd. by supplying them with equivalent value in diamonds.

3.1.14. It is further revealed from the FIR that there is ample evidence against the Borrower Company and its associates that they committed an elaborate bank fraud of this magnitude causing total wrongful loss of Rs.2619.04 crore (approx.) to 25 Banks and total wrongful loss of Rs.2223.13 crore to 20 Nationalized Banks. All the facts circumstances & information available on the public domain suggest that a major chunk of the loan amounts sanctioned & disbursed by Consortium of Banks was taken abroad by the above dubious transactions and invested in the overseas assets of the suspects.



3.1.15. Gist of the fact as revealed from the statements & the available documents that, the Company has incurred loss in overseas transaction of Gold Bullion to M/s Al Marhaba Trading, Dubai to the tune of Rs. 1137 Cr., as projected by the Bank Consortium. To set-off the loss the Company went into an agreement with M/s Al Marhaba Trading and supplied Diamonds (Exported) to the tune of Rs. 3500 Cr. approx from different overseas suppliers at Hong Kong, Singapore & Dubai through its subsidiary at, Shree Ganesh Jewellery, FZE, Dubai without any intimation or consultation with the bank consortium. M/s Shree Ganesh Jewellery House (I) Ltd., adopted the following Modus Operandi to divert the funds taken in the form of foreign Bill discount, import finance etc. to its Directors & Associates :-

- 1) SGJHIL (INDIA) Exported Gold Jewellery to Hong Kong, Singapore & Dubai & availed foreign bill discounting/Packing Credit from Bank consortium. SBI being the lead Bank.
- 2) Major quantity of Diamond from Hong Kong, Singapore & Dubai supplied/diverted to M/s Al Marhaba, Dubai to set-off above loss on A/c of SGJHIL (INDIA) through SGJH, FZE, Dubai. Few were directly exported/supplied to M/s Al Marhaba trading, Dubai by the suppliers from Hong Kong &, Singapore & Dubai.
- 3) M/s Al Marhaba Trading, Dubai did not remit payment of Rs. 2672 Cr towards such supply of above consignments of diamonds. As such SGJHIL (INDIA) could not pay to Hong Kong, Singapore & Dubai suppliers.
- 4) Accordingly Hong Kong, Singapore & Dubai Importers did not pay Export Proceeds to SGJHIL (INDIA) for not getting the payments (export proceeds) of such diamonds. But In most of the above cases Exporter, Importer & Suppliers of Jewellery & Diamond appears to be the related persons of M/s SGJHIL resulting in NPA of bank A/Cs due to non-payment / Non -remittance of outstanding export proceeds.

5) The borrower company in many such cases availed import finance from one bank but availed foreign bill discounting from the other member of the Consortium and diverted the same illegally to its associates and thus foreign letters of credit (FLC) devolved.

6) The foreign Suppliers in Hong Kong, Singapore & Dubai who have supplied diamonds to M/s Al Marhaba Trading, Dubai through M/s SGJHL, FZE, Dubai were either importers of Jewellery from M/s SGJHL (India), or the associates/related entities of this Indian Company M/s Shree Ganesh Jewellery House (I) Ltd. The foreign bills were discounted by the Banks against export of Jewellery to these overseas companies/importers. These suspected overseas Jewellery importers did not remit payment with a plea of not getting payment of Diamonds they have supplied to M/s Al Marhaba and as such the AD Banks could not repatriate the Export proceeds for which export bills were discounted.

4. PMLA Investigation

4.1 During the course of investigation under PMLA, 2002, Summons were issued to the Chairman/Promoters and Senior officials of the Borrower Company M/s Shree Ganesh Jewellery House (I) Ltd. and their statements were recorded u/s 50 of PMLA, 2002. Summons were also issued to the senior officials of the defrauded banks who are well conversant with the facts of the case.

Statements of following persons were recorded u/s 50 of PMLA.

1. Shri Kaushal Kumar Surana, former GM Finance
2. Shri Mukund Chandak, Ex. Company Secretary
3. Shri Ashis Roy, Ex manager Treasury
4. Shri Supriya Basu, the then General Manager, State Bank of India,
5. Shri Gurupada Chakraborty, Assistant General Manager, SAMB, State Bank of India,

6. Shri Rajiv Kumar Verma, Chief Manager, Asset Recovery & Management Branch, Corporation Bank,
7. Mrs. Manshi Shah
8. Shri Mehul Vagadia
9. Shri Prasenjit Sen
10. Shri Nilesh Parekh
11. Shri Rajesh Kumar Deepak AGM,
12. Shri Rakesh Ranjan Dubey, Senior Manager (Foreign Exchange) Corporation Bank,
13. Ms Sanhita Chatopadhyay, Senior Manager, Stress Asset Group, of Axis Bank Ltd.
14. Mr. Vivek Sood, Sr. Manager Legal, Bata India Ltd.
15. Shri Nitin Tiwari, Regional Sales Manager and representative of AERO Club (Woodlands)

Statement made by various persons revealed that M/s SGJHIL exported Jewellery to overseas importers in Hong Kong and Singapore which are dummy companies of it which were formed for sole purpose of diverting the Jewellery items by obtaining cash credit limit as working capital. The important statement made by various persons will be referred as and when necessary. During the course of investigation, scrutiny of the bank accounts of SGJHIL (Margin Account) bearing no. 0127G005203 maintained at the Bank of Nova Scotia, Bandra Kurla Complex, Mumbai was done. It revealed from the scrutiny of the account that, most of the funds credited to above said Margin account was transferred from current accounts 153010200023065 & 153010200044271 of SGJHIL maintained at Axis Bank, Dalhousi Branch, Kolkata. For example on 05.04.2011 a sum of Rs. 4,65,00,000/- was transferred to 0127G005203 from 153010200023065 and a sum of Rs. 1,03,90,000/-, 2,06,00,000/- & 3,08,00,000/- were transferred to 0127G005203 from 153010200044271 on 05.01.2011,

06.01.2011 & 07.01.2011 respectively . The majority source of the funds credited to the account 153010200023065 come from the cash credit account of SGJHIL bearing account no. CCSDL/01/110001 maintained at Corporation Bank, Corporation Bank Branch.

4.2 From the foregoing paragraph, it is evident that M/s Shree Ganesh Jewellery House (I) Ltd, and their associates and Promoters/Directors by allegedly committing scheduled offences u/s 120B, 420 ,471 of IPC defrauded banks and financial institutions and acquired proceeds of crime. The said proceeds of crime were further laundered by investing in purchasing of Lands, Flats in various location of Country and invested in several bank accounts/ financial products/Stock etc.

5. Reasons for Provisional Attachment Order under Section 5 of Prevention of Money Laundering Act, 2002 (as amended)

5.1 SGJHIL availed credit facilities from a consortium of 25 Banks (20 Nationalized Banks & 5 private Banks) and after discounting of the export bills produced against the respective credit limits allowed by different banks, the amount are transferred into current account of SGJHIL held in different banks, and the amounts were diverted to accounts of associate companies, Promoters/ directors and their family members.

5.2 Scrutiny of the Balance Sheet of SGJHIL for the financial year 2013-14 reveals that an amount of Rs. 2812.91 crores has been reflected against the column 'Short Term Borrowing' under the broad heading 'Current Liability' details of which are Schedule 7 to the Profit & Loss Accounts of the company further reveals that an amount of Rs. 2682.83 crores has been reflected as 'Secured Loan from banks' under different Sub-headings, as below namely,



- (i) 'Cash Credit from banks' (Rs. 872.44 crores),
- (ii) 'Short term loan (Amount payable against Bills discounted and LC/SBLCs devolved by the banks)' (Rs. 695.77 crores)
- (iii) 'Bills Discounted (Crystallized value)' (1114.62 crores).

5.3 It is also pertinent to mention here that the consortium of banks had declared the amount of Rs. 2672 crores as NPA against the SGJHIL in January, 2014 and the company had declared Rs. 2682.83 crores as their due to the banks on account of cash credit and bills discounting, which are more or less commensurate with each other. Hence, it is admitted by the company in their financial accounts that an amount of Rs. 2682.83 crores was due on them on account of cash credit and bills discounting.

5.4 Investigation under PMLA has established that SGJHIL had floated a number of companies / entities in different countries and such companies/ entities are subsidiary / associates / related to SGJHIL. Further SGJHIL has imported gold and manufacture jewellery items in the factory located at Manikanchan SEZ and as such has obtained benefit of exemption of import duty. After manufacturing of jewellery item the same were exported to different overseas subsidiary entities located in different countries like Singapore, Dubai, Hong Kong. The Jewellery item were sold in overseas market in those countries and the sale proceeds appears to have been collected by the subsidiary/ related entities outside India.

5.5 During the investigation it was also established that several movable and immovable properties were acquired out of the diverted funds. The Banks could not realize the sale proceeds of exported jewellery items, part of which were accumulated in the hands of overseas subsidiary entities of SGJHIL and as such the loan accounts of SGJHIL held with all the banks become an NPA.

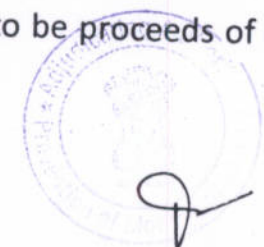


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5.6 Thus an amount of Rs. 2672 crores defrauded by company by way of discounting of the export bills and subsequent non realization of export proceeds by the respective banks is proceeds of crime under PMLA.

5.7 Several movable and immovable properties in the names of SGJHIL and its associate/subsidiary entities/ their promoters/ Directors/share holders and their family members have been identified and is reasonably believed to have been acquired out of the proceeds of crime and that these properties are involved in money laundering and projected as untainted which are likely to be transferred / disseminated/ dealt with otherwise, if not attached provisionally under the section 5 (1) of PMLA.

5.8 It was established from the investigation that the respective bank accounts held with different banks of the consortium were declared NPA during the period 2013-14: It was also established that there was a deep rooted criminal conspiracy hatched by the Promoters/Directors of SGJHIL which culminated into defrauding of Bank's consortium to the tune of Rs. 2672 crore, however in absence of some key Persons/ Promoters/Directors beneficiaries of the company, it has been difficult to ascertain the exact period of plotting such conspiracy and commission of offence. Further in the instant case the genesis of the crime was diverting the funds to overseas entities which finally resulted into defrauding of bank consortium. As it is difficult to lay hands on the properties accumulated overseas in the hands of the Promoters/Directors/beneficiaries of SGJHIL, the property acquired by the SGJHIL and its promoters, their family members, related entities and associates/subsidiary companies prior to the period of commission of offence in India, as apparently distinguishable, can be construed to be proceeds of crime or value thereof within the



meaning of section 2 (1)(u) of PMLA, 2002 and are attached for the purpose of confiscation under PMLA.

5.9 Investigation further revealed that the company had maintained financial relations with a number of financial transactions with a number of companies / entities, most of which are overseas companies / entities. The investigation under PMLA has clearly established the fact that the main promoters of SGJHIL are also principal / significant stake holders in those companies / entities including the overseas entities. The Statements of Mehul Vagadia and his wife Manshi Shah and Shri Prosenjit Sen recorded under Section 50 of PMLA have clearly revealed this fact. This was done empirically for two different purposes, firstly, they would look after the business activities of those entities and secondly, the principal promoters of those entities did not have to come to the forefront and their identities would remain undisclosed before the statutory authorities of different countries.

5.10 From the above discussions, it clearly transpires that the principal promoters of SGJHIL had floated numerous companies / entities in India as well as abroad and also several wholly owned subsidiaries in Dubai, Singapore and Hong Kong and were facilitating a round tripping of gold, bullion and jewellery in disguise of export among those entities under a rather complicated and intricate modus operandi to the effect that jewellery items were manufactured in the factory situated in Manikanchan, Kolkata, India and the items were exported to one company / entity situated overseas and from that entity again the items moved to some other entities and were finally sold in the market of the foreign country where the company / entity of M/s SGJHIL was located and the sale proceeds were realised but not repatriated in India to pay the banks of the consortium . SGJHIL had got the export bills discounted from the

consortium of banks against the credit limits allowed to them by the banks and got the amounts of such bill discounting deposited in their accounts.

5.11 A study of money trail from the accounts of SGJHIL in the consortium of banks situated in India, where the amount against export bill discounting were deposited reveals that the amounts were immediately siphoned off from the concerned accounts for other purposes than the one for which the credit limit was sanctioned to them. The money had been routed through bank accounts held in the name of various companies as discussed earlier. As per Credit audit conducted by SBI, the lead bank in respect of non-realisation of the amounts against discounting of export bills it was clearly mentioned that "the A/C was identified as SMA w.e.f. 31.10.13 and NPA (as Loss Asset) w.e.f. 31.03.14 mainly on account of losses incurred due to non-realization of export payments due from WOS/Group Cos". Further, such huge loss has been attributed to the reason that "Substantial amount of overdue receivables and undertaking huge amount of bullion transactions with new companies without proper and adequate due diligence" in the said Credit audit report.

5.12 It is evident that, they had actually indulged in a well organised pre-planned conspiracy in the guise of export through inter connected circular trading to hoodwink and subsequently defraud the bank Consortium. Shri Nilesh Parekh, although tried to attribute the reason for non-payment of the bank dues to non-realisation of funds from M/s Al Marhaba Trading which was planned to set off against profit of sale of diamonds with loss incurred in the business of jewellery items, he deliberately suppressed the fact that M/s Al Marhaba of Dubai was also under their effective control and occupation and that the plan of not sending the money from Al Marhaba ,



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Dubai appears to be criminally conspired with a view to defraud the consortium of banks in India of the public money.

5.13 The intention of defrauding the banks of public money is further manifest from the very fact that they had entered into an arbitration against M/s Al Marhaba, Dubai which is nothing but a futile attempt to project their activities to be bona fide and also to disguise their illegal intention under the garb of legal activities. Further, they have also applied for Corporate Debt Restructuring with a view to lower down the financial burden as much as possible and at the same time to show how keen they are to repay the outstanding amounts and to adhere the laws of land. In fact, they have only tried to project the criminal conspiracy neatly hatched by them culminating into defrauding public money from the consortium of banks under the guise of some legal activities.

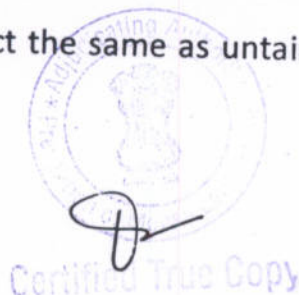
5.14 Although summons have been issued repeatedly to the main promoters /Directors and beneficiaries of the Company, such as Shri Nilesh Parekh, Shri Umesh Parekh, Shri Kamlesh Parekh, Smt. Ratna Nilesh Parekh w/o Nilesh Parekh and also Director of Liberson Dealcom Pvt. Ltd. , Shri Karan Parekh, S/o Nilesh Parekh, Shri Hitesh Rajnikant Dhinoja [Director of M/s Safal Properties Pvt. Ltd., M/s Nischay Jewels Pvt. Ltd., M/s Dhanteras Estates Pvt. Ltd., M/s Kalindi Enclave Pvt. Ltd., Swastik Wheat Product (Agencies) Pvt. Ltd.], Shri Sanjeet Kumar Sharma Director of M/s Sumit Jewels Pvt. Ltd, Shri Mithilesh Kumar Sharma [Director of M/s Safal Properties Pvt. Ltd., M/s Nischay Jewels Pvt. Ltd., M/s Swastik Wheat Product (Agencies) Pvt. Ltd.], apart from Shri Nilesh Parekh, no other person appeared before the investigating authority, thereby tried to baffle the investigation and to cause serious prejudice to it.



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5.15 From the forgoing discussions, it transpires that the entire amount obtained by SGJHIL, its promoters, Directors/ shareholders and its associates by mis- utilization of cash credit facilities obtained as working capital and discounting of export bills and subsequent diversion of the funds resulting in defrauding the bank to the tune of Rs. 2672 crore by way of commissioning of schedule offences and therefore the amount so defrauded is nothing but proceeds of crime. Hence, all such transactions can be brought under the umbrella of "inter-connected transactions" within the cardinal boundaries of Section 23 of PMLA, 2002 and the burden of proof that the properties being attached vide the present Provisional Attachment Order were not involved in the offence of money laundering, squarely lies on the erring company, its Promoters/ Directors and associates was mandated in Section 24 of the Act *ibid*.

5.16 In view of above, reasons to believe have been formed that M/s Shree Ganesh Jewelry House (I) Ltd. and its associated companies and Directors/Promoters and their family members conspired and colluded along with their associates and thereby defrauded banks and financial institutions in commission of offences under sections 120 B, 420,471 of Indian Penal Code, which are scheduled offence under PMLA, 2002, and acquired proceeds of crime which were subsequently siphoned and laundered. By committing such offences during the period from 2010 to 2013, they had acquired proceeds of crime amounting Rs. 2672 crore in the form of Bills Discounting, Cash Credit facility, Stand-by letter of credit(SBLC) which were not utilized for the intended business purposes. M/s Shree Ganesh Jewelry House (I) Ltd. in collusion with its various associates laundered the said proceeds of crime by investing in the purchase of commercial properties, invested and routed through various Bank Accounts maintained at Corporation Bank, HDFC Bank, State Bank of India etc. to camouflage their ill-gotten money and to project the same as untainted. However, as established



during investigation, these properties have been acquired out of 'proceeds of crime', as defined under Section 2(1) (u) of PMLA, 2002. Therefore, M/s Shree Ganesh Jewellery House (I) Ltd. and its associates, represented by its Chairman/Directors/Promoters i.e Shri Nilesh Parekh, Shri Umesh Parekh, Shri Kamlesh Parekh, family members and its associates companies had committed an offence of money laundering, as defined under section 3 of the PMLA.

5.17 By depositing and transferring said amount which is involved in money laundering in various bank accounts of associates companies and promoters and their family members, and diverting the banks' funds to purchase in commercial properties so earned through such sham deals, M/s. Shree Ganesh Jewellery House (I) Ltd. and their associates had projected the same as untainted. Accordingly, the said amount is liable for attachment under Section 5(1) of PMLA, 2002. It was further reasonably believed that if said property is left unattached, the same is likely to be transferred, disposed, parted with or otherwise dealt with in any manner prejudicial to the purpose of investigation. Hence, the Provisional Attachment Order was issued attaching the properties detailed supra.

5.18 In the facts and circumstances stated above, it is prayed that the provisional attachment order dated 16.04.2019 may please be confirmed under sub-section (3) of section 8 of the Prevention of Money Laundering Act, 2002 by this Hon'ble Adjudicating Authority.



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REPLY BY DEFENDANT NO. 2 TO 12 EXCEPT D-3

Following important submission are made:

1. It is submitted that it would be shown that, when the original complainant/SBI's record itself says that there is no fraud and the Court of Competent jurisdiction, records admission of prosecution that there is no fraud, then, the presumptuous attachment order, deserves to be rejected.
2. It is respectfully submitted that the **Ground Norm** for the statutory declaration is the source of income for acquisition of property attached. Since the source of money for acquisition of the property attached is, admittedly, not a result of any criminal activity related to a schedule offence, as defined in Section 2 (u), of PMLA, hence the properties have wrongly been attached and its attachment is liable to be not confirmed by this Hon'ble Authority.
3. It is submitted that the complainant ED is not sure that which property attached is a proceed of alleged crime and which for value of proceeds of alleged crime. Therefore, for lack of specificity the attachment ought not to be confirmed.
4. It is respectfully submitted that the legal mandate of the "reasons to believe to be recorded in writing, is not an mere empty formality which requires some lip service. It is most important to note that the 7.6 of the PAO is presumptuous, which is illegal and void. The formation of belief is to be based upon material in possession. Material in possession can result in reasons to believe that the property to be immediately attached is involved in money laundering, it being derived out of a criminal activity related to a schedule offence. Therefore, reasons to believe cannot be replaced

and/or substituted by presumption. The PAO deserves rejection on this count alone that it is not based upon reasons to believe but on presumption.

5. The entire premise of the matter is based upon the loan facility availed by one Shree Ganesh Jewellery House (India) Ltd. from a consortium of banks. Due to unannounced change in government policy, business suffered loss and the accounts were declared NPA. The SBI, filed a recovery suit in DRT, Similarly, all other banks also filed similar suits. Most crucial fact is that in these said Recovery Suit, there is *no allegation of fraud or cheating*. Such Banks, have however, failed to mention that such Company has also filed separate suits for recovery of its dues from various overseas buyers, which are pending.
6. In cases where the earlier civil recovery proceedings have not alleged fraud or cheating, and much later criminal complaints are filed alleging fraud and/or cheating, then the High Courts and Supreme Court, have quashed the criminal proceedings as abuse of process of law. Therefore, this Hon'ble Authority must not confirm the impugned PAO for this reason alone, giving due deference to the *ratio decidendi*, of Constitutional Courts.
7. The copy of the recovery suit/application before DRT filed by SBI and the Criminal complaint filed by SBI is being filed on record and comparison would show abuse of process of law. It may kindly be noted that in September 2015, suit for recovery is filed by SBI wherein not even an iota of substantiation about theme of fraud/cheating is mentioned. Belatedly in July 2016, SBI files complaint alleging several themes and against their own record.



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8. It is submitted that in the entire narration, not even one document is mentioned which has been forged so as to attract 471 IPC. The SBI's own investigator has concluded that there is no employee/official of bank, which can be held guilty. Therefore, in that backdrop, sections of Prevention of Corruption Act are not attracted. As far as 420 IPC is concerned, case cited supra is very clear on that issue. There are other catena of judgements that would be cited at the time of final arguments, to the effect that, inability to pay, does not become cheating. The DRT suit of SBI and other banks itself mentions that the borrower is unable to pay the amount hence cause of action is to file suit for recovery.

It is most important to note, that it is because of absence of these key ingredients, apparently, the chargesheet could not be filed, despite lapse of more than 3 years, because *prima facie* the legal ingredients of the alleged crime are missing the Impugned PAO is premature since no chargesheet has been filed by the agency investigating predicate offence.

9. It is submitted that the impugned PAO is directly opposed to the principles laid down in Directorate of Enforcement vs. Axis bank by Hon'ble High Court of Delhi and therefore is a nullity in eyes of law and hence must not be confirmed. The Company, Shree Ganesh Jewellery House (India) Ltd., has been referred to be liquidation by National Company Law Tribunal, Kolkata Bench. The properties attached are already with the Official Liquidator and there is no "threat of dissipation of any of the properties", which being, the *sine qua non*, the legal ingredient necessitating passing of PAO is missing therefore the PAO is legally untenable in the eyes of law.

10. The necessity of the completeness of material in possession is the central theme of the section. It is therefore imbedded in the section that it is only after filing of final

report under section 173 Cr. P. C., any order of attachment can be made. The complainant has been directed by the legislature not to rush into passing of PAO until the investigation is complete. Admittedly, in the present case the investigation is not complete since the chargesheet is not filed; hence it is opposed to the provision of law to pass any order of attachment.

11. The Complaint is bad for non-joinder of necessary parties. It is submitted that the complaint with CBI has been filed by SBI. The statement of SBI official has been recorded under section 50 PMLA by complainant-ED. Hence absence of SBI, from array of defendants, is fatal to the confirmation of PAO, more so in a matter where chargesheet has still not been filed. Therefore, the Complaint be rejected and PAO not be confirmed.

12. It is further submitted in the case cited *supra*, Axis Bank, it has been held by Hon'ble High Court that a deeper scrutiny is required vis a vis claim of bank, qua properties and the crime alleged. Upon proper scrutiny there could not have been any iota of doubt that the mortgaged in order to defeat the attachment. The aspect of closer scrutiny's is mandatory upon ED and this Hon'ble Authority. Therefore, since both the legal ingredients are missing from the reasons to believe, in its objectivity and subjectivity, the PAO deserves not to be confirmed.

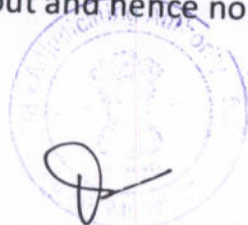
13. It is following submitted, that the complaint by SBI is itself not only malicious, against their own record and unsustainable in law, but also in suppression of facts affecting their exaggerated claim. It is a matter of record and also noted by the attaching authority, that the exports were insured by ECGC to the extent of approximately Rs. 1900 Crore. Kindly refer to statement dated 01.08.2018, internal

page 2 of RUD, Question 2 onward, details the same. SBI itself got it insured by deducting premium from the loan amount. It is humbly submitted when ECGC were contacted for information about insurance disbursal, their office replied that they have already disbursed the insured amount to the banks. However, it refused to divulge details. The copy of the said letter is being submitted for record. It would show that how SBI has been deliberately silent about the same in its complaint. Therefore, on this count alone the PAO is not to be confirmed.

14. ED has not at all conducted any investigation, about the same and has relied upon the complaint with eyes wide shut. More over the claim in para 8.6 of PAO on internal page 107, that, "Shri Nillesh Parekh, the main promoter, director, and significant shareholder in his statement dated 01.08.2018 has apparently confessed that they had actually indulged in circular trading." This claim of ED is preposterously wrong. There is no Confession far less an Admission. The ED has misinterpreted and manipulated the statement made by Mr. Nillesh Parekh to suit their illegal investigation. Therefore, the PAO has to be rejected on this count alone.

15. The second most important factum is about the existence of fixed deposit of Rs. 917 crores, which has been adjusted by banks. ED is silent about this. No investigation has been done in this regard. In this backdrop where does this outstanding comes from?

16. It is submitted that FIRat internal page 3A and RUD page 30, records that total wrongful loss of Rs 2223.13 Crores to 20 Nationalised Banks. However, ED takes the figure from original complaint by SBI, 2619.04 Crores. It is submitted that if we sum up the above Rs. 1900 crores insurance and Rs. 917 crores, the same is more than Rs: 2800 crores. Therefore, there could not have been any loss suffered by the Banks. It is again reiterated that no case is made out and hence no charge-sheet has been filed yet



by CBI, in the past 3 years. Despite the aforesaid it further submitted that as per the RBI guidelines, for outstanding receivables, the amount has to be deducted from outstanding

17. In the third quarter of the year 2013, the Defendant No.1 suffered enormous losses in respect of certain import transactions. These losses together account for a sum of Rs.1137 crore. The said loss is reflected in the audited financial statements for the year ended 31st March, 2014. However, these losses wiped off the own capital of the Defendant No.1 and it had nothing to do with the funds provided by the Banks. As stated earlier, the Banks were sufficiently secured and have realized their dues from ECGC and Fixed Deposits.

18. The defendant no.1 is entitled to export receivable dues of a sum of Rs.8843 crore as at 31st March, 2015. The export receivable of the defendant No.1 to the extent of Rs. 5327 equivalent to USD 807474331.00 crore is required to be Net-off/ Set-off against the import payable in terms of the Master Circular dated 1st July, 2014. Particulars of the transactions for which the defendant No. 1 is entitled to Net-off/ Set-off would appear from a schedule submitted. The defendant no.1 has subsequently applied to the banks to Net-off/ Set-off of export receivables against import payables. The banks have been authorized by the RBI for the same. In some cases, the Banks have accepted the request and have issued a reference number but have actually not effected the Net-off/ Set-off in the records of Respondent No.1 for the export receivables against import payable, particulars whereof would appear from a schedule annexed hereto. The total amount to be Net-off/ Set-off where reference numbers have been provided but the Respondent No.1 has not taken further steps are USD 14811028. The benefit

however is not being given to the petitioner, though these have been allowed. There is a second category of cases where the Banks have received the request to Net-off/ Set-off but have taken no further step on the basis thereof, particulars whereof would appear from a schedule submitted. The amount to be Net-off/ Set-off under this head is **USD105408052**. The banks are obliged to do the same. In respect of a further sum of **USD553955251/-** request for Net-off/ Set-off has not even been registered by the Banks, particulars whereof would appear from a schedule submitted. The RBI is duty bound and obliged to ensure that Net-off/ Set-off is done by the Banks. The Banks are also duty bound and obliged to ensure that Net-off/ Set-off is done in terms of the Master Circular. Therefore it can be safely deduced from above that there is no case made out of loss to banks. The complaint of SBI itself suffers from gross suppression of facts.

19. Since admittedly the Defendant no.1 is under liquidation and its records are with CBI/Custom department, Complainant/ED without collecting records from these departments should not have rushed to pass a presumptuous PAO. Even the statements given to ED have been suppressed and not brought on record.

REPLY ON MERITS:

1. The properties attached of Defendant no. 1 are already *custodia legis* by the officer of NCLT under Insolvency and Bankruptcy Code, 2016 and hence this Hon'ble Authority has no jurisdiction to record a finding enabling ED to take possession of the said properties. It is a settled position of law that the later Central Act i.e. IBC overrides the previous Central Act i.e. PMLA.

2. A brief about the trade and causes of loss is submitted on behalf of Defendant no. 2 and about work of defendant no.1, is submitted herein below:



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- i. The company was a PremierStar Trading House. During the year 12-13, due to slow down in the international jewellery market, and change in the government policy the company incurred losses, since its buyers failed to make payment. The company filed recovery proceedings, which are pending.
- ii. The company had substantial bank finance as debt. Due to the liquidity crunch company could not pay the banks. In December 2013 the company applied for CDR and filed a flash report with 80 percent of lenders agreeing.
- iii. The CDR mechanism failed in January 2015 at the behest of SBI and the banks demanded its money. As company failed to pay outstanding dues because of toliquidity crunch and non realisation of funds from its creditors, the banks filed the cases with DRT, Kolkata.
- iv. The company through its whole owned subsidiary had by then already registered a case in Dubai court against it's major debtor for its receivables. The court directed the parties to go for arbitration. The arbitrators were appointed by the party and the process started but could not conclude since the company was referred to NCLT.

2.1 SUBMISSION ON BULLION TRADE AND RESULTANT LOSSES.

The Defendant No. 1 was one of the largest manufacturers and exporters of handcrafted gold jewellery and had been doing bullion trading for long. An opportunity came to make substantial profits when local traders expressed their desire to buy gold in bulk from the Defendant No. 1.



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2.2 SETTLEMENT

- i. In between several correspondences were exchanged between Shree Ganesh FZE and Al Marhabaw.r.t. Transaction and funding of MTM (mark to market) Margins at each interval.
- ii. Shree Ganesh FZE supplied goods of equivalent value as security till 30th September 2013 towards MTM to Al Marhaba.
- iii. Shree Ganesh FZE tried to sell the goods (diamonds) in the open market on cash basis but could not sell at the fair value as the customers were looking for cash discount of apppx 25%-30% of the value of materials.
- iv. Shree Ganesh FZE negotiated with Al Marhaba to take the delivery of equivalent value of material to fund towards losses.
- v. Further after rescinding the Contract the subsidiary made an arrangement with Al Marhaba to supply goods of appx INR 3,400 crores to fund the losses on a 30:70 COD and deferred payment ratio. As stated above if the subsidiary would have sold diamonds in the open market they would have to sell the same at 30% cash discount. This in turn would have resulted into further loss of appx INR 487 crores. Hence to save from losses the subsidiary entered into an arrangement for supplying goods of appx INR 3,485 crores under 30% COD and 70% deferred payment option upto 2 years to Al Marhaba Trading FZE.

2.3 FUNDING

- i. Shree Ganesh FZE (the Dubai subsidiary of the defendant No. 1) had sourced the aforesaid worth of goods from Defendant No. 1 India as follows:
 - i. Till 30th September 2013 Shree Ganesh has already supplied goods worth Approx INR 645.34 Cr to FZE which was sent by FZE to various customers on approval basis.



- ii. Shree Ganesh FZE had called these goods back from the customer sent on approval and sold it to Al Marhaba FZE.
- iii. Further FZE had sourced goods worth approx INR 3400.00 from Defendant No. 1 and provided to Al Marhaba to fund the losses under 30:70 basis as stated above.
- iv. Shree Ganesh India had purchased aforesaid goods from its customers on credit and supplied it to Shree Ganesh FZE.
- v. Shree Ganesh FZE confirmed Al — Marhaba for the payment schedules.

2.4 SUBMISSION ON MERCHANTING TRADE AND RESULTANT LOSSES.

Defendant no.1 was one of the largest manufacturers and exporters of handcrafted gold jewellery and had been taking part in Merchanting Trade for long. Having known customers in Dubai and Singapore and in keeping with their request the Defendant No. 1 had no options but to oblige both, even if the margins were small.

2.5 SUBMISSION ON DEVELOPMENT COMMISSIONER MKSEZ-CASE

i. The Development Commissioner (DC) Mr. Sanjeev Nandawani passed an order on the company cancelling the letter of permission (LOP) and fined a company vide order F.No. Manikanchan/LC/S-2/2003/31 dated 30 June 2016. The order was based on non realisation of foreign exchange by the company. However, the DC undisputedly confirmed and held that all goods were exported by the Company.

2.6 SUBMISSION ON LOSSES ARISING DUE TO NON SUBMISSION OF FOREIGN INWARD REMITTANCE CERTIFICATE (FIRC) BY BANKS:

a. The Company had approached the bankers and asked them to net off/set off the receivables from the same party and payable to the same party as per the EXIM policy

read with SBI Master circular dated July 1 2014, where it clearly states that the export receivables can be set off against the export payables but in-spite of writing to the bankers, time and again, they did not do the same and bought a very negative picture of the outstanding to RBI. At the end of every financial year, the Company has been netting off the receivables against the payments.

2.7 SUBMISSION ON CORPORATE DEBT RESTRUCTURING, NO FRAUD CERTIFICATION BY SBI & OBSERVATION BY CMM COURT

a. It is most important to note that in 2013, after the Company went through major losses the Company approached the lenders to restructure loans. A flash Report was filed with the Corporate Debt Restructuring Empowered Group (CDREG) after taking a positive approval from the consortium lenders in 2014 for which a forensic audit and Techno Economic Viability report was submitted by the consortium leader. It was also important for bankers to be convinced that there was no diversion of funds, fraud or cheating created by the Company on declaration of losses by the Company. The forensic audit report was done by banks through reputed external agencies and an undertaking by State Bank of India to the CDR EG on March 6, 2014 and on March 21, 2014 stating that there was no element of indication of fraud, any mislead, any criminal breach of law by the Company. Also the bank stated that there was very minor violation of FEMA to the tune of INR 11 lakhs only for the amount in the account held by Axis Bank. It also stated that 69% lenders of the total exposure have agreed to allow the Flash Report to be submitted to the CDR EG.

b. It is also relevant to note that the TEV Report conducted by D&B was wrongly rejected by the consortium and the CDR Mechanism could not take place for the Company due to ill motive of State Bank of India.

c. Unfortunately, later in May'17 Defendant no. 2 was arrested and then subsequently released by both CBI Court and Learned CMM Court. **It is very important to note that CMM Court made an observation that there was no fraud element and no loss to exchequer on account of duty as claimed in their FIR.** It was the Company who lost its own money.

d. The bankers have further also filed many cases at the DRT Court creating legal entanglement and difficulties for the promoters and cash crunch Company.

2.8 SUBMISSIONS ON STEPS TAKEN BY THE COMPANY TO RECOVER THE LOSSES.

a. The circumstances were generated by the bank in which the promoters of the Company and the Company had no option but to just fight for the receivables from the foreign buyers to show the bonafide of our intentions.

b. Defendant no. 2 was frequently travelling out of country to follow up with the foreign buyers with regards to payment due from them. Subsequently, many correspondences were sent to the parties demanding to repay the outstanding dues. When they refused to pay the outstanding amount, Defendant no. 1 had no option but to take the legal route in the concerned countries and also file recovery suits against few of the parties before the Hon'ble High Court at Calcutta, which are pending.

2.9 SUBMISSIONS ON BALANCE RECEIVABLE BY DEFENDANT NILESH PAREKH FROM DEFENDANT NO.1.

Defendant no.2 has been regular tax payer and had to receive Rs 250 Lacs from defendant no. 1 at the end of year 2013-2014. There is no other payable by defendant no. 2 to defendant no.1. Ledger Copy of relevant books is being produced before this



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Hon'ble Authority. The defendant no. 2 would also place his claim before Official Liquidator, in due course.

1. The Defendant No. 3 namely M/s Nischay Jewels Pvt. Ltd., was incorporated on 12/02/2007 with a capital of INR 1,00,000/-. Hitesh Raj Dhinoja and Rajesh Seth were the directors of the company. During the year 2007-08, Company received share application money from various parties amounting INR 3.34 Crores and purchased a land amounting to INR 3.34 Crores from Creative Bakers & Confectioners Pvt Ltd situated at 38, Southern Avenue, Kolkata -29 with the sole object to develop the land, promote and trade.
2. The Defendant No. 5 namely Liberson Dealcomm Pvt Ltd was incorporated on 13/01/1995 with an initial capital of INR 1,03,000/-. During 1995, Company purchased a flat at 5/1/1B, Cornfield Road, Kolkata -19 for INR 33,42,395/-. This property was purchased out of Share application money received and which was subsequently repaid out of fresh loan received in 2009-10 from various parties. Subsequently equity shares were allotted to these parties.
 - a. Further, during 2008-09, Company purchased two flats situated at Flat 9B & 10B, Hiland Sapphire, 13/2 Ballygung Park Road, Kolkata - 19. These flats were purchased for INR 3.43 Crores from Mr. Sanjay Prakash. The total expense towards the flat including Stamp duty and Registration fees was INR 4.48 Crores.
3. The Defendant No. 6 namely Dhanteras Estates Pvt Ltd was incorporated on 07/12/2011 with a capital of INR 1 lakh. During the FY 2011-12, Company purchased a property at 5th floor, Avani Signature, 91A/1, Park Street Kolkata for INR 11,82,33,520. Company borrowed loan of INR 6,30,00,000 from ICICI Bank towards the purchase of


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this property and the balance amount was borrowed from holding Company, i.e. M/s Safal Properties Pvt. Ltd.

a. The share capital money received by the company was utilized to make payment of INR 96,00,000 to M/s The Peerless General Finance & Investment Co. Ltd towards purchases of a commercial unit in Anandlok building, 227 A J C Bose Road, Kolkata. Registration Cost of INR 5.73 lakhs was paid on the same.

4. The Defendant No. 10 namely Safal Properties Pvt. Ltd. was incorporated on 16/10/2007 with an initial capital of INR 1 lakh infused by Kumud Parekh (50,000/-) and Hitesh Rajnikant Dhinoja (50,000/-).

Company was formed with the purpose of development and trading in real state. Company purchased, developed and sold lot of properties over the years.

The property attached in the order is - 40, Rupchand Mukherjee Lane, Kol-25.

5. The Defendant No. 7 namely Kalindi Enclave Pvt Ltd was incorporated on 21/02/2006 with a capital of INR 1 lakh. During the FY 2006-07, Company borrowed loan from various parties to purchase a property.

6. The Defendant No. 8 namely "K and R Associates" is an unregistered Partnership Firm formed by two Indian residents on April 2010 namely Late Mrs Kumud Parekh (75%) and Mrs. Ratna Nilesh Parekh (25%) as partners. As per Partnership agreement, It was agreed that, "the business of the partnership firm will be dealing in Sale, Purchase, Trade, Speculate, Invest, Deal, Broker, advice or otherwise in all type of Govt., semi government, other public and/or private shares, securities, and other such instruments etc and/or any other business or service activities as mutually decided by the partners from time to time. The firm will also deal in buying, selling, enter in joint

venture agreement, as a commission agent and other such related activities in relation to business relating to immovable properties and real estate business".

6.1. Mrs. Kumud Parekh had disclosed tax paid income of Rs 30cr in the FY 2008-09 which was subsequently provided to K& R associates as Loan which was further invested / lent to Companies for acquiring various immovable properties for the purpose of Trading. Ratna Nilesh Parekh had invested a nominal amount of Rs. 2.5 lacs in the partnership Firm.

6.2. In Dec 2013 vide agreement, Late Mrs Kumud Parekh retired and Mr. Khapra Farouk Yousoof Bhai (NRI) and Mr. Hitesh Rajnikant Dhinoja (Indian Resident) were introduced as new partners.

6.3. After formation of Partnership firm, till the retirement of Late Mrs Kumud Parekh, around 5-6 Private Limited Companies were acquired like Safal Properties P Ltd, Nischay Jewels P Ltd, Carvan Creation P Ltd (NBFC), Kalindi Enclave P Ltd, Liberson Dealcom P Ltd, Swastik Wheat Products Agencies P Ltd, etc having immovable properties. Few immovable assets were constructed and sold through these Acquired Companies.

Shareholding Structure enclosed.

6.4. There are no immovable property directly in the name of "K and R Associates" partnership firm. There are immovable assets viz commercial & residential units and vacant lands in the Companies of which K&R Associates is majority shareholder. All these years the Companies were either earning by way of sale of



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constructed immovable assets or by way of "Rentals" and "Maintenance/ facility charges".

6. 5. Ratna Nilesh Parekh who was a Director in Liberson Dealcom P Ltd was only a signatory and didn't have authority for any decision making therein. She was just enjoying the residential house purely taken by the Company for Trading purpose.

7. The defendant no. 11, is producing the copy of ledger of Defendant no. 1, in her books. It can be seen that there is no receivable or payable by defendant no.11 to defendant no.1. The closing balance in bank accounts amounting to Rs 13 Lacs is her own tax paid fund. She has been a regular tax payer. It is also submitted that she has not taken any loan or borrowing from Kumund Parekh. The ledger copy is also being produced

8. Karan Parekh is the son of the defendant No. 2. He has never been involved in the business or management of the defendant No. 1. There are no pending business transactions between the defendant No. 1 and Karan Parekh. No benefit has been derived by Karan Parekh from the defendant No. 1 directly and/ or indirectly. Karan Parekh from his own accruals had given loan to his grandmother Mrs Kumund Parekh, which is yet to be received back by him.

9. The statement procured by ED from various parties as relied upon in PAO are immaterial. Most of such persons have grievance against the promoters of the Company for one reason or other and have deposed against them out of vengeance. Others have been coerced and intimidated by the ED officials to depose in their favour so that the ED's case have false legs to stand on. Such statements obtained under duress cannot and should not be relied upon.



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10. The complaint of ED deserves to be dismissed.

11. The PAO needs to be rejected and therefore it is being most humbly prayed so.

Written Synopsis filed by D-2, D-4 to D-12 during the final argument:-

Following important submission are made:

1. None impleadment of State bank of India (leader of consortium) and Original Complainant as a defendant in OC 1146 is fatal for confirmation proceedings. Therefore the PAO ought not be confirmed.
2. The "burden of Proof" as detailed in Section 24 PMLA, shifts only after the formation of reasonable belief.
3. That admittedly the prosecution complaint has not been filed against the Defendant and further admittedly the defendants have not been CHARGED for offence of money laundering, hence there cannot be any presumption against the defendants.
4. As per principles of pleadings in quasi judicial proceedings, evasive reply by complainant/ED would amount to admission and therefore the PAO ought not be confirmed for violating principles pleading. None of the contentions, legal or factual, have been addressed specifically by complainant, therefore it would amount to admission of contentions raised by defendants and therefore the complaint be rejected.

REPLY BY DEFENDANT NO. 13

1. The defendant seeks to set out its reasons as to why the provisional attachment which is being sought to be confirmed in the present proceedings is not tenable in the

eyes of law and that the asset of defendant no. 13 which has been provisionally attached is neither related to any criminal activity nor can be said to be proceeds of crime nor can be said to be the equivalent of proceeds of crime.

2. A brief narration of the facts of the case is as follows:

- a. The Defendant No. 1 was an award winning and publically traded Jewelry Company and has been a Jeweler for the last 30 years. Business and the Defendant No. 1's relationship with Banks/financial institutions were more than healthy for a nearly a decade. Problems struck when in 2013, the Government of India raised taxes on gold three times in an effort to control its current account deficit. At that time Defendant No. 1 was one of India's largest Gold Importers and Exporters. This move was widely regarded by those in the trade as an irresponsible and arbitrary Government Policy, potentially tinged with motivations to accumulate political capital ahead of what was a landmark election in India in 2014. Coupled with this, there was a sharp fall in the global prices of Gold at the time. The Defendant No. 1 had also previously entered into contracts with overseas buyers in the UAE due to an 80:20 Gold Import scheme introduced by the Reserve Bank of India to encourage the Industry. This scheme was arbitrarily revoked when the 2014 elections came around; this was a massive blow to the business plans of the Defendant No. 1.
- b. This led to massive losses to the Defendant No. 1 and an inability to service the long running credit facilities that had been availed by it. The economic conditions, government policies and huge loss in an overseas deal where a buyer failed to pay a huge amount of money all led to a humongous yet genuine business loss.
- c. In 2013, the Defendant No. 1 then approached the government to restructure its corporate debt through the process of Corporate Debt Restructuring, the first ever

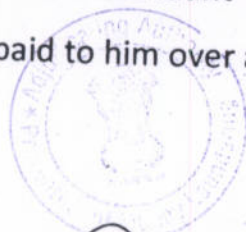
loan recast mechanism of the Reserve bank of India. The proposal for debt restructuring was rejected due to non-viability. As mentioned earlier, prevailing government policies and economic conditions made most jewelry trade non-viable. Once again there was no clear evidence of fraud or willful default found by the D&B report or the TEV case study that was conducted at the time. The CDR flash report itself stated that no fraud was committed by the Defendant No. 1 or any of its promoters, directors, or employees.

d. Between 2014 & 2016, various attempts made by Defendant No. 1 to settle with the banks, through government instruments and agencies. However, there was no mechanism that allowed the company to regain its financial health and there was no insolvency bankruptcy code in place at the time. Thus there was no relief to be found. There were 2 banks (Bank of India and State Bank of Travncore) which agreed to settle the debts with the company.

e. Even though the CBI started investigating this case in 2016, they have yet to file a charge sheet yet. This can be attributed to the fact that the CBI is yet to come across any forged document, and no other elements of criminality have been detected.

f. In the mean while, liquidation proceeding have been initiated against the Defendant No. 1 and the NCLT bench at Kolkata has been pleased to order liquidation of the company and the Official Liquidator is now in the process of distributing the assets of the Defendant No. 1 between the various debtors.

3. In reply to the amount in bank account the defendant no. 13 states that the flow of funds into the above mentioned bank a/c was exclusively comprised of managerial commission and remuneration for the Defendant No. 13 as a managing director of Defendant No. 1. This amount was paid to him over a period of time.

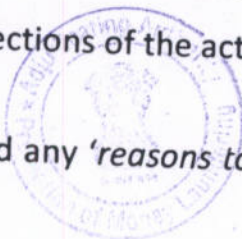


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4. Apart from the above the defendant no. 13 respectfully submits as under:
- It is strange that the provisional attachment order is not based on "reasons to believe to be recorded in writing;" It appears that the complainant has treated the same as a mere formality and has based the entire case on presumptions only. The provisional attachment order is liable to be rejected on this ground alone.
 - The provisional attachment order lacks the integral ingredients of a valid provisional attachment order as has been mandated by various courts. It is humbly stated that there is no material in possession of the enforcement officer which comprises the basis of the reason for belief that the said asset is tainted.
5. In the facts and circumstances stated above and in light of the established principles of law, the provisional attachment order which is sought to be confirmed in the present proceedings ought to be rejected in its entirety.

REPLY BY DEFENDANT NO. 14

- The instant proceedings stand completely vitiated inasmuch as 'reasons to believe' as contemplated under Section 5(1), 8(1) as well as Section 17(1) of PMLA have not been supplied to the Respondent at the outset. This illegality goes to the root of the matter & vitiates the entire proceedings initiated against the Defendants.
- From a bare reading of the provisions under Section 5(1), 8(1) and 17(1) it is crystal clear that the reasons to believe have to be supplied in writing by the adjudicating authority to the Respondents and that the conditions re. supply of reasons to believe in the aforementioned Sections of the act are pari materia.
- The Respondent has not been supplied any 'reasons to believe' as contemplated



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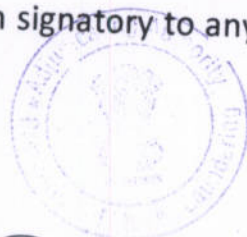
under the PMLA either at the stage of Section 5(1) or under Section 8(1) while issuing the Notice to Show Cause & under Section 17(1) while search and seizure thus, in view of the law laid down by the Hon'ble Division Bench of the Delhi High Court in *J. Sekar's case* (Supra) as well as the Hon'ble Appellate Tribunal in *SS. Earth Movers' case* (Supra), the instant proceedings stand vitiated & the instant Complaint is liable to be dismissed. Further, it is a matter of record that the Respondent has nothing to do with either the proceedings before the Adjudicating Authority or the predicate offence and he has been wrongly arraigned as accused in the instant proceedings.

ON MERITS:-

- a) The Defendant is an NRI (Non-Resident Indian) residing in Dubai for the past more than Two Decades and is presently running a business under the name and style of Aastha Jewellery since the last one decade. The Defendant has built substantial good will and reputation and has been able to promote responsible ethical, social and environmental practices, throughout the diamond and/or gold jewellery supply chain in Dubai/UAE. The Defendant is a law abiding citizen and impeccable character and no criminal antecedents to this discredit.
- b) It is a matter of fact and record that the Defendant is only an shareholder of Shri Ganesh Jewellery House Company of which certain shares were bequeathed to him by way of inheritance, and the additional some were purchased by him, however, the Defendant is neither the Director of the company nor he is involved in any day to day affairs of the company.
- c) In the PAO, the name of Mr. Kamlesh Parekh appears as owner of M/s Aastha Jewellery, LLC, UAE having the same business address as M/s Sparkle Jewellery, LLC, U.A.E. On this premise alone it is concluded that "it appears that M/s SGJHIL got the export bill drawn on Sparkle Jewellery FZE discounted by the bank and remitted to Al

Marhaba Trading FZC by way of accommodation towards the setting right part of the loss of Rs. 2570 crore under bullion trade." By no stretch of imagination such a circumstances can lead to or attract any complicity in the crime on which the instant proceedings have been initiated as the suspicion at all against M/s SGJHIL for getting the export bill drawn on Sparkle Jewellery FZE (which is not in Dubai but in Sharjah) discounted by the Bank and remitted to Al Marhaba Trading. Sparkle Jewellery L.L.C. and Sparkle Jewellery FZC are two different companies having different owners and in two different Emirates of U.A.E. i.e. while one is in Dubai, the other company by the same name is in Sharjah. The bills were never drawn on Sparkle Jewellery LLC, Dubai owned by the present Applicant and which stood closed in the year 2007, because the name of the other company registered in Sharjah is same the assumption by the Complainant is baseless & not legally tenable.

d) In the PAO, Shri Kamlesh Parekh has been shown as a common investor in Al Marhaba, Dubai, M/s Aastha Jewellery, LLC, M/s Sparkle Jewellery FZE, Dubai, M/s Al Marhaba Trading (FZC). The Defendant/Accused Kamlesh Parekh is not an owner or partner in any of the above mentioned company except Aastha Jewellery LLC and has no Imports and Exports since inception from Shree Ganesh Jewellery House Ltd or any transactions mentioned in the FIR from Dubai and Sharjah companies, accordingly all the assumptions by the Complainant are baseless and in such circumstances not even remotely relevant for involvement of the defendant in any of the allegations contained in the entire Complaint, no where it has been alleged that Kamlesh Parekh was either a Director or a person who was empowered to avail the credit facilities from the Banks or Incharge and or responsible for the day to day affairs of the Borrowing Company or the aforesaid companies nor had he been signatory to any of the transaction referred in the Complaint in very extensive details.

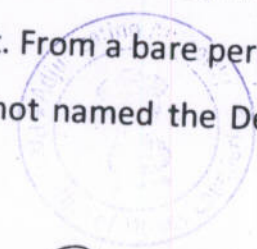


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e). Further, the examination of the official records submitted to the Ministry of Corporate would make it evident that the Defendant was not a Director of any of the Companies. It is also an admitted fact that the Defendant is owner of Aastha Jewellery only which is a Dubai based company, further, there is no material on record to show that any Transactions ever took place between Aastha Jewellery or any of the Companies named in the FIR, all the records, documents and evidence would show that the Defendant is merely a shareholder of a Company in which he has acquired shares through inheritance and open market.

f) The instant proceedings are not maintainable, bad in law, illegal and liable to be dismissed. The Defendant has neither signed any document with any Bank for securing Loan nor received even a single penny till date from the Accounts of M/s Shree Ganesh Jewellery House Pvt. Ltd. and he is being made to suffer only on account of he being a shareholder in the Company M/s Shree Ganesh Jewellery House Pvt. Ltd.

g) It is a matter of record that the Directorate of Revenue Intelligence in a Bail Application of Nilesh Parekh in a Complaint case filed against Nilesh Parekh has categorically taken a stand that Nilesh Parekh has diverted/attempted to divert into DTA out of SEZ facility without fulfilling the export formalities as required under the Letter of Permission granted to Shree Ganesh Jewellers and as such **being the promoter-director of Shree Ganesh Jewellers and being in control of the company upto June 2015, is responsible for the evasion.** In the aforesaid Application moved by DRI, it is categorically stated that Nilesh Parekh is liable for commission of offences under Section 2(39), 135(1)(a) of the Customs Act, 1962 and is therefore liable to be arrested under Section 104 of the Act. From a bare perusal of the aforesaid Application it is crystal clear that even DRI has not named the Defendant in the alleged evasion



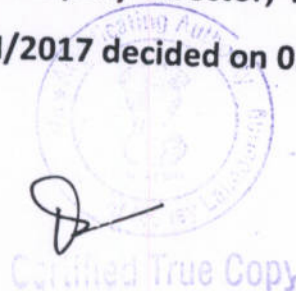
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carried out from Shree Ganesh Jewellers and further in light of a categorical assertion by the DRI about Nilesh Parekh being the Director of Shree Ganesh and looking after its affairs, any such activity or transaction carried out by Shree Ganesh Jewellers cannot be linked with the Defendant. The same observations have been recorded by the DRI in its proceedings.

It is, therefore, respectfully prayed that this Hon'ble Authority may be pleased to dismiss the instant Original Complainant no. 1146 of 2019 under section 5(5) of the Act as the instant proceedings are null & void ab-initio and are in complete violation of the basis postulates of the section 5, 8 and 17 of the Prevention of Money Laundering Act, 2002.

REPLY BY DEFENDANT NO. 15

1. It is submitted that the properties mentioned in Annexure 1 of this written submission lists out all the properties which were mortgaged in favour of Defendant no. 15 with respective dates of both the purchase and mortgage.
2. It has been settled law as held in the various judgments that the Complainant cannot attach a property which has been mortgage to Financial Institution, especially if the some was purchased prior to the commission of alleged offence:
 - 1) Deputy Director Directorate of Enforcement Delhi vs. Axis Bank, 2019 SCCOnlineDel 7854;
 - 2) Bank of India vs. The Deputy Director, Directorate of Enforcement, Mumbai (FPA-PMLA-2173/MUM/2018 decided on 31.10.2018
 - 3) Standard Charted Bank vs. The Deputy director, Directorate of Enforcement (Mumbai FPA-PMLA-1604/MUM/2017 decided on 02.08.2018)


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3. The Appellant Bank has the right to recover the loan amount against the mortgaged properties under law. The valuable right will be lost if the Order of attachment would continue. The impugned order passed by Adjudicating Authority would cause miscarriage of justice if it is not set-aside.

REPLY BY DEFENDANT NO. 17

1. The answering Defendant is the largest retailer and leading manufacturer of footwear and accessories in India and operates around 1400 retail stores and provides direct and indirect employment to thousands of people in India.
2. The answering Defendant is in possession of a property listed at Serial no. 33 of Table A reproduced in para 5.2 of the application filed by the Complainant i.e. respect of shop no. G-14A, Ground Floor, Crystal Mall, Kalavad Main Road, Opposite Rain Tower, Rajkot 360005 ad measuring 2033 sq. ft (herein after referred to as "Demised Premises") in the capacity of a lessee by virtue of a Registered Lease deed dated 26/11/2014 executed by and on behalf the Defendant no. 1. It is submitted that the acquisition of the demised premises is bonafide one.
3. As per clause 21 of the lease, as aforesaid, the lease in favour of Defendant no. 17 was for a fixed term, and the Defendant no. 1 lessor was not entitled to terminate the lease for any reason whatsoever, during the term of 9 years excepted for non-payment of rent for 3 consecutive months inspite of 30 days rectification notice. The defendant no. 17 had thus bonafidely entered into the possession of Demised Premises and invested huge amount of money in furnishing the Demised premises as



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there was a guarantee that the Defendant no. 17 would be entitled to possess the demised premises at least for a period of 9 years.

4. The Defendant no. 21, being the Liquidator, had moved an interim application registered as MA no. 31/KB/2019 under section 60(5) of Insolvency and Bankruptcy code, 2016 against Complainant Enforcement Directorate, Bata India and 3 other entities, inter alia seeking a direction to the Defendant no. 17 lessee, to pay to the Liquidator on month to month basis, all the rent/occupational charges/amenities charges against the use and occupation of the premise owned by Defendant no. 1 herein.

5. It is pertinent to mention here that while deciding the aforesaid application, the Hon'ble NCIT Kolkata, vide its Order dated 03 rd April 2019, directed the Defendant no. 17 herein to pay the rent, arrears if any, to the Liquidator, who was directed to keep the same in a separate account.

6. In compliance of the directions given by the Hon'ble NCIT, Kolkata Bench, the Answering Defendant no. 17 has deposited following DD' with Mr. Anup Kumar Singh, Insolvency Resolution Professional:

DD No. 011985 for Rs. 498107/-

DD No. 011984 for Rs. 4507125/-

The aforesaid amount deposited with the Resolution professional was the due and payable amount upto May 2019.

7. The answering Defendant no. 17, is entitled to receive back a total sum of Rs. 18,00,000/- (Rupees Eighteen Lakh Only), as deposited as interest free refundable

security deposit (s) [167292.00 +1632708 = 1800000]in case of expiry of the lease agreement or early termination as the case may be, besides the afore said property Tax of Rs. 83759.00 (Rupees Eighty Three Thousand Seven Thousand fifty Nine Only) paid on behalf of the defendant no. 1

8. The answering Defendant no. 17 hereby respectfully states that it intends to run its Bata Store form the demised premises by regularly paying the rent and/or related occupational charges for the full term of the lease dated 26/11/2014 and thus the answering Defendant no. 17 submits that the Application filed by the complainant seeking attachment of the demised premises is not liable to be allowed in respect of the demised premises listed at serial no. 33 in Table A at para 5.2 of the application.
9. In term of the clause 21 of the lease deed dated 26/11/2014, the defendant no. 17 has an inviolable right to continue to possess and enjoy the demised premises as a lessee thereof during the entire term of the registered lease i.e. for a period of 9 years.
10. It would not be practicable for the complainant to take the possession of the demised premises from the Defendant no. 17 herein, unless the Defendant no. 17 herein voluntarily terminates the lease or until the expiry of the lease term.
11. The complainant has not been able to demonstrate that the demised premise under the occupation of the Defendant no. 17 is a property acquired on lease by the Defendant no. 1 through proceeds of crime.



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12. It is most respectfully submitted that this Hon'ble Authority does not have jurisdiction to attach the properties of the corporate Debtor which is undergoing the corporate insolvency resolution process under the provisions of IBC, 2016.

13. The Defendant no. 17 shall suffer huge and irreparable losses if the attachment of the demised premises is confirmed and the possession thereof is forcefully taken during the lease term. The Defendant no. 3 has invested a huge sum of money in furnishing and fit outs in the demised premises and has having a huge inventory in terms of stocks and other properties in the said premises.

14. In the light of the facts, circumstances and submissions, made hereinabove, the Defendant no. 17 hereby most respectfully prays that prayer of the complainant seeking confirmation of attachment of the demised premises listed at serial no. 33 in Table A, para 5.2, may kindly be rejected and the Defendant no. 17, Bata India Limited be allowed to run and operate its showroom smoothly and without any interference by the complainant from the shop no. G-17A, Ground Floor, crystal mall, Kalavad Main Road, Opposite Rain Tower, Rajkot, 360005 under aforementioned registered lease deed dated 26.11.2014 for the entire term of the lease.

REPLY BY DEFENDANT NO. 18

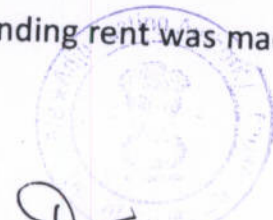
1. We understand that the property attached under s. 5(1) of PMLA as mentioned in the SCN. The property that Flat No. 2A, Park Street Building, 24A Park Street, Kolkata-700016 the SGJHIL and as acknowledged by Kolkata, the Attached is not owned by us. We had only taken the Attached Property on lease from SGJHL. The said lease expired in 2018. Thereafter, as per the written directions of ED Kolkata we have paid all



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outstanding rent due from us in connection with the attached property in favour of the account instructed by ED Kolkata. Such payment clearing all outstanding rent was made by us on 22nd April 2019 by way of demand draft no. 588048 dated 26th March 2019. This has been duly received and acknowledge by ED. Kolkata.

2. We have made requests several times to ED Kolkata to take over the possession from us. We have only been directed and instructed not to part possession of the attached property until further notice. Basis our earlier communication to ED Kolkata (details set out below) only hold symbolic possession of the attached property as we have not received any instructions for handing over possession, we are neither the owners, tenants or right holders to the attached property. We have been ready and willing to hand over possession o the attached property whenever we received your directions for the same. Therefore, we requested that possession be taken over from us the attached property and the matter be closed against us and our name struck off from this complaint.

3. The SCN further requested us to indicate the source of our income, earning or assets out of which or by means of which we have acquired the Attached Property: We again reiterate that the Attached Property is not owned by us. We have communicated to ED Kolkata and as acknowledged and taken or record by ED Kolkata, the Attached Property is owned by SGJHL. We had nobly taken the Attached Property on lease from SGJHIL. The said lease expired in 2018. Thereafter, as per the written direction (Notice dated 14th February 2019) of ED Kolkata we have paid all outstanding rent due from us in connection with the Attachment Property in favour of the account instructed by ED Kolkata. Such payment clearing all outstanding rent was made by us on 22nd April 2019



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by way of demand draft No. 588048 dated 26th March 2019. This has been duly received and acknowledged by ED, Kolkata.

Therefore, we have complied with all requests and demands made by ED Kolkata onus in connection with the Attached Property. There are no outstanding dues pending from us with respect to the Attached Property. We had also vacated the Attached Property in 2018 itself. We are neither the owners or right holder of the Attached Property in any manner whatsoever, further we have no connection or association with SGJHL. We request you to please remove our name from the investigation pertaining to the Attached Property as there is no further action required from us in this regard. The investigation under PMLA is against SGJHL and we not connected with this.

4. We received a notice from ED Kolkata dated 14th February 2019 directing us to pay the outstanding amount of rent INR 53, 78,981/- due to SGJHL towards the Attached Property, after adjusting the security deposit to the account indicated in the notice.

5. We also received summons from ED Kolkata dated 9th May 2019 directing our employee Mr. Shailesh Laha to be present before him on 13th May 2019 to record his statement regarding details of rent payable to SGJHL and all relevant documents of lease. Accordingly, ED Kolkata took his statement on record that we have paid the outstanding rent as directed earlier and there is nothing outstanding. However, despite repeated requested we have not been directed to hand over possession of the Attached Property.



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6. Therefore, as can be seen we have complied with all directions of ED and fully cooperated with ED Kolkata in the investigation against SGJHL. The investigation pertains to SGJHL and the properties acquired by it. We are not connected with the investigation.

REPLY BY DEFENDANT NO. 19

1. We have been arrayed as defendant no. 19, being the tenant in two shop rooms being shop Nos B 014 & B015 situated at Ground Floor, City Centre, Uttorayan, Silliguri, of which defendant no. 1 was the land lord.
2. At the outset the defendant no. 19 submits that on 10-04-2013 firm had entered into a lease agreement with Shree Ganesh Jewellery House for the premises B014 & B015, Ground Floor, City Centre Mall, Distt. Darjeeling, Siliguri For a period of 9 yrs. In the Month of May 2015 the defendant received a letter from Ganesh Jewellery House informing us that since they have entered into an agreement with one Shree Padmavati Enterprises, therefore we transfer the rent amount now in the account of Padmavati Enterprises. The answering defendant duly deposited the said rent till Feb 2017 in the said account.
3. The Subsequently in the Month August we received a letter from SBI informing that DRT, Kolkata has symbolically taken possession of the rented shops, as the owners have been arrested by the ED on charges of Fraud.
4. We were later on informed that some matter was going on in NCLT, Kolkata bench against Shree Ganesh Jewellery House in which one Sh. Anoop Singh has been

appointed as official liquidator. Since there was no clarity qua whom the tenants have to deposit their rent now, therefore the Official Liquidator moved an application before the NCLT u/s 65(b) of the insolvency and Bankruptcy code in which the ED was also made a party.

Finally on 03.04.2019 the NCLT gave a direction to the tenants to pay their rent arrears and the current rent with the Official liquidator who was to keep the same in a separate account opened in the name of corporate director.

5. On 09.05.2019 itself, in due compliance with Hon'ble NCLT order we deposited an amount of Rs. 42,40,890/- towards rent from March-2017 to May-2019 (after deduction of TDS) and Rs. 8,98,615/- on 13.05.2019 through RTGS towards arrear of rent increment from May-2016 to May 2019 in the account provided by the Official Liquidator and after that we are regularly paying Rs. 2,07,724/- monthly rent (net of TDS) in the account provided by the official Liquidator.

6. In view of the submission made herein above, the answering defendant humbly prays that as he is a tenant in the premises, he has duly deposited the rent with the official Liquidator in due compliance with the Hon'ble NCLT's Order. Therefore he be absolved in the said complaint and proceedings against him be closed in the interest of justice.

REPLY BY DEFENDANT NO. 20

1. The properties being Unit Nos. B0014 measuring about 1048 sq. ft., Super Built Up area and B0015 measuring about 958sq. ft. Super Built Up Area respectively, in Ground Floor, Block-B, at City Centre Mall, Uttorayan Township, Matigara, NH-31,



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Siliguri-734010 ("SAID PEOPERTIES") were sold by M/s Ambuja Realty Development Limited ("ARDL") for a total consideration of Rs. 2,47,49,967/- (Rupees two crores forty seven lakhs forty nine thousand nine hundred sixty seven only).

2. The possession of the said properties were handed over on 15.10.2010, but the allottee have not registered the said properties in their name, or approached us to get the deed of transfer of title executed in their favour till date.
3. As on date SGJHIL has licensed/ rented out the said properties to M/s Aero Club, who are operating their business form the said properties in the name of Woodland and making payment of License Fees/ Rent to SGJIL. M/s. Aero Club is making monthly payment for a sum of Rs. 46,488/- (Rupees forty six thousand four hundred eighty eight only) subject to applicable escalations from time to time, towards common Area Maintenance and other charges to ARDL, as ARDL is the nominated company for providing the maintenance and management of the common areas and common facilities of City Center Siliguri. SGJIL is also making payment of the electricity charges directly to ARDL as per the bills raised on them from time to time, which on an average comes to a sum of Rs. 15,000/- (Rupees fifteen thousand only) approximately per month. It is pertinent to mention, that the payment of common Area Maintenance charges, Electricity charges and other applicable charges have to be paid in perpetuity for availing facilities and other essential services for operation of any type of business from the said properties.
4. The statement made above are true to the best of our knowledge and are based on the availability of records. The letter of Authority to appear before your good office, supported by the Board Resolution was submitted before this tribunal on

10.07.2019 through personal appearance. In the premises, kindly accept this statement and ensure the outstandings receivable from SGJIL, for which we shall be obliged.

REPLY BY DEFENDANT NO. 21

1. It is evident that the properties which have been targeted for attachment by the enforcement authority are not properties which can be described even remotely to be those which have been derived or obtained as a result of alleged criminal activity leading to commission of money laundering. Substantial part of such assets sought to be attached were acquired much prior to the alleged acts of commission relating to money-laundering. The assets in question seem to be held in the name of, or owned by, persons (other Defendants) against whom there is purported material available forming the basis of reasons to believe of complicity in money-laundering. But the properties which are sought to be attached are not product of money-laundering and since the enforcement authority has not been able to demonstrate any nexus between the property attached with the money availed as loan from the Banks, it has wrongfully proceeded to reach out to assets of the Defendants that have been acquired earlier from legitimate means because they are properties of the same value as would have been the value of alleged pecuniary advantage gained by money-laundering.

IBC PROCEEDINGS

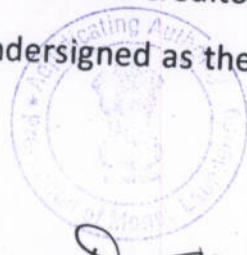
a) In the meanwhile, pursuant to the introduction of the Insolvency and Bankruptcy Code, 2016, the State Bank of India (Lead Banker) filed an Application under section 7 before the Hon'ble National Company Law Tribunal, Kolkata Bench being C.P. No. 579/KB/2017 titled as State Bank of India vs. Shree Ganesh Jewellery House (I) Limited and the same was admitted vide Order dated 12.02.2018 wherein Mr. Manish Jain was

appointed as the Interim Resolution Professional and Moratorium under Section 14 came into force in the said matter. It is thus evident that IBC proceedings against the Defendant No. 1 Company were initiated and are in existence much prior to the order of provisional attachment dated 16.04.2019.

b) In furtherance to the IBC proceedings, the First Meeting of Committee of Creditors took place wherein it was decided to appoint Defendant No.21 herein as the Resolution Professional with 89.15% votes in favour of the said resolution in the said matter and the same was approved by the Hon'ble NCLT, Kolkata Bench vide its order dated 18.05.2018. That during the CIRP of the Defendant No.1 Company the Defendant No.21 had admitted claims from a consortium of 25 banks amounting to INR 4856.38 crores.

c) As approved by the members of the Committee of Creditors, the Defendant No. 21 filed a Petition before the Hon'ble Tribunal for commencement of Liquidation Proceedings of the Defendant No.1 (Corporate Debtor) and the same was approved by the Hon'ble NCLT, Kolkata Bench, on 14.09.2018. That in pursuance to and in furtherance of Liquidation Process of the Defendant No.1 (Corporate Debtor), Defendant No.21 made a public announcement in Form B for invitation of claims for the Corporate Debtor and the undersigned received claims from the consortium of 25 bankers amounting to INR 5395.97 crores out of which INR 5364.32 crores were admitted by the Liquidator.

d) The post his appointment as the Resolution Professional/ Liquidator, being the Defendant No.21, issued letters to the all the creditors, tenants and statutory bodies with regard to appointment of the undersigned as the Resolution Professional. During



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the period, it came to the knowledge of Defendant No.21 that the Enforcement Directorate had directed the tenants of the Corporate Debtor namely, Johnson & Johnson Private Limited, Bata India Limited and Aero Club (Woodland) not to remit rents to any account without prior permission from the office of the ED.

e) The Defendant No.21 issued letters to the office of the ED to remit the same to him in accordance with the provisions of the Code, 2016. However, no action was undertaken by the office of the ED and the Defendant No.21 was bound to file a petition against the office of the ED before the Hon'ble NCLT, Kolkata Bench for custody of same. However, no one appeared from the office of the ED for the said proceedings.

f) The during the Liquidation Process of the Defendant No.1 (Corporate Debtor), the Defendant No.21 filed a separate petition before the Hon'ble Tribunal, Kolkata Bench on 14.12.2018, wherein the Enforcement Directorate, Johnson & Johnson Private Limited, Bata India Limited and Aero Club (Woodland) were made Respondents in the said petition and prayed for direction of remittance/release of accrued rent along with current rent if any from the tenants of the Corporate Debtor and further prayed the same should be deposited in the Liquidation Account of the Corporate Debtor. The copy of the said application was filed and served to the office of the Enforcement Directorate. However, no one appeared from the office of the ED for the said proceedings.

g) During the Liquidation Process of the Defendant No.1 (Corporate Debtor), Defendant No.21 further filed petitions before the Hon'ble National Company Law Tribunal, Kolkata Bench against the Directorate of Revenue Intelligence, Bank of Nova Scotia, West Bengal Industrial Development Corporation Limited, Receivers appointed

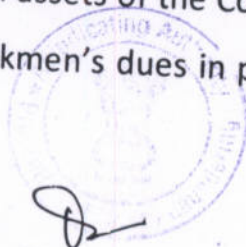
by the Debts Recovery Tribunal for custody of assets of the Corporate Debtor in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

h) The Tribunal after much discussion and deliberation on 03.04.2019 directed the tenants of the Corporate Debtor to remit/release accrued rent along with current rent if any to the Liquidation Account of the Corporate Debtor and to be kept in a separate bank account.

aa. Post the direction of the Hon'ble National Company Law Tribunal, Kolkata Bench dated 03.04.2019 Defendant No.21 issued letters to the tenants of the Corporate Debtor to comply with the Order of Hon'ble Tribunal, Kolkata Bench and remit the accrued rent along with current rent if any to the liquidation account of the corporate debtor. In compliance of the said order Defendant No.21 received accrued rent from the office of Bata India Limited and Aero Club (Woodland) of INR 50,05,232 and INR 51,39,705 respectively. However, in defiance of the said Order, Johnson & Johnson Private Limited issued a demand draft in favour of Shree Ganesh Jewellery House (I) Limited amounting to INR 48,41,026 against accrued rent to the office of the ED.

bb. It is subsequent to the aforesaid proceedings of liquidation of Defendant No. 1 Company which were undertaken by the Defendant No. 21 in pursuance to the directions of the Hon'ble National Company Law Tribunal, Kolkata that the provisional order of attachment was passed on 16.04.2019 against the Defendant No 1 company.

cc. It is submitted that as per the waterfall mechanism laid down in section 53 of the Insolvency and Bankruptcy Code, 2018 all assets of the Corporate Debtor must be first appropriated towards the IRP Costs, workmen's dues in pari-passu to the dues of the



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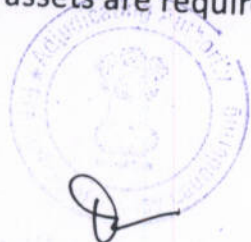
Secured /Financial Creditors, financial debts owed to unsecured creditors, before the same can be made over the other creditors.

dd. It is submitted that in any event, if after distribution of the assets as per the waterfall mechanism provided in section 53 of the Code, if any sum remains surplus with the Liquidator of the Corporate Debtor, the same shall be released in accordance with section 53 of the Code.

ee. It is submitted that in view of the fact that the Applicant as the Liquidator of the Corporate Debtor has to liquidate all assets and properties of the Corporate Debtor and distribute the proceeds thereof amongst all the creditors of the SGJHIL who have submitted their claim with the liquidator after the Order of liquidation of the Corporate Debtor, it is necessary and expedient that the possession of the said assets of the Corporate Debtors, be handed over to the Liquidator for sale thereof and for compliance of all statutory duties of the Liquidator laid down in the Insolvency and Bankruptcy Code, 2016.

ff. It is submitted that even after the order of liquidation of the Corporate Debtor, the Applicant by its letters dated 19.09.2018 called upon ED to handover all the assets and properties of the corporate Debtor lying in their possession and control, such that the Applicant can discharge its duties as a liquidator with utmost expedition.

gg. Under the amended provisions of the Insolvency and Bankruptcy Code, 2016 the Liquidator has a limited period of 1 year only to complete the entire exercise of liquidation of all the assets and properties of the Corporate Debtor. As such the order of provisional attachment over the said assets are required to be passed forthwith.



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7. PRELIMINARY OBJECTIONS

- i. At the outset it is submitted that that the disputed loan facility is not pre dated the allegations of money laundering and hence the finance used for the acquisition of the property sought to be attached does not represent the "Proceeds of Crime". It is clear that the properties in question have been acquired prior to the allegation of the commission of offence of money laundering.
- ii. The basic tests prescribed by the law while dealing with the claim of a third party for "release" of the property are to find as to whether such claimant has "a legitimate interest" in the property, whether he had "acted in good faith" having taken "all reasonable precautions" and himself was "not involved in the offence of money laundering" or "may have suffered a quantifiable loss as a result of the offence of money-laundering". It is with this view that the law permits the special court (by section 8) to not only "release" from attachment but even "restore" the confiscated property (or its part) to the claimant with a proven legitimate interest (third party) and further allow such party as may have claim over an encumbrance lawfully and bona fide created to recover its legitimate dues from the debtor "by a suit for damages" though treating as "void" the encumbrance or charge that may have been created by the person found guilty of money-laundering "with a view to defeat" the law in PMLA (provisos to Section 9).
- iii. In view of the above, it is in the interest of justice that the provisional attachment be set aside and the Defendant No.21 be allowed to proceed with the liquidation process in the best interest of all concerned.



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- iv. It is further most respectfully submitted that the purpose and object of IBC is for resolution of the Corporate Debtor by maximizing the value that can be received by the Creditors and stake holders. The IBC provides for timelines within which the resolution has to be arrived at. The PMLA's object is also to recover the property from wrong doers and compensate the affected parties by confiscation and sale of the assets of the wrong doer apart from imposing punishment. Here the beneficiaries are the creditors of the Corporate Debtor. The criminal proceedings before PMLA take a longer time and by that time there is a likelihood of the erosion in the value of assets. In any event, considering the overriding provisions of Section 238 of IBC which is the later legislation, when compared to the earlier legislation of PMLA, the provisions of IBC will prevail and hence considering the economic interest of the beneficiaries, the IBC will provide solution at the earliest to the Corporate Debtor as well as to the Creditors.
- v. It is further submitted that the ultimate beneficiaries under both statutes are the Secured Creditors/ Financial Institutions who have filed claim before the Resolution Professional. Section 31 of IBC provides for Resolution Plan in CIRP whereas Section 53 of PMLA provides for distribution in case of liquidation. Similarly, under Section 8(8) of PMLA the Special Court may direct the Central Government to restore the confiscated property or part thereof to the claimant with legitimate interest therein. Thus in both situations the ultimate beneficiaries are financial creditors/secured creditors. The object of IBC is to expedite the insolvency process and to secure maximization of value of assets of Corporate Debtor for distribution to all stake holders. PMLA contemplates restoration of confiscated property to the claimants who have legitimate interest.



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vi. In view of the aforesaid preliminary objections, it is clear that the Complaint filed before the Adjudicating Authority of Prevention of Money Laundering Act, 2002 is not maintainable as the subject matter is within the jurisdiction of National Company Law Tribunal, Kolkata Bench.

8. PARA WISE REPLY

a) With reference to the averments made in Point 5 of the Complaint, the immovable properties attached by the Enforcement Directorate collectively valued at INR 79,04,49,366 (Rupees Seventy Nine Crores Four Lakh Forty Nine Thousand Three Hundred and Sixty Six Only) and movable properties to the tune of INR 53,63,25,108/- (Rupees Fifty Three Crore Thirty Two Lakh Ninety Two Thousand Six Hundred and Sixteen Only) lying in different bank accounts of Defendant No.1, rent payable to them and stock seized by DRI, Kolkata attached provisionally does not form part of the alleged proceeds of crime. The Defendant No.1 represented by Defendant No. 21 submits that as agreed between the Corporate Debtor and the Financial Creditors forming part of the consortium all the immovable properties of the Corporate Debtor (both present & future) forms part of the securities and Liquidation Estate.

b) With regard to averments made in Point 5.4 (1) Defendant No.21 states that the Corporate Debtor namely, Shree Ganesh Jewellery House (I) Limited entered into a Lease Deed Agreement with Bata India Limited vide Lease Deed and Amenities Agreement dated 26.11.2014 and the amount of accrued rent amounting to INR 50,05,232/- has incurred for utilisation of the premises of the Corporate Debtor at Shop No. G-17, Ground Floor, Crystal Mall, Kalavad Main Road, Opposite Rani Tower, Rajkot- 360005.



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c) With regard to averments made in Point 5.4(2) Defendant No.21 states that the Corporate Debtor entered into a Lease agreement dated 27.02.2009 and the amount of accrued rent amounting to INR 53,78,918/- has incurred for utilisation of the property of the Corporate Debtor at Flat 2A & 2B, Park Street Building, 24A, Park Street, Kolkata- 700016.

d) With regard to averments made in Point 5.4(3) Defendant No.21 states that the Corporate Debtor entered into a Lease Agreement between Aero Club (Woodland) dated 10.04.2013 and the amount of accrued rent amounting to INR 44,93,934/- has incurred for utilisation of property situated at Shop No. B014 & B015, Ground Floor, City Centre, Uttarayan, Siliguri. The said amounts realised are in accordance with the agreement entered between the tenants and the Corporate Debtor and the same shall not form part of proceeds of crime and the same shall form part of the Liquidation estate.

e) With reference to averments made in Point 7.1, the defendant states that the amount held in the accounts of the Corporate Debtor namely Shree Ganesh Jewellery House (I) Limited as already mentioned in Point 46 the amount available of INR 12,23,04,074/- in the account of Bank of Nova Scotia bearing account no. 0127G005203 is the amount required to initiate and commence Bullion Trading Facility.

9. In view of the facts and submissions made hereinabove it is most respectfully submitted that the properties of the Defendant No.1 - Corporate Debtor are mortgaged with the Secured Creditors of the Corporate Debtor prior to the sanction of facilities by the Consortium of bankers and the Defendant No.21 who is appointed as a

liquidator is required under law to realise the same at the earliest and facilitate the recovery under the provisions of the IBC Code. In order to achieve the aforesaid purpose, the provisional attachment order, being non-est, is liable to be set aside and hence it is prayed that the complaint being misconceived be dismissed and the provisional attachment be set aside.

REJOINDER TO THE REPLY BY DEFENDANT NO. 2 TO 12

Para Wise Reply

Para 6

In response to the averments made in this Para, it is submitted that, during the course of investigation it was found that the promoters & directors of SGJHIL has hatched a long drawn criminal conspiracy by way of obtaining bank loan from a consortium of banks against pledging a number of immovable properties as securities. Subsequently bank loans were obtained & not paid under the garb of non receipt of export proceeds from their own group companies. It became quite evident that the entire amount of unrealized export proceeds was with them & such export proceeds were not transmitted to banks in India to defraud the banks to the tune of Rs. 2672 Crores. The intent on the part of the promoters/Directors of SGJHIL was very clear that, they had actually conspired to usurp the amount from bank & pledging immovable properties as securities was nothing but an integral part of the conspiracy. It may be mentioned at this stage that, pledging of securities & obtaining of bank loan is entirely a civil procedure. However non repayment of bank loans inducing the banks to declare the banks accounts as NPA, thereby defrauding the banks of public money to the tune of Rs. 2672 Crores was a criminal offence calling upon investigation by statutory agencies empowered to undertake criminal investigation. The properties pledged as securities

for obtaining bank loan thereby forming part of criminal conspiracies have automatically been rendered to be the part of criminal proceedings. Hence, it is a natural corollary that, such properties should be attached and confiscated within the provisions PMLA being a criminal proceedings empowered to undertake such activities. It is submitted that, although the commission of offence took place since 2012, the criminal conspiracy underlying such commission of offence started long before that is from the time of pledging the properties as securities for obtaining bank loans.

From foregoing discussions it becomes quite apparent that, the subject properties under attachment were attached lawfully after through consideration of facts & evidences at hand and after forming reasonable belief that such properties were equitable to proceeds of crime & were involved in the offence of money laundering. In the light of the above the averments of instant defendant may be set aside.

In this case as discussed above the movable and immovable properties under the instant provisional attachment order dated 16.04.2019 and subsequent original complaint No. 1146/2019 can be equated to Proceeds of Crime and can be attached to safe guard the public money.

Paras 7

In response to the averments made in Para 7 it is submitted that, it has been categorically mentioned in the provisional attachment order as well as in the original complaint as to which properties could be co-related with commission of offence and which properties were attached as value of proceeds of crime. It is also pertinent to note here that the subject properties which were pledged as a security for obtaining bank loan adequately served as tools in commission of offence of money laundering,

more specifically some of such properties were acquired/derived/purchased prior to 2012 but can be definitely considered to be involved in the offence of money laundering as those were integral parts of the criminal conspiracy hatched resulting in defrauding of the public money from the consortium of banks. Such property can not be alienated from the activity of hatching criminal conspiracy and effective commission of schedule offence. All such properties were definitely involved in and are associated with commission of offence of money laundering.

It is pertinent to note here that this honorable authority vide its order dated 23.10.2017, in the case of ED vs M/s Rashmi Cement Ltd. and others, has observed that "In the Criminal law Amendments Ordinance 1994 while dealing with this issue there is specific provision that if the property itself is not traceable or dissipated, then any other property belonging to the person will be confiscated. Meaning thereby that if the accused is successful in concealing the original property, he cannot be given benefit and any other property on which authority can lay hands on can be attached. For this purpose the "value of such property" concept has been added. The same theme would be applicable to interpret the word "value of such property" while dealing with PMLA provisions. This also gives duty to the authorities to ensure that nothing more than the "value of the property" is confiscated / attached under section 5 and 8 of PMLA". A plain reading of the observation supra would transpire that any property of the person concerned prima-facie found to be involved in the offence of money laundering, on which the competent authority lay hands can be construed to be the property involved in offence of money laundering.

The averments made by the defendant are devoid of facts and baseless, hence may be rejected.



Para 9

In response to the averment made in this paragraph it is submitted that the competent authority after being completely satisfied, on the basis of records, documents, materials & evidences in its possession, has formed the reasonable belief that the properties under instant attachment were involved in the offence of money laundering. It has already been discussed above that the properties were pledged as securities to different banks for obtaining bank loans in the form of discounting of export bills. The study of modus operandi of the instant defendants reveals that, goods were purportedly exported to different companies in Dubai, Hong Kong & Singapore and such Companies also belong to the instant defendants. The loan accounts with the consortium of Banks were declared NPA and it was projected by the defendants that the repayment of loan could not be made on account of non receipt of Export proceeds from overseas countries. Hence, it transpires that the defendants were having the entire amount of export proceeds in their hands, yet were projecting that bank loans could not be repaid for non-receipt proceeds. From the above it can be clearly made out that it was a well thought off conspiracy hatched by the defendants & the subject properties under the instant attachments were used as a tool to befool & defraud the banks, which intern prima facie establishes that the subject properties were an integral part of the entire conspiracy & commission of offence. The said properties have been put under attachment after due consideration of the whole facts & circumstances. The averment made by the defendants are vehemently disputed & denied as the same are devoid of facts, baseless & out of place.



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PARA 11, 13, 14, 16

In response to the averment made in these paragraphs it is submitted that, the instant proceedings under PMLA has been instituted on the strength of FIR lodged by the CBI, BS & FC which clearly indicate the violation of several statutory provisions of IPC and the said provisions being incorporated as scheduled offences in terms of Sec 2(1) y of PMLA. It is also submitted that, the proceedings under PMLA do not owe its genesis to any civil proceedings or the outcome thereof & is solely dependent on commission of schedule offences. It may also be submitted that, the recovery proceedings initiated by SBI & other Banks is entirely a civil procedure & does not have any bearing or influence on the instant proceedings under PMLA. The same has been specifically mentioned in the PAO as well as in the original complaint & is again reiterated here.

PARA 17, 20, 21

In response to the averment made in these paragraphs it is submitted that, the instant proceedings under PMLA have been instituted on the strength of FIR lodged by CBI, BS & FC which clearly depicts that there was commission of offences under IPC which are also scheduled offence in terms of PMLA. It is also submitted that, the provisional attachment, adjudication & confirmation thereof are statutory provisions under PMLA which can be done on formation of reasonable belief as mandated under the Act ibid. the facts & circumstances recorded in the FIR form the grounds of construing so as to frustrate the proceedings under PMLA. The instant provisional attachment has been done to stop the defendants from immediate alienation of the properties. It is In response to the averment made in this paragraphs it is submitted that further submitted that, the subject properties have been attached under reasonable belief that, such attachment was absolutely necessary for safe guarding future course proceedings under PMLA. The defendants have tried to question legal validity of the

attachment on the count of non submission of charge sheet but has erred by not to have considered the fact that, the second proviso to Sec 5(I) of PMLA allows provisional attachment provided the subject properties are involved in money laundering. In the instant case it has already been discussed at length that the subject properties are Integral part of Money laundering which itself vouches & validates the instant attachment. The defendants have further resorted to the plea that sum of the subject properties are already with the official liquidator & therefore there is no threat of dissipation of any of the properties to establish the instant attachment unnecessary & illegal. In this regard it is submitted that, the procedures followed by the official liquidator are civil procedure & cannot have any bearing on a criminal procedure like PMLA. On the other hand PMLA is a self sufficient independent criminal act and the proceedings delineated therein are to be followed strictly for proper compliance of the Act. In the instant case the provisional attachment has been done after satisfying all the necessary ingredients of Sec 5(I) of the ACT hence the attachment stands firmly in the eyes of law.

PARA 22 to 25

In response to the averment made in this paragraphs it is submitted that , the averment made in these paragraphs are absolutely out of place, misconceived, irrelevant & should not be taken into consideration at all in the context of the present proceedings. The defendants appear to have failed to consider that the instant attachment is only a small portion of the entire proceedings and the investigation in this case is still going on with an eye to unravel larger conspiracy and bigger ramification of the case. It is further submitted that, the judicial citations, reference of which have drawn by the defendants are not matching squarely with the case at hand, therefore cannot be counted for appraising the merit of the case.

PARA 26 to 30

In response to the averment made in this paragraphs it is submitted that, CBI, BS & FC investigating the case and is expected to incorporate all minute details in their final report & charge sheet. The contentions made in this paragraphs do not bearing whatsoever on the instant attachment, in as much as in the instant attachment properties collectively worth Rs.135 Crores have been taken while the total amount involved in this case is approximately Rs. 2672 Crores. It is further reiterated here that, the investigation in this case is still going on and only at the concluding stage of the case the minute details can be sorted out.

PARA 33 to 35

In response to the averment made in this paragraphs it is submitted that, the contentions taken in these paragraphs are out of place & irrelevant and hence cannot taken into considerations. It is also submitted that, procedures under FEMA are civil procedures & cannot be made applicable in the instant attachment & adjudication proceedings. The defendants have taken the recourse of incurring huge losses to attribute for non payment of bank loans /facilities, in this regard it is submitted that, defrauding of public money from banks by way of hatching a criminal conspiracy cannot owe its genesis to incurring loss in business. It is rather a criminal offence breach of trust and defalcation of public money under the guise of incurring loss in the business. The defendants have made an effort to escape the clutches of law by attributing commission of criminal offence to an otherwise innocent civil procedure. In other words the defendants have tried to hoodwink this Hon'ble Authority and to frustrate the instant proceedings. It is humbly prayed that, a record of the same may be taken under the record of the instant proceedings & the stand taken by the defendants may be rejected outright.



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PARA 37

In response to the averment made in this paragraphs it is submitted that, It is already submitted and once again reiterated that, the instant attachment has been done safe guarding future proceedings under PMLA after proper observation of all required ingredients of Sec. 5 of PMLA. It is also submitted that, the investigation is going on in this case the same involves much bigger international ramification and warrants careful evaluation of facts records and evidences. At this stage if the attachment is not confirmed an irreparable damage may be caused to the case.

Para I of reply of merits:

In response to the averments made by the defendants, it is submitted that, (a) section 71 of PMLA, provides for an overriding effect of the Act over all statutory enactments for the time being in force. As PMLA prevails over other laws/ order of NCLT in terms of Hon'ble Delhi High Court decision dated 02.04.2019 under CRLA/2018 & CrI. M.A 2262/2018 in the case of Deputy Director of Enforcement Directorate, New Delhi versus Axis Bank and Others where the Hon'ble High Court held that the Recovery of Debts & Bankruptcy Act, SARFAESI Act & Insolvency & Bankruptcy Code does not prevail over Prevention of Money Laundering Act, 2002. thereby allows the act to be sacrosanct in its own rights.

Para 2 of reply of merits:

In response to the averments made by the defendants, have narrated different civil procedures in relation to their business activities which does not have any bearing on the instant attachment & adjudication are absolutely irrelevant in the context of the present proceedings.

Para 3 to 14 of reply of merits



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In response to the averment made in this paragraphs it is submitted that, defendant No.3 M/s Nischay Jewels, Defendant no.5. Libersondealcom, Defendant No.6 M/s Dhanteras estate (p) Ltd., defendant No.7 m/s KalindiEnclave ., defendant No.8 M/s K& R Associate, defendant No. M/s Safal properties are associated companies of defendant no. 1 i.e. M/s Shree Ganesh jewellery House (I) Ltd. as declared by defendant no. 1 in their financial Statements for the F.Y. 2010-11, 2011-12, 2012-13 & 2014-15 and financial transactions between Defendant No. 1 & other associated companies have also been reflected in the financial accounts of defendant no.1. the associated companies have taken loan or have raised share application premium against allocation of share from different other entities. During the investigation it is also seen that, the other entities also belong to the main promoters /directors of defendant no.1 or their close associates. The money trail analysis among defendant no.1, its promoters & directors & its associates and the associated companies described as defendant no. 3 to 10 reveals that, all the associated companies have receive fund from defendant no.1, its directors and associated persons. In other words the ill gotten money of defendant no.1 its directors & associates were siphoned to the associated companies and were parked in different movable and immovable properties of these companies. The properties of the associated companies under instant attachment are nothing but associated with /tools of / integral parts of the offence of money laundering and hence can be rendered to be liable for confiscation.



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REJOINDER TO THE REPLY BY DEFENDANT NO. 13

Para Wise Reply

Para 3

In response to para 3 it is submitted that, the instant defendant was one of the main promoters of the erring company namely M/s Shree Ganesh Jewellery House (I) Ltd. (herein after referred as SGJHIL) and was also the principle beneficiary of the same. The instant defendant along with others arryed as defendants in the instant complaint, had hatched a neatly schemed criminal conspiracy which ultimately culminated in defrauding of Rs. 2672 Crores from the consortium 25 banks. It reasonably transpires that, a significant portion of the ill-gotten money generated under the umbrella of SGJHIL had flown into the hands of instant defendant. Therefore the instant defendant appears to have accrued proceeds of crime and has committed the offence of money laundering within the meaning of Sec 3 of PMLA. The averments made in these paragraphs are misconceived out of place & devoid of facts & merits, hence may be set aside.

Para-4

In response to averments made in this paragraph it is stated that, the instant defendant has tried to project a recession in the industry and has tried to attribute loss made by the company, SGJHIL to some Government decisions. However, the facts remain that, Export proceeds not transmitted/repatriated to accounts of Indian banks of SGJHIL caused the accounts to be declared NPA. It also remains that, the instant defendant along with his two brothers namely Nilesh Parekh, Kamlesh Parekh and their family members and close associated have been the owners & beneficiaries the

overseas entities where from the export proceeds were not received by the Indian banks. In other words the instant defendants along with his two brothers their family members & close associates have been in possession of the Money/ sale proceeds/export proceeds which should have been disbursed to the consortium of banks. The instant defendant has adopted a lame recourse of the disputed government policies to attributes the loss made by SGJHIL. However in fact there was no loss in the group, only money flowed in from one entity to another and accumulate in the hands of overseas entities projecting a loss in the accounts of M/s SGHIL.

Para 5 & 6

In response to averment made in this paragraph it is re-iterated that, the instant defendant is one of the major beneficiary of SGJHIL and the ill-gotten money accrued with SGJHIL appears to have been transmitted to the instant defendant amongst others. Thereby the instant defendant appears to have committed offence of Money Laundering the properties under instant attachment can be equated to/ co-related to proceeds of crime generated by SGJHIL. The instant attachment has been done on reasonable belief that the properties under instant attachment were involved in the offence of Money Laundering & the onus of proving otherwise squarely lies on the instant defendant. The defendant have tried to attribute his properties under instant attachment to the remuneration received from SGJHIL. However the facts remain that he was a major beneficiary of the ill-gotten money of SGJHIL and was therefore directly involved in offence.



REJOINDER TO THE REPLY BY DEFENDANT NO. 14

Para Wise Reply

Paras 2 In response to the averments made in these paragraphs, it is submitted that the instant attachment was done under reasonable believe that the subject property were involved in offence of money laundering and that it was absolutely necessary to attach the subject property for the purpose of safeguarding subsequent proceedings under PMLA. It is further submitted that the reason to believe form on the basis of fact and record of the case by the competent authority and the same is reduced into writing in the subject PAO and OC.

Para 3 & 7 In response to para 3 & 7, it is submitted that reason to believe has been formed, reduced in writing for the purpose of proceedings under 5(1) of PMLA,2002, the same has been clearly mentioned in the PAO and OC. Further a notice of section 8(1) has been issued by this hon'ble Authority only after forming reason to believe, that the subject property were involved in the offence of money laundering. The provisions of section 5 (1) and section 8 (1) sets a pre requisite of forming reason to believe prior to initiating action under the above statutes and the said pre requisite have been adequately complied with. At this stage it is also submitted that , communication of "reason to believe" is not a mandate of the statutes of the act ibid, However, it is reiterated that the reasons to believe have been adequately formed before initiating action under sections 5(1) and 8(1) of PMLA in this case.

Para (b), (c), (e), (h), (k), (n), (r) of reply on merits: In response to the averments made in aforesaid paras it is submitted that the instant defendant is a promoter and major shareholder of the SGJHIL since inception of the company and he held



approximately 25% of share of the company. He is also owner of the Astha Jewellery in Dubai which is also an associated company of SGJHIL. Moreover, Shri Nilesh Parekh and Shri Umesh Parekh both brothers of Mr. Kamlesh Parekh were the main promoters and Directors of SGJHIL. Shri Mehul Vagadia erstwhile director of Wondercut Pte Singapore, which was an overseas associate company of SGJHIL, vide his statement dated 16.10.2018 has stated that they were working under instructions of Mr. Kamlesh Parekh, Mr. Nilesh Parekh & Mr. Umesh Parekh. Similar confessional statement has also been given by Mr. Prosenjit Sen, erstwhile director of M/s Sparkling star trading PTE Ltd. Singapore. From the above it clearly transpires that Mr. Kamlesh Parekh was actively involved in day to day activities of different group/overseas associated companies and related entities of SGJHIL. Being the major shareholder of the SGJHIL, Mr. Kamlesh Parekh appears to be one of the major beneficiaries of the properties acquired / derived as a result of commission of offence of money laundering done by SGJHIL. The financial account for the year 2010-11 of SGJHIL clearly shows the instant defendant and his wife Mrs. Priti Parekh to be "individuals owning directly/indirectly an interest in the company that give them control or significant influence". The instant defendant although has tried to establish himself to be outside the realm of commission of offence of money laundering done by SGJHIL, the facts remain that the instant defendant and his close kiths & kin had entered in a criminal conspiracy and had ultimately defrauded consortium of 25 banks to the tune of Rs. 2672 crore. The properties of the instant defendant under the subject attachment appears to have a direct/indirect nexus with the commission of offence of money laundering or were associated therewith. It is further submitted that the properties have been attached after due compliance of the provision of



section 5 and it is prayed that the provisional attachment order dated 16.04.2019 issued under section 5(1) of PMLA may kindly be confirmed.

REJOINDER TO THE RPELY BY DEFENDANT NO. 15

Para Wise Reply

Para 1 Submissions made by the defendant in this para is vehemently denied. The provisional Attachment order dated 16.04.2019 is well reasoned order.

Para 2 The submission made in these para by the defendant is a matter of record hence no comments are warranted.

Para 5 (5-a,5-b& 5-c) In reply to para 5 it is submitted that during the course of investigation it was found that the promoters & directors of M/s Shree Ganesh Jewellery House (I) Ltd. (hereinafter referred as SGJHIL) has hatched a long drawn criminal conspiracy by way of obtaining bank loan from a consortium of banks against pledging a number of immovable properties as securities. Subsequently bank loans were obtained & not paid under the garb of non receipt of export proceeds from their own group companies. It became quite evident that the entire amount of unrealized export proceeds was with them & such export proceeds were not realized and repatriated to banks in India to defraud the banks to the tune of Rs. 2672 Crores. The intent on the part of the promoters/Directors of SGJHIL was very clear that, they had actually conspired to usurp the amount from bank & pledging immovable properties as securities was nothing but an integral part of the conspiracy. It may be mentioned at this stage that, pledging of securities & obtaining of bank loan is entirely a civil procedure. However, non repayment of bank loans inducing the banks to declare the banks accounts as NPA, thereby defrauding the banks of public money to the tune of

Rs. 2672 crores was a criminal offence calling upon investigation by statutory agencies empowered to undertake criminal investigation. The properties pledged as securities for obtaining bank loan thereby forming part of criminal conspiracies have automatically been rendered to be the part of criminal proceedings. Hence, it is a natural corollary that, such properties should be attached and confiscated within the provisions PMLA being a criminal proceedings empowered to undertake such activities. It is submitted that, although the commission of offence took place since 2012, the criminal conspiracy underlying such commission of offence started long before that is from the time of pledging the properties as securities for obtaining bank loans.

Further the various decisions of Appellate Tribunal under PMLA, New Delhi quoted by the defendant in these para is fully covered by the Hon'ble Delhi High Court in its order dated 02.04.2019. In its judgment, in the matter of Deputy Director of Enforcement Directorate v/s Axis Bank and other banks and others that the Hon'ble Delhi High Court was pleased to observe that an order of attachment under PMLA is not illegal only because a secured creditor has a prior secured interest in the property within the meaning of expression used in RDBA and SARFAESI Act; further that mere issuance of an order of attachment under PMLA does not ipso facto render illegal a prior charge or encumbrance of a secured creditor, the claim of the latter for release (or restoration) from PMLA attachment being dependant of its bonafides. Further The Hon'ble Delhi High Court besides setting aside the Tribunal order in the above matter observed that, though assets which had been the subject matter of attachment in the appeals at hand appeared to be not " tainted property" , the same having been seemingly acquired prior to the criminal activity giving rise to the accusations of money launderings; but they are sought to be attached and subjected to eventual confiscation



on account of they being the alternative attachable properties or deemed tainted properties, which is permissible in law. The hon'ble court further observed that the Audi car (an attached asset and subject matter of one of the appeal)was acquired by a transaction which had no direct connection with the case of money laundering, however , there is no clarity as to the value of proceeds of crime which are to be confiscated as against the value of the attached property as indeed the extent of the debt yet to recovered by the secured creditor.

REJOINDER TO THE REPLY BY DEFENDANT NO. 17

01. The instant written submissions is being filed in order to put on record the facts of the case and germane legal submissions and with a view to assist the Hon'ble Adjudicating Authority in considering the record placed before it. It is stated that the facts in filed in complaint no. OC 1146 / 2019 are being referred to herein and reproduced only in order to facilitate the Hon'ble Adjudicating Authority. In this regard it is submitted that, during the course of investigation conducted under PMLA, it has been prima facie established that M/s Shree Ganesh Jewellery India Pvt. Ltd. were in possession of proceeds of crime acquired by way of commission of scheduled offence and were involved in the offence of money laundering. The details of such commission of scheduled offence and acquisition, possession, use and projection of tainted property to be untainted has already been discussed in the above mentioned Complaint hence the same is not reproduced here for the sake of brevity.

02. In this regard, no comments offered since the same are matter on record. However, the issue has been dealt with separately while addressing in reply submitted by the Liquidator before the Hon'ble Authority. Suitable instructions may be given to


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the Liquidator to hand over the subject properties and any benefit/accrual on such properties to Enforcement Directorate for appropriate action under PMLA.

03. In respect of the prayer made by the defendant seeking to run & operated its showroom smoothly and without any interference of the complainant. The property where the showroom is situated is under the instant attachment as per provisions of PMLA and is a subject of the instant adjudication. The fate of the property would be decided as per procedures laid down in the act *ibid*. smooth running and operation of the said showroom cannot be guaranteed at this stage. The averments made by the defendant is pre-mature out of place & may be set aside.

REJOINDER TO THE REPLY BY DEFENDANT NO. 18

01. The instant written submissions is being filed in order to put on record the facts of the case and germane legal submissions and with a view to assist the Hon'ble Adjudicating Authority in considering the record placed before it. It is stated that the facts in filed in complaint no. OC 1146 / 2019 are being referred to herein and reproduced only in order to facilitate the Hon'ble Adjudicating Authority. In this regard it is submitted that, during the course of investigation conducted under PMLA, it has been prima facie established that M/s Shree Ganesh Jewellery India Pvt. Ltd. Were in possession of proceeds of crime acquired by way of commission of scheduled offence and were involved in the offence of money laundering. The details of such commission of scheduled offence and acquisition, possession, use and projection of tainted property to be untainted has already been discussed in the above mentioned Complaint hence the same is not reproduced here for the sake of brevity.



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02. In response to the reply submitted by the defendant no 18, it is submitted that, the defendant has admittedly deposited a sum of Rs. 48,41,026/- (Rs. Forty Eight Lakhs Forty One Thousand & Twenty Six only) out of the total due amount of Rs.53,78,918/- (Rs. Fifty Three Lakhs seventy Eight Thousand & Ninety One only) after deducting the TDS to the tune of Rs. 5,37,892/- (Rs. Five Lakhs Thirty Seven Thousand eight Hundred & ninety Two only) It has also been stated by them that, they are willing to hand over the possession to Enforcement Directorate. In this regard it is submitted that, the amount of Rs. 53,78,918/- was accrued from the rent of the attached property. Since the attached property can be equated, associated with and involved in the money laundering, the amount accrued therefore, is liable for attachment, adjudication under PMLA.

03. It is observed that, the defendant has deducted the TDS of Rs. 5,37,892/- while depositing the amount to the Government account. It is humbly prayed that suitable instruction may be issued on the defendant for depositing the amount deducted as TDS.

REJOINDER TO THE REPLY BY DEFENDANT NO. 19

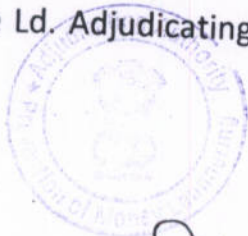
01. The instant written submissions is being filed in order to put on record the facts of the case and germane legal submissions and with a view to assist the Hon'ble Adjudicating Authority in considering the record placed before it. It is stated that the facts in filed in complaint no. OC 1146 / 2019 are being referred to herein and reproduced only in order to facilitate the Hon'ble Adjudicating Authority. In this regard it is submitted that, during the course of investigation conducted under PMLA, it has been prima facie established that M/s Shree Ganesh Jewellery India Pvt. Ltd. were in possession of proceeds of crime acquired by way of commission of scheduled offence

and were involved in the offence of money laundering. The details of such commission of scheduled offence and acquisition, possession, use and projection of tainted property to be untainted has already been discussed in the above mentioned Complaint hence the same is not reproduced here for the sake of brevity.

02. In this regard, no comments offered since the same are matter on record. However, it is submitted that, the amount of Rs. 44,93,934/- was accrued from the rent of the attached property. Since the attached property can be equated, associated with and involved in the money laundering, the amount accrued therefore, is liable for attachment, adjudication under PMLA. The issue has been dealt with separately while addressing in reply submitted by the Liquidator before the Hon'ble Authority. Suitable instructions may be given to the Liquidator to hand over the subject properties and any benefit/accrual on such properties to Enforcement Directorate for appropriate action under PMLA.

REJOINDER TO THE REPLY BY DEFENDANT NO. 20

At the outset, the complainant herein respectfully submit that the averments made in the reply filed on behalf of the defendant is disputed & denied, unless specifically admitted hereunder and the defendant herein are put to strict proof of the same. The Provisional Attachment Order dated 16.04.2019 (hereinafter referred as PAO) issued against the defendants under the provisions of Prevention of Money Laundering Act, 2002 (hereinafter referred as PMLA) is well thought, well reasoned and has been issued on the basis of materials gathered during the course of investigations carried out under the provisions of PMLA. The details of investigations are enumerated in the original complaint filed before the Ld. Adjudicating Authority in terms of section 5(5)



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of PMLA on 13.05.2019, now numbered as O.C. No. 1146 of 2019. These details may kindly be taken into consideration and the same are not repeated herein for the sake of brevity. It is further submitted that the various judgments relied upon by the defendant is not relevant in the instant case.

Para Wise Reply

1. In response to the reply submitted by the defendant no 20, it is submitted that M/s Ambuja Realty Development Ltd. appears to have transferred possession of the said property in the favor of SGJHIL. It also appears that SGJHIL have acquired/purchased the property utilizing proceeds of crime or with money which can be equated to or associated with proceeds of crime. The property has been attached under the proceedings of PMLA, in the course of criminal investigations after satisfying all necessary ingredient of section 5 of PMLA. Hence, It is prayed that the attachment of the property is confirmed and the complainant may be allowed to proceed with the proceedings under PMLA.

REJOINDER TO THE REPLY BY DEFENDANT NO. 21

01. The averments made in these paragraphs from 01 to 08 and in the para of preliminary objection (i) to (xx) [erroneously incorporated as Para 7 in page 14 of the instant reply filed by the defendant no.21] are misconcieved, out of place, irrelevant and factually incorrect/suppressed and denied vehemently. In this regard it is submitted that, during the course of investigation conducted under PMLA it has been prima facie established that M/s Shree Ganesh Jewlery India Pvt. Ltd. (herein after referred as SGJHIL) were in possession of proceeds of crime acquired by way of commission of scheduled offence and were involved in the offence of money

laundering. The details of such commission of scheduled offence and acquisition, possession, use and projection of tainted property to be untainted has already been discussed in the above mentioned Complaint hence the same is not reproduced here for the sake of brevity.

1.1 In this matter, some of the creditors filed application under Insolvency & Bankruptcy Code, 2016 for corporate insolvency resolution process against M/s. SGJHL before the National Corporate Law Tribunal (NCLT), Kolkata Bench on 04.10.2017 and the Hon'ble NCLT, Kolkata Bench appointed a resolution professional. It is to be noted that application was filed by M/s Abhishek Stock Broking Services Ltd. and others whose claims are only Rs. 2.12 crore & not by any of the banks to whom around 2672 crore is due, which reflects malafide attempt to use NCLT process to disturb the attachment of proceeds of crime (PoC) by Enforcement Directorate under PMLA. It has a restriction of can be elucidly made out that the scope of adjudication done by NCLT vide order dated 03.04.2019 was restricted within the monitory limit of Rs. 2.12 crores while the investigation conducted in this case has gone to establish that an amount of Rs. 2672 crores of Public money has been defrauded from the banks it is further submitted that the FIR registered by CBI has incorporated the names of Bank officials for their alleged roles in the offence and accordingly their names have also been incorporated the ECIR.

1.2 It is pertinent to mention here that the adjudication process of NCLT is governed by code of civil procedure while the proceedings under PMLA are exclusively criminal proceedings & are therefore sacrosanct in its own right & cannot be guided by the civil procedures. The attachment done under PMLA cannot be prejudiced, influenced or hampered by any civil procedures & can only be adjudicated by special authorities under PMLA.



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1.3 In the light of the investigation conducted so far, it appears that SGJHIL has been engaged in commission of offence of money laundering within the cardinal ambit of section 3 of PMLA and as such all the properties acquired by the said SGJHIL falls within the domain of proceeds of crime as defined under section 2(1)(u) of PMLA. It is a natural corollary that all the financial benefits arising out of or accrued from proceeds of crime are also included within the definition of proceeds of crime. It is pertinent to mention here that proceeds of crime or a derivative or accumulation thereof, which is also proceeds of crime, cannot be used for any sort of bonafide transaction including repayment of unpaid dues as sought for in the instant case. It may also be noted that the sole authority to attach, confiscate and disburse the proceeds of crime, through proceedings under PMLA, amended to time to time, is vested with the Hon'ble Special Court/Authority designated under PMLA.

1.4 Further section 71 of PMLA, provides for an overriding effect of the Act over all statutory enactments for the time being in force, as PMLA prevails over other laws/ order of NCLT in terms of Hon'ble Delhi High Court decision dated 02.04.2019 under CRLA/2018 & Crl. M.A 2262/2018 in the case of Deputy Director of Enforcement Directorate, New Delhi versus Axis Bank and Others where the Hon'ble High Court held that the Recovery of Debts & Bankruptcy Act, SARFAESI Act & Insolvency & Bankruptcy Code does not prevail over Prevention of Money Laundering Act, 2002, thereby allows the act to be sacrosanct in its own rights.

1.5 It is also pertinent to mention here that the Hon'ble NCLAT, in the case of *Varsana Ispat Ltd, through the resolution professional Mr. Anil Goel (Applicant) -Vs- Deputy Director of Enforcement, respondent* has observed & held that 'Prevention of Money-Laundering Act, 2002' relates to 'proceeds of crime' and the offence relates to 'money-

laundering' resulting confiscation of property derived from, or involved in, money-laundering and for matters connected therewith or incidental thereto. Thus, as the 'Prevention of Money Laundering Act, 2002' or provisions therein relates to 'proceeds of crime', we hold that Section 14 of the 'I & B Code' is not applicable to such proceeding.

It was also critically examined by the Hon'ble NCLAT that, Section 14 is not applicable to the criminal proceeding or any penal action taken pursuant to the criminal proceeding or any act having essence of crime or crime proceeds. The object of the 'Prevention of Money Laundering Act, 2002' is to prevent the money laundering and to provide confiscation of property derived from, or involved in, money-laundering and for matters connected therewith or incidental thereto and that, offence of money-laundering is punishable with rigorous imprisonment which is not less than three years and has nothing to do with the 'Corporate Debtor'. It will be applicable to the individual which may include the Ex-Directors and Shareholders of the 'Corporate Debtor' and they cannot be given protection from the 'Prevention of Money Laundering Act, 2002' and such individual cannot take any advantage of Section 14 of the 'I&B Code'.

1.6. In so far as penalty is concerned, offence of money-laundering is punishable with rigorous imprisonment which is not less than three years and has nothing to do with the 'Corporate Debtor'. It will be applicable to the individual which may include the Ex-Directors and Shareholders of the 'Corporate Debtor' and they cannot be given protection from the 'Prevention of Money Laundering Act, 2002' and such individual cannot take any advantage of Section 14 of the 'I&B Code'. 'Corporate



Insolvency Resolution Process', therefore, the 'Resolution Professional' cannot derive any advantage out of Section 14.

2. In response to Sub Para (i) to sub Para (xx) of para 7 it is submitted that, the proceedings under PMLA are exclusively criminal proceedings & deals with attachment of properties that, are associated with proceeds of crime, involvement of such properties into the offence of money laundering & confiscation thereof & also prosecution of individuals /entities involved in the offence of money laundering. It is a settled principle of law that, a criminal proceedings cannot be influenced, stalled or prejudiced by any proceedings mandated under code of civil procedures ; hence the proceedings stipulated under I&B code, being a civil proceedings, cannot stand in the way of proceedings stipulated under PMLA. Further section 71 of PMLA provides over riding effect to it buttressing the statute from any other intervention. Although it has been claimed in the instant replay petition that section 238 of IBC provides over riding effects & being a subsequent legislation to PMLA, enjoys over riding effect over PMLA, it is submitted that, section 238 of IBC exercises its power within the cardinal limits of code of civil procedure & cannot be extended to intervene the provisions of PMLA which is an exclusively criminal proceedings.

2.1 In this regard, it is also submitted that, the judicial pronouncement of Hon'ble NCLT dated 3.4.2019 cannot exercise its powers beyond the monetary limit 2.12 Crores & hence cannot be equated to be exhaustive for an offence involving Rs. 2672 Crores.

2.2. It is worthwhile to mention here that, the non-obstante clause of section 71 PMLA clearly makes the act immune from any other intervention, prejudice or

influence. The Hon'ble NCLAT in its verdict cited *supra* has also observed & held that, PMLA is sacrosanct in its own right & over rides any other legal statute for the time being in force.

3. In response to sub para(a) to sub para (cc) of para 8., it is submitted that during the course of investigation it was found that the promoters & directors of SGJHIL has hatched a long drawn criminal conspiracy by way of obtaining bank loan from a consortium of banks against pledging a number of immovable properties as securities. Subsequently bank loans were obtained & not paid under the garb of non receipt of export proceeds from their own group companies. It became quite evident that the entire amount of unrealized export proceeds was with them & such export proceeds were not transmitted to banks in India to defraud the banks to the tune of Rs. 2672 Crores. The intent on the part of the promoters/Directors of SGJHIL was very clear that, they had actually conspired to usurp the amount from bank & pledging immovable properties as securities was nothing but an integral part of the conspiracy. It may be mentioned at this stage that, pledging of securities & obtaining of bank loan is entirely a civil procedure. However non repayment of bank loans inducing the banks to declare the banks' accounts as NPA, thereby defrauding the banks of public money to the tune of Rs. 2672 Crores was a criminal offence calling upon investigation by statutory agencies empowered to undertake criminal investigation. The properties pledged as securities for obtaining bank loan thereby forming part of criminal conspiracies have automatically been rendered to be the part of criminal proceedings. Hence, it is a natural corollary that, such properties should be attached and confiscated within the provisions PMLA being a criminal proceedings empowered to undertake such activities. It is submitted that, although the commission of offence



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took place since 2012, the criminal conspiracy underlying such commission of offence started long before that is from the time of pledging the properties as securities for obtaining bank loans.

4. There is no repugnancy in procedure that is being followed for liquidation of the assets of corporate debtor and the procedure to be followed in case of proceeds of crime, where the offence of money laundering is committed.
5. It may not be out of place to mention here that, (i) an amount of Rs 44,93,934/- , Rs. 19,72,740/- & Rs. 12,23,04074/- have been transferred/relinquished to liquidator by M/s Aero Club, M/s BATA India Ltd. & Bank of Nova Scotia respectively and (ii) M/s Axis Bank Ltd. has relinquished all its securities in favour of the official liquidator Mr. Anup Kumar Singh, the Liquidator. Such Movable & immovable properties have also been attached under the instant Provisional Attachment Order dated 16.04.2019 as those are nothing but accrual of amounts out of the proceeds of crime and can be encompassed within the broader meaning of proceeds of crime. It is pertinent to mention here that, the resolution professional working under IBC is restricted with the cardinal boundaries of civil procedure. Therefore, he cannot exercise any jurisdiction or power within the domain of PMLA and has to relinquish further all the properties under above mentioned provisional attachment held by him for appropriate proceedings under PMLA.

DISCUSSION

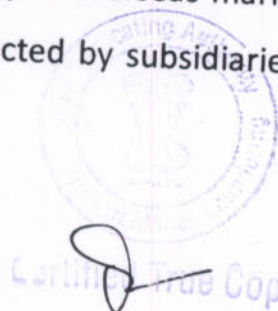
1. The FIR has been registered by CBI (BS and FC), Kolkata on a complaint filed by the State Bank of India on behalf of consortium of 25 banks in the case for commission of scheduled offence.



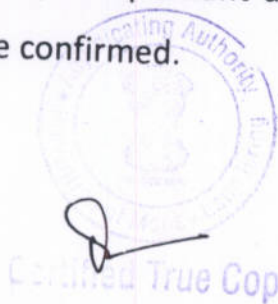
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2. Investigations in the complaint are going on by CBI.
3. The provisions of Section 71 have overriding effect. Therefore attachment of the properties under PMLA will have effect even if there is some other attachment of the properties under other Law.
4. ED vide authorization dated 07.02.2007 has authorized all Deputy Directors and subsequently vide order dated 12.10.2011 all the Joint Directors of the Directorate of Enforcement to perform functions under PMLA.
5. At this stage Adjudicating Authority has to see whether a prima facie case is made out.
6. This case pertains to consortium of 25 banks being defrauded to the tune of Rs. 2672 Cr. by M/s Shri Ganesh Jewellery House (I) Ltd. (referred as SGJHIL) its directors, promoters and other associate companies. They have misutilised cash credit facility obtained as working capital and fraudulently discounting of export bills. Investigation revealed that D-2 is holding 13.25 % share of the company (SGJHIL) and is promoter. He was chairman of the company. In the entire scam leading to loss of huge public money of various banks, two of his brothers Sh. Kamlesh Parekh and Sh. Umesh Parekh and number of employees of their company are involved. The company was initially banking with State Bank of India and availed credit facility in the form of foreign export bill discounting which was enhanced from time to time. On 07.11.2012 consortium leader SBI enhanced credit facility from Rs. 3110 Cr. to Rs. 4102 Cr. However, it has been found that they have taken advance for import of gold from some other member of consortium and secured foreign export discounting facility

from some other members. Another point noticed was that the foreign export payments were realized through the overseas companies which are subsidiary of M/s SGJHIL in Hong Kong and Dubai and this money was siphoned off there itself and did not come back to India. During 2013-14 most of the consortium bank members has declared NPA and it was revealed that total amount of Rs. 2672 Cr. has been defrauded in various banks. Details of NPA of various private and public banks are given in the order earlier. Details of modus operandi used by the defendants in diverting the funds in the form of foreign bills discounting, import finance, etc. has been discussed in the order earlier. However the investigation is not yet over by CBI. Since, the offence is scheduled offence under PMLA investigations were carried out by the complainant and summons were issued to various persons concerned for recording their statements u/s 50 of PMLA. Complainant has recorded statements of various persons which are mentioned in the order earlier. During the course of investigation various persons have indicated that M/s SGJHIL exported jewellery to overseas importer in Hong Kong and Singapore which are dummy companies. It is also noticed that most of the funds credited to the account of the company in the bank of Nova Scotia were subsequently transferred to Axis Bank Dalhousie branch Kolkata etc. It is evident from investigation that M/s SGJHIL and their associates, promoters and directors allegedly committed scheduled offences and defrauded banks and financial institutions to acquire proceeds of crime. As against an amount of Rs. 2672 Cr. declared as NPA by banks, company itself has declared Rs. 2682.83 Cr. as their dues on banks which appears to be commensurate with each other. Thus, company has admitted this amount of NPA. As mentioned earlier the jewellery items exported to different subsidiaries, were subsidiary in overseas market in those countries but sale proceeds appears to have been collected by subsidiaries related entity outside India



and proceeds did not travel to India. It is because of this reason that loan accounts of M/s SGJHIL held with 25 banks became NPA. There has been diversion of funds received as loan from the banks as well as the sale proceeds realized from export items by the company which resulted in non-payment of loan to banks resulting in huge NPA. Mr. Nilesh Parekh tried to attribute the non-payment of the bank dues to non-realization of funds from M/s Al Marhaba which was planned to set off against profit of sale of diamonds with loss incurred in the jewellery items. Despite being summoned several times all the promoters, directors, their family members, etc. none of them accept Mr. Nilesh Parekh appeared. All transactions covered by consortium of 25 banks can be brought under the umbrella of inter-connected transactions u/s 23 of PMLA. There is a clear conspiracy evident in defrauding these banks of the huge amount of Rs. 2672 Cr. by M/s SGJHIL, its promoters, directors, its employees and associate companies. Therefore, entire amount of Rs. 2672 Cr. has been treated as proceeds of crime by the complainant. Complainant has identified immovable and movable properties of defendants and there are total 48 immovable properties valued at Rs. 79,04,49,366/- which are liable for attachment. Similarly, an amount of Rs. 16,09,14,253/- is available in various 24 bank accounts of defendant which in any case is part of proceeds of crime and which is also attached. Similarly, an amount of Rs. 1,48,78,084/- is recoverable as dues from 3 tenants of M/s SGJHIL which is also found liable for attachment. In addition to this DRI, Kolkata has seized amount of gold and silver jewellery, precious stones and semi-precious stone worth Rs. 36,05,06,771/- from the company's premises which are also liable for attachment. Accordingly, all the immovable and movable properties mentioned earlier is liable for attachment and the same has been provisionally attached by complainant u/s 5(1) of PMLA. It has been further requested that this PAO may be confirmed.



7. Defendant no. 2 to 12 except D-3 in their reply have said that the Original Complainant (SBI) itself says that there is no fraud and court of competent jurisdiction records admission of prosecution that there is no fraud. Hence the provisional attachment order is not maintainable. It is said that the source of money for acquisition of property attached is not as a result of any criminal activity related to a scheduled offence. Hence property is wrongly attached by the complainant. Defendants have said that a recovery suit has been filed by all the banks but no allegation of fraud or cheating has been made. He has requested that Adjudicating Authority should not confirm the impugned PAO. It has also been said that investigation in the matter is not complete as Charge Sheet has not been filed. Hence, it is opposed to the provisions of law to pass any order. It has also been said that as per the record the exports of the company were insured by ECGC to the extent of about Rs. 1900 Cr. SBI itself insured by deducting premium from loan amount. Insurance company has informed that they have dispersed insured amount to the banks. SBI has been deliberately silent about the same in its complaint. ED has not conducted any investigation in the matter. The claim of ED that they had indulged in circular trading is preposterously wrong. Another important fact is about existence of fixed deposit of Rs. 917 cr. which has been adjusted by banks. ED is silent about this also. No investigation has been done in this regard. It has been said that if Rs. 1900 Cr. and Rs. 917 Cr. are added it becomes more than Rs. 2800 Cr. which is sufficient to take care of entire defrauded amount of various banks. Therefore, no case is made out for attachment of any immovable or movable property. It has also been mentioned that in 3rd quarter of 2013 D-1 suffered enormous loss in some import transactions accounting for Rs. 1137 Cr. It is reflected in the audited financial statements. This loss has wiped out the entire capital. This has resulted in tremendous loss to the company.

It has also been said that this company is under NCLT and this Authority has no jurisdiction to record findings. The later Central Act i.e. IBC override the previous Act i.e. PMLA. Company was a star trading house but in 2012-13 due to slow down in international jewellery market and change of Government policy company incurred loss. Due to liquidity crunch company could not pay the banks. It applied for CDR but that was also rejected. Defendants have submitted detailed information about following items :

- 1) Bullion trade and resultant losses
- 2) Settlement
- 3) Funding
- 4) Merchanting trade and resultant losses
- 5) Development commissioner MKSEZ case
- 6) Losses arising due to non-submission of foreign inward remittance certificate by banks.
- 7) Corporate debt restructuring, no fraud certification by SBI & observation by CMM Court.
- 8) Steps taken by the company to recover the loss
- 9) Balance recoverable by D-2 by D-1

They have given details about various associate companies and the transactions that took place in them.

Based on these submissions defendants have requested that OC deserves to be dismissed and PAO may be rejected.

Defendant No. 13 in its reply has requested that present proceedings are not tenable in the eyes of Law and PAO deserves to be rejected. It has also been said that properties of D-13 attached is neither related to any criminal activity nor can be said to

be proceeds of crime. It has also been said that the company being star trading house has very healthy relation with banks and financial institutions. In 2013 because of Government of India's policies in this sector lead to tremendous loss in this business. There was sharp fall in gold prices which led to massive loss to the company. CDR proposal was also rejected. CBI has not come across any forged documents and no element of criminality has been detected. They have yet not filed Charge Sheet. As mentioned earlier, D-1 is not in possession of POC. As regards the bank account balance of answering defendant it comprised of managerial commission and remuneration for D-13 paid over a period of time. Based on these submissions it has been requested that PAO may not be confirmed. D-14 in its reply said that reason to believe are not supplied which goes against the root of the matter and vitiates the entire proceedings. There are several judgements of the Hon'ble High Court which clearly lays down that reason to believe should not only be recorded but should also be conveyed. Defendant has said that he an NRI living in Dubai for more than two decades and runs a business in the name of Astha Jewellery. Defendant is only share holder of M/s SGJHIL and he is neither director nor involved in any day to day affairs of the company. He has given details of his involvement which appears to be very minimal in the affairs of the company. He has himself said that he is not involved in the business of the company. The submissions made by him are not directly relevant. However, based on these submissions he has requested that PAO may be dismissed. D-15 has submitted that ten properties mentioned in the table 'A' in para 1 were mortgaged in favour of D-15 and it has given respective dates of both purchase and mortgage. It has been said that as held in various judgments that Complainant cannot attach the property which is mortgaged with a financial institution if the same were purchased prior to the commission of alleged offences. In this case the properties



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mortgaged to the answering defendant should not be confirmed for attachment. D-17 in its reply has said that it is in possession of property listed at serial no. 33 of Table A in Para 1. He was having his showroom in this property. Lease was for a fixed term in favour of D-17 and D-1 was not entitled to terminate the lease for any reason whatsoever during the period of 9 years. In compliance of direction of NCLT Kolkata answering defendant has deposited DD for amount of Rs. 498107/- and Rs. 4507125/-. This was amount payable up to May, 2019. However, answering defendant is entitled to receive the total sum of Rs. 18 lakhs deposited as interest free refundable security deposite. Besides this property tax of Rs. 83,759/- paid on behalf of D-1 is also recoverable. In view of this it has been requested that they may be allowed to run and operate its showroom smoothly and without any interference. D-18 in its reply has said that the property attached as Flat No. 2 A Park St. Building, 24 A Park St. Kolkata does not belong to them and they have taken from M/s SGJHIL on lease. The lease expired in 2018. Outstanding dues have been paid by Demand Draft. They have also given detailed information about the property and said that they were asked to pay outstanding amount of rent of Rs. 53,78,981/- towards the attached property. This amount has already been paid. Hence, they are not connected with the investigation in any manner. D-19 happens to be another tenant in two shops room B-014 and B-015 in Siliguri. They have entered into the lease agreement for 9 years. As mentioned by them the rent is being transferred to the account of Padmavati Enterprises. Finally on 03.04.2019 NCLT directed the tenant to pay their rent arrears and current rent with official liquidator. Answering defendant deposited Rs. 42,40,890/- and Rs. 8,98,615/- through RTGS towards arrear of rent increment. Now, regular rent of Rs. 2,07,724/- is being paid. In view of this he has requested he may be absolved from proceedings against him in the interest of justice.



D-20 related to property bearing unit no. B0014 in ground floor City Center Mall Siliguri said it was sold by answering defendant whose possession was also handed over but registration formalities were not completed. M/s SGJHIL rented out it to M/s Aeroclub who had business in the name of Woodland and have used to make rent to M/s SGJHIL. The other essential maintenance charges, electricity charges, etc. are to be paid by the company. On these basis it is requested that their statement may be accepted. D-21 who is appointed as insolvency resolution professional has said that the properties attached are not even remotely connected to the criminal activity or proceeds of crime. The properties are not subject matter of money laundering as the Enforcement Authority has not been able to demonstrate any nexus between the property attached and money availed as loan from the bank. It has been said that pursuant to the introduction of insolvency and bankruptcy act, SBI filed an application u/s 7 before the NCLT Kolkata wherein interim resolution professional has been appointed. The insolvency resolution professional issued proceedings inviting claims from the corporate debtor and all the bankers have submitted their claim. D-21 has basically submitted detailed reply wherein they have pleaded that consequent upon the appointment of insolvency resolution professional and start of proceedings under NCLT no action should be taken by the ED and all the properties provisionally attached should not be confirmed by the Adjudicating Authority.

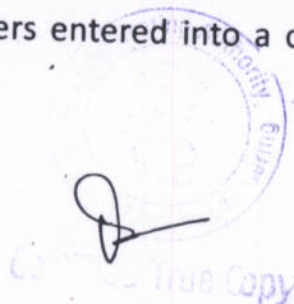
8. Rejoinder has been filed by the Complainant in respect of all the replies filed by the various defendants and various points raised by the defendants are suitably responded in the rejoinder. All averments made are denied. The rejoinder has been prepared on the same lines as the Complaint and it has been requested that this may be allowed and PAO may be confirmed.



9. Based on the submissions made by the complainant in terms of original complaint, \PAO, RUDS, Rejoinder and oral arguments put forward by the counsel and by various defendants through their submission and oral arguments made by their counsel, it is not disputed that consortium of banks led by SBI has suffered huge amount of loss against the loan granted to D-1 which has become NPA during 2013-14, South India bank Ltd, Corporation bank Kolkata being earliest, SBI bank was declared NPA in Jan, 2014. Supriya Basu, GM filed complaint on 08.07.2016 before CBI (BS and FC) leading to registration of FIR in the matter u/s 120(b), 420,468 and 471 of IPC and section 13(1)(d) and 13(2) of PC Act. However it will be important to see whether D-1 and others have failed to make payment of loans due to genuine business losses on account of change in Government policy or some other reasons beyond the control of company or whether there has been deliberate attempt on the part of D-2 to misutilise the loan amount and siphoning off the money in the planned way and used for their personal purpose. Besides this there are certain other aspects of investigation by ED which need to be examined. In order to evaluate this I would like to mention following points :

i) FIR is registered on 12.07.2016 but no Charge Sheet is filed as yet by CBI. Nothing except complaint letter dated 08.07.2016 is placed on record by ED in so far as investigation relating to scheduled offence by CBI concerned. The main part of FIR is as below :

A letter of complaint dated 08.07.2016 has been received in the office of SP (CBI) Kolkata from Supriya Basu, GM SBI Kolkata in which it is alleged that Sh. Nilesh Parkesh, promoter/chairman and many others known and unknown officials of nationalized banks and some others entered into a criminal conspiracy and thereby



they forged/got forged certain documents as genuine availing loan in the account of SGJHIL from 20 nationalized banks. The unknown public servants of nationalized banks abused their respective official positions in as much as they caused undue pecuniary advantage to the accused borrower company and others. All these banks were cheated to the tune of Rs. 222.23 Cr. and caused wrongful loss to the banks and corresponding gain to themselves. The allegation prima facie disclosed the commission of offence punishable under various sections of IPC and PC Act mentioned earlier against persons mentioned.

ii) ED has not shown on record whether CBI has recorded statements of concerned managers of SBI and other 24 banks. It is not shown whether statements of any witness and/or accused is recorded by CBI. It is not known if and when Police authorities gathered documents and retained the same or handed over such seized material to ED, if at all. The PAO and OC fails to show anything beyond the letter dated 08.07.2016 of SBI and registration of FIR by CBI. AS mentioned earlier neither the Charge Sheet is filed nor any investigation by CBI is disclosed including statements recorded if any.

iii) As Charge Sheet is not filed, ED could issue PAO only on the reasonable belief legally required to be formed as per second proviso of Section 5(1) of PMLA. This provision requires that Deputy Director should have reason to believe (to be recorded in writing) on the basis of material in her possession that if such property is not attached immediately under the said chapter, non-attachment is likely to frustrate any proceedings under PMLA. The reasonable belief formed by Deputy Director on the other hand is as under "I therefore have reason to believe that M/s SGJHIL, it's promoter/directors along with their associate companies had acquired movable


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properties amounting to Rs. 16,09,40,253/- (bank balance) Rs. 1,48,78,084/- (rent payable to them) and Rs. 36,05,06,771/- worth of all the stocks seized by DRI Kolkata amounting to total movable property of Rs. 53,32,92,615/- and immovable property worth Rs. 79,04,49,366/-) Thus, total movable/immovable property worth Rs. 132,67,74,474/- are proceeds of crime and obtained as a result of criminal activities relating to commission of scheduled offence under PMLA as described earlier

iv) The Deputy Director has neither formed belief with reasons recorded in writing that such property is involved in money laundering nor the Deputy Director has formed the reasonable belief with reasons recorded in writing if not immediately attached under PML A it will result in frustrating proceedings under this Act. The reasonable belief formed is only to the aspect of crime and is not formed as to the property being involved in the money laundering.


v) Under compliance of insolvency and bankruptcy code 2016, consequent upon liquidation of D-1 by NCLT in Sep. 2018, all financial creditors were to take a decision on relinquishing security interest and handing over security to NCLT appointed liquidator. Hence, all the assets are made over to court appointed liquidator and realized assets to be distributed in accordance with the provisions of IB Code 2016. Complainant in PAO nowhere considered this aspect of company being under liquidation and particularly with reference to the necessity of the attachment to avoid frustration of any proceedings under PMLA. The only reference of the company being under liquidation is while considering the share holding of Parekh brothers in PAO.

Vi) The material relied upon indicates two statements dated 27.04.2018 and 01.08.2018 of Sh. Nilesh Parekh recorded u/s 50 of PMLA. The perusal of the above statement discloses that the investigation carried out by ED pertained to only to

gathering of information of various properties mortgaged and un-mortgaged purporting to the lead banks and consortium banks. No questions what so ever are asked about modus of money laundering. Neither the details gathered from employees of D-1, nor the employees were confronted with D-2 during any stage of investigation. No details were pointed from the statement of such employees or various bank managed persons. D-2, admittedly was not present when employee's statements were recorded by Enforcement Officers. Thus, no investigation pertaining to money laundering appears on the face of said statements of D-2.

Vii) Sh. Rajesh Kr. Deepak AGM, SBI in his statement revealed details about sanctioning of credit facility to D-1 to the extent of Rs. 583 Cr. through committee approach and executive committee of central board of the bank sanctioned this credit facility. From the branch credit analyst, relationship Manager and Deputy GM are the signatories for the proposal. None of the bank officials have testified anything against any of the Officers for grant of credit facility. There is nothing disclosed by way of any investigation by CBI which implicates any of the bank officers. The statement of Sh. Rajeev Kr. Verma recorded u/s 50 of PMLA on 21.03.2018 indicates that when he was asked to explain in detail what kind of cheating and forgery D-1 and other have done in respect of their bank for availing such huge credit facility, the answer given was that presently he does not have full knowledge of clarification asked for and he stated to submit by 28.03.2018. No further statements were recorded. The statement recorded u/s 131 of IT Act are relevant for proceedings under IT Act wherein D- 2 has explained in detail about the business carried on by D-1. In the said statement he has not made any confession or admission concerning having indulged in the activity of money laundering.



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viii) D-21 liquidator appointed by NCLT, Kolkata in his statement u/s 50 of PMLA inter alia furnished few documents under possession of ED. He also produced copy of Petition for custody of assets with respect to CBI, DRI, WBDC and ED dully signed and verified by him. He also stated that in liquidation process only option is to liquidate assets and there is no scope for restructuring. No acquisition is allowed. Since, there is no custody of various assets, the liquidation process is getting delayed. Hence, the Petition is filed for securing assets of D-1 before NCLT, Kolkata. The Deputy Director has not formed any reasonable belief as to the fact of company being in liquidation and the assets are getting collected by the liquidator on his own effort by securing order from NCLT. In view of the said process having been initiated, Deputy Director could not have formed the reasonable belief that if property is not attached immediately under PMLA it may frustrate any proceedings. Reasonable belief as to the need for attachment ought to have been formed by applying mind to the aspect of the assets being required to be collected as per order of the court. In accordance with the provisions of the IB Code 2016. No such application is revealed by the Deputy Director. Hence, the reasonable belief required to be formed in accordance with the second proviso in section 5(1) of PMLA gets effected and is not in accordance with the said provisions. The Appellate Tribunal of PMLA in the case of PMT Machines Ltd. has taken a view that IB Code 2016 precedes over PMLA 2002. The said view has not reached finality, the reasoning therein become subject of relevance.

ix) Vital documents on the basis of which adverse comments are made by the lead banks and adopted in the PAO verbatim by the Deputy Director more particularly the forensic audit conducted by consortium appointed Ernst and Young. CDR mechanism is not placed before the Deputy Director nor it is given with RUD. Similarly, report submitted by SBI appointed M/s DUN and Brad sheet information services India Pvt.



Ltd. for techno economic viability of CDR by borrower is also not placed before the Deputy Director and also not form part of RuD. It is based on deliberations on red flags in E and Y reports. Enquiries were initiated by the lead banks through M/s Thomson Reuters (TR) Dubai. This report is neither placed before Deputy Director nor formed part of RUD. Hence, it can be seen that complainant has merely adopted all his observation from the complaint letter of SBI dated 08.07.2016. The satisfaction and reasonable belief formed is simply the borrowed satisfaction and the reasonable belief and therefore cannot be seen as acquired on the basis of perusal of relevant material. The attachment order, therefore to an extent based on surmises and conjectures as to the reasons submitted in various reports referred above.

x) The allegation of ED regarding the proceeds of crime made on the basis of complaint by SBI to CBI, in the absence of perusal of the aforesaid report by the Deputy Director are not based on the placement of such material but are based only on the reference in the complaint made by the lead bank much after the accounts concerning various facilities having been declared NPA by the banks. The reasonable belief formed by complainant is therefore not in conformity with the second proviso of section 5 of PMLA. The attachment based on such reasonable belief cannot therefore be accepted.

xi) Defendants has raised the issue regarding an amount of Rs. 1900 Cr. covered under ECGC who have stated that they have already settled the claim. Similarly, the question regarding availability of Rs. 917.0 Cr FDR have been raised. About both these items Deputy Director has not discussed anything in the complaint. These two items are very major items which could sufficiently take care of the losses of banks. However, Deputy Director has not discussed these items in the complaint or in PAO.



xii) Defendants have raised issue of slowdown in global gold/jewellery market which has impacted the business adversely. Government of India policy announced around the same time has also caused tremendous loss to the business of D-1 and this is also one of the important issue which should have been dealt by complainant. According to defendants, D-1 used to be a star trading house and have been awarded in the industry. There has been no complaint of any cheating or forgery by the lead bank or any other member of consortium of banks. Therefore, reason for failure to pay bank loans seems to be genuine business loss due to global slowdown and Gov policies and no case of cheating, forgery, misappropriation is made against D-1.

xiii) In view of discussion as above, prima facie, at this stage it appears that no case is made out for confirmation of Provisional Attachment Order dated 16.04.2019

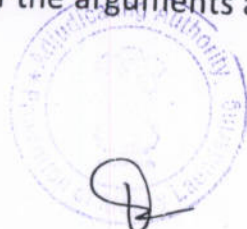
Therefore the PAO 1267/2019 dated 16.04.2019 is not being confirmed and Original Complaint is hereby dismissed.

10. Prima facie case for confirmation of PAO is not made out. I have gone through the O.C. along with relied upon documents, PAO, statements recorded under section 50 of PMLA, investigation conducted, submissions of Complainant & Defendant and hold that prima facie case for confirmation of PAO is not made out. PAO is accordingly not confirmed considering over all facts.

11. The Provisional Attachment Order is not confirmed and Complaint is dismissed.

12. Conclusion:

On a thorough perusal of the PAO, Complaint, relied upon documents, the investigations conducted by the ED and the statements recorded u/s 50 of the PMLA and on careful consideration of the arguments advanced on behalf of the Complainant



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and Defendants undersigned comes to the prima facie conclusion that the Defendants have not committed the Scheduled Offence, generated proceeds of crime and laundered them. No doubt the properties attached are not proceeds of crime or value thereof and are not involved in money laundering. Undersigned therefore orders non-confirmation of the above Provisional Attachment Order. This order shall continue during the pendency of the proceedings relating to any offence under this Act before court or under the corresponding law of any other country, before the competent court of criminal jurisdiction outside India as the case may be and become final after an order of confiscation is passed under sub-section (5) to sub-section (7) of section 8 or section 58B or sub-section 2A or section 60.

13. Appeal against the order lies to Hon'ble Appellate Tribunal, PMLA New Delhi under section 26 to the PML Act. The appeal may be filed within a period of 45 days from the date of receipt of the order.

Pronounced on this day of 9th October 2019 in the open court of this Authority.



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15/10/19
ADMINISTRATIVE REGISTRAR
PREVENTION OF MONEY LAUNDERING,
DEPARTMENT OF REVENUE, MINISTRY OF FINANCE

Dr. D. Singhai
09/10/2019
Chairman