(2019) 09 ATPMLA CK 0008

In the Appellate Tribunal Under Prevention Of Money Laundering Act

Case No : MP-PMLA-3334, 3387, 3388, 3389, 3390, 3391, 3392, 4174/RNC/2017, FPA-PMLA-1718, 1753, 1754, 1755/RNC/2017

Ram Chandra Rungta & Ors — APPELLANT

Vs

Joint Director Directorate Of Enforcement, Ranchi — RESPONDENT

Date of Decision : 06-09-2019

Acts Referred:

Prevention Of Money Laundering Act, 2002 — Section 3, 5(1), 5(1)(b), 5(5), 8, 8(1), 8(4), 26, 50
Indian Penal Code, 1860 — Section 120B, 183, 193, 228, 298, 420, 467, 468, 471
Code Of Criminal Procedure, 1973 — Section 173

Citation : (2019) 09 ATPMLA CK 0008

Hon'ble Judges : Manmohan Singh, J;G. C. Mishra, Acting Chairman

Bench : Division Bench

Advocate : Dayan Krishnan, Arshdeep Singh, Manish Jha, AyushAgarwal, S.K. Sharma

Final Decision : Allowed

Judgement

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FPA-PMLA-1753-1755 & 1718/RNC/2017,,

1. By this order, we propose to decide the above-mentioned appeals under Section 26 of the Prevention of Money-Laundering Act, 2002 (hereinafter",,

referred to as â??PMLAâ?) against the Order dated 02.03.2017 in Original Complaint No. 644 of 2016 (hereinafter referred to as the â??Impugned,,

Orderâ??) passed by the Adjudicating Authority.,,

Facts,,

2. On the basis of a reference from the Central Vigilance Commission, New Delhi vide its letter bearing number 012/COL/020/1716 dated 13.04.2012,",,

it appears that the Central Bureau of Investigation (â??CBIâ?) initiated a

Preliminary Enquiry, which culminated in the registration of an FIR bearing",,

number RC-219-2013-E-0002 dated 08.03.2013 under section 120B read with Section 420, IPC against (i) M/s Jharkhand IspatPvt. Ltd., (ii) Shri R.S.",,

Rungta; (iii) Shri R.C. Rungta and (iv) other Directors of M/s Jharkhand IspatPvt. Ltd., with CBI/EO-I/New Delhi (hereinafter referred to as the",,

â??said FIRâ??).,,

3. On the completion of the investigation conducted pursuant to the said FIR, the CBI filed a Final Report under section 173, Cr.P.C., bearing number",,

06/2014 dated 12.11.2014 under section 120B read with sections 420, 467, 468 & 471 of the Indian Penal Code before the Ld. Special Judge (PC Act)",,

(CBI)-7, New Delhi District, Patiala House Courts, New Delhi (hereinafter referred to as the â??said Charge-sheetâ?), arraigning (i) M/s Jharkhand",,

IspatPvt. Ltd., (ii) Shri R.S. Rungta (iii) Sri R.C. Rungta, (iv) ShriRamabatarKedia and (v) ShriNareshMahto as Accused. The appeal against the said",,

order is pending in the High Court.,,

3.1 It was alleged in the said Charge-sheet that a company under the name and style of â??M/s Rewa Retreads Pvt. Ltd.â? was incorporated under,,

the Companies Act, 1956 on 12.03.1991, with the Registrar of Companies, Kanpur, engaged in the business of, inter alia, manufacturing and selling of",,

spare parts and other commodities. That, on 29.04.2003 the name of the said company was changed to â??M/s JharkandIspat Pvt. Ltd.â?, (i.e., the",,

Appellant herein).,,

3.2 It was further alleged in the said Charge-sheet that the Ministry of Coal (hereinafter referred to as the â??MoCâ?) had issued two,,

advertisements in the year 2005 inviting private sector companies from the Power, Steel and Cement Sector to apply for allocation of coal block for",,

captive coal mining purposes. That, certain Guidelines were issued by inter alia the MoC in relation to the aforesaid proposed allocation of coal-blocks.",,

These Guidelines included a set of parameters for evaluating the claims of the applicant companies and determining their inter-se priority. These,,

Guidelines were made available to the general public/applicant companies and were uploaded to website of the MoC.,,

3.3 It was also alleged in the said Charge-sheet that the Appellant herein vide its Application dated 23.02.2004 applied for allocation of the coal block,,

â??PakriBarwadih Coal Blockâ? or â??Gondal Para Coal Blockâ? (hereinafter referred to as the â??Coal-block Applicationâ?). Alongwith the,,

Coal-block Application, as required by the Guidelines, various information was also provided in the prescribed format. Further, a presentation was also",,

made before the relevant Screening Committee, which was an inter-ministerial body constituted to process the applications from applicant companies",,

and to make recommendations to the final decision-making authority. Thereafter, various rounds of scrutiny, evaluation and meetings, the Allocation",,

Letter No. 13016/31/2005-CA-1 dated 13.01.2006 was issued jointly to four allottee companies, including the Appellant herein.",,

3.4 It was further alleged in the said Charge-sheet that, due to the surfacing of allegations of wrongdoing and arbitrariness by various parties involved",,

in the coal allocation process, another Inter-Ministerial Group was formed and in the 11th Meeting of this Inter-Ministerial Group held on 20.09.2012, it",,

was recommended that the Coal Block allocated to the Appellant herein be de-allocated. That, on 14.02.2014 the Coal Block allocated to the",,

Appellant herein (i.e., the â??North Dhadu Coal Blockâ??) was de-allocated with effect from 22.11.2012.",,

3.5 It was alleged in the said Charge-sheet that the Appellant had misrepresented on a number of aspects before the MoC and the 27th Screening,,

Committee so as to inflate its claim and to thereby induce the Screening Committee and the MoC to allocate a Coal-Block to them.,,

4. Consequent to the said Charge-sheet and the trial conducted by the Special Judge (PC Act) (CBI)-7, New Delhi District, Patiala House Courts,",,

New Delhi, vide Final Order and Judgment dated 28.03.2016, the Appellant along with Shri R.C. Rungta and Shri R.S. Rungta were held guilty of the",,

offences under sections 120B read with 420, IPC; and were acquitted in respect of charges under section 467, 468 and 471, IPC.",,

5. The above Judgment dated 28.03.2016 has been challenged by the Appellant before the Honâ?ble Delhi High Court, being Criminal Appeal No.",,

714/2016. The said Appeal has been admitted vide Order dated 01.08.2016 passed by the Honâ??ble Delhi High Court.,,

6. It appears that during the pendency of the aforesaid proceedings by the CBI, the Complainant, i.e., the Respondent No. 1 registered the ECIR",,

bearing number ECIR/02/RSZO/2014 dated 29.04.2014 (hereinafter referred to as the â??said ECIRâ?) in the present case alleging the commission,, of the offence of Money Laundering under Section-3, PMLA. The said ECIR under Column 2 â?"â??Act Scheduled to PML Actâ?? states â??Indian",,

Penal Code, 1860â?? and â??Scheduled Offences under the PML Actâ?? states â?? Section(s) under 120B r/w 420â??.",,

7. The said ECIR under Column 7, alleges as under â?"",,

â??a. Perusal of the copy of FIR No.RC221/2014/E002 dated 07.01.2014 registered by the Central Bureau of Investigation, E.O-I, New",,

Delhi, revealed that a Preliminary Enquiry No. 219 2012 E 002 was initiated by the CBI on the basis of directions from the Central",,

Vigilance Commission vide their letter dated 13.04.2012.,,

b. The enquiry has revealed that an application seeking allocation of coal blocks for captive mining in Hazaribagh, Jharkhand was",,

submitted by M/s Jharkhand Ispat Pvt. Ltd., on 23.02.2004.",,

c. It was revealed that North Dhadu Coal Block, Jharkhand, under CCL command area was a non-coking coal block, which was jointly",,

allocated to M/s Jharkhand Ispat Pvt. Ltd. along with certain other companies, for captive mining of coal for its sponge iron plant at Distt.",,

Hazaribagh, Jharkhand for purported existing production capacity of 96,000 MTPA of sponge iron and proposed capacity of 4,32,000",,

MTPA of the same and 35 MW of captive power plant.,,

d. During the course of enquiry it was found that the Company was not fulfilling the desired criteria for the allocation and it had,,

misrepresented the facts on both, the criteria, i.e., Possession of Land and Existing Capacity for End Use to seek the Coal Block. Thus the",,

Company and its functionaries named above were found to have indulged in commission of offences for criminal conspiracy and cheating,,

for illegal gains, which would be the proceeds of crime as defined under the PML Act.",,

e. On the basis of the above enquiry, the CBI registered an FIR bearing no. RC 219/2013/E002 dated 08.03.2013 and initiated",,

investigations against the company M/s Jharkhand Ispat Pvt. Ltd., Shri R. S. Rungta, Chairman, Shri R. C. Rungta, Managing Director,",,

other Directors and unknown others under Sections 120-B r/w 420 of IPC, which are also among the Schedule Offences under the PML",,

Act.â?? (Emphasis added),,

8. The said ECIR further alleges that based on the inputs received from the predicate agency, there appears a prima facie case of offence of Money",,

Laundering as defined under s. 3 of the PMLA.After registration of the said ECIR, the Respondent No. 1 appears to have carried out investigation",,

under the provisions of PMLA and recorded the submissions of various individuals and/or companies, which are part of Respondent No. 1â?s Relied",,

Upon Documents.,,

9. Thereafter on, 23.09.2016, the Appellant received the Provisional Attachment Order No. 01/2016 dated 15.09.2016 (hereinafter referred to as the",,

â??said PAOâ?) whereby the Complainant/Respondent No. 1 herein attached various immovable properties of the Appellants herein, as detailed in",,

Annexure â??Aâ?? to the said PAO.,,

10. In the PAO, the Respondent has categorized the Share Application money (â??SAMâ?) received by the Appellant herein from various",,

individuals/companies/entities as the â??Proceeds of Crimeâ? generated from the Scheduled Offence of Sections 420 and 120B, IPC. It has been",,

alleged that the Appellant herein received the â??SAMâ? amounting to Rs.25,00,00,000/- (Rupees Twenty Five Crores Only), from the period 2004-",,

05 to 2008-09, and that this has been received due to the coal block allotted to the Appellant herein and that such allotment was a result of the criminal",,

activity relating to the Scheduled Offence.,,

11. Thereafter, on 29.10.2016, the Appellant received a Notice to Show Cause dated 20.10.2016 (hereinafter referred to as the â??said Show Cause",,

Noticeâ?) issued by the Registrar of the Adjudicating Authority, PMLA, stating that an Original Complaint bearing number O.C. No. 644/2016 dated",,

13.10.2016, instituted under Section 5(5) of the PMLA (hereinafter referred to as the â??said OCâ?) has been filed by Respondent No. 1 herein. As",,

per notice issued under Section 8(1), the Appellant was called upon to indicate the sources of its income, earning/assets out of which it had acquired",,

the properties attached under section 5(1), PMLA and the evidence on which it relied and to show cause as to why all or any of the properties so",,

attached should not be declared to be properties involved in money laundering and confiscated by the Central Government and why the attachment,,

under the said PAO not be confirmed. These were the main reasons in the said notice.,,

12. Being aggrieved by the said ECIR, said PAO, the said OC and the said Show-Cause Notice and all proceedings emanating therefrom, the",,

Appellantsfiled a writ petition before the Honâ?ble High Court of Jharkhand on, inter alia, the grounds set out therein, which was numbered as W.P.",,

(Crl.) 401/2016. The Respondent No. 1 herein has filed a Counter Affidavit dated 15.12.2016 to the same. The Writ Petition stands referred to a,,

Division Bench of the Honâ?ble High Court of Ranchi and it has been withdrawn by the appellant in view of hearing conducted in the present appeal,,

and after reserving the orders.,,

13. In view of the said Show-Cause Notice, the Appellant appeared before the Adjudicating Authority and filed its Reply to Show-cause notice.",,

Thereafter, Rejoinder to the Appellantâ?s Reply was filed by the Respondent, arguments were heard by the Adjudicating Authority and Written",,

Submissions were filed by the Appellant herein. The case was reserved for Orders on 08.02.2013 and the Impugned Order confirming the provisional,,

attachment was passed on 02.03.2017.,,

14. Aggrieved by the Impugned Order, the Appellant has approached this Tribunalto set-aside the Provisional Attachment and the Impugned Order.",,

15. As far as schedule offence is concerned, the main allegations are that the appellant has misrepresented on a number of aspects before Ministry of",,

Coal and 27th Screening Committee as to inflate its claim. Therefore, the appellants were held guilty of the offence under Section 120B and 420 IPC.",,

Against the conviction order, the appeal is pending for disposal.",,

16. We do not wish to express any opinion on finding arrived with regard to schedule offence, if committed by the appellant. The said issue is sub-",,

judice before the High Court, the same was passed on different issuesand the same has to be decided as per its own merit.Our only concern in these",,

appeals is as to whether attachment order passed is sustainable in law or not and/or as to whether the investment is made from the public money or,,

not. Further, as to whether merely investment in the company is proceed of crime or not, or it amounts to money laundering.",,

PMLA proceedings,,

17. ECIR bearing number â??ECIR/02/RSZO/2014â? registered by the ED on 29.04.2014 on the basis of registration of FIR on 8.3.2013. It is,,

admitted position that the coal allocations including the allocation to the appellant cancelled by the Honâ?ble Supreme Court in W.P(C) No. 120/2012,,

passed on 25.08.2014. Charge-sheet qua the Scheduled Offences filed by CBI on 12.11.2014.,,

18. After registering ECIR, the statement of various witnesses were recorded and thereafter, the respondent issued Provisional Attachment Order",,

No. 01/2016 for provisional attachment of properties totally valued at Rs.19,73,29,269.90/-(Rupees 19.73 Crores) on 15.09.2016.",,

19. The main allegations against the Appellants were that they have received the Share Application money (â??SAMâ?) amounting to Rs. 25 crores,,

from the period 2004-05 to 2008-09, and the same has been received due to the coal block allotted to the Appellants, such allotment being result of the",,

criminal activity relating to the Scheduled Offence.,,

20. Original Complaint bearing number O.C. No. 644/2016 filed before the Adjudicating Authority on 13.10.2016. On the basis of allegations on,,

generation of proceeds of crime, on 20.10.2016, show cause notice issued by the Adjudicating Authority under section 8(1) of the Act.",,

21. Reply on behalf of the appellant was filed before the Adjudicating Authority along with supporting documents on 17.01.2017, denying all",,

allegations. The respondent on 6.2.2017 filed the rejoinder before the Adjudicating Authority.,,

22. After hearing, the impugned order confirming the provisional attachment order was passed on 2.3.2017, which was challenged before this Tribunal",,

by filing an appeal u/s 26 PMLA.,,

23. On 27.04.2017, notice was issued on the Appeal by this Tribunal. In respect of the Stay Application, ED was directed that Notice u/s 8(4) PMLA,",,

if any, is issued to the Appellant for taking possession, a copy of the same also be sent to the Ld. Counsel for the Appellant who may press the interim",,

order by moving Urgent Application.,,

24. Notice u/s 8(4) of PMLA issued by the ED on 06.12.2017 to the Appellant. It is pertinent to mention that in the Notice, it is specifically stated that",,

ED has taken â??constructive possession of the attached properties.â? Further, the Appellant was directed to deposit the gross income and all other",,

Name of person,Company,

AlokRungta,LupinCommodealPvt. Ltd.,

,ToalasariyaVinyogPvt. Ltd.,

,Nagina Exports &FinvestmentsPvt. Ltd.,

,Escorts TradelinkPvt. Ltd.,

AbhishekRungta,Mohanka Exports Pvt. Ltd.,

Rajeev Kumar Agarwal,Jharkhand IspatPvt. Ltd.,

track record of the company was increasing year by year. The further prospect was good in terms of expenses promoters. The market value of land,,

also appreciated 3-4 times in year 2009-10.,,

viii) Please furnish the name and address of the bankers of the company?,,

Ans. The company is having banking with Kotak Mahindra Bank, Shyam Bank Kolkata HDFC Bank Ltd. Shree [illegible] Kolkata.",,

ix) Please give details of other investment made by you and your family members either in individual capacity or as director/partner/ proprietor in,,

movable or immovable assets after 1.1.2001.,,

Sources of fund for the said investment may also be elaborated.,,

Ans. I have no details of the investment made by myself or my wife at present. I can submit you the balance sheet and source of income done by,,

myself and my wife as on 31.3.2015.,,

x) Please give the copy of the above by today.,,

Ans. OK, I will submit the same by today.",,

xi) Why you have chosen JIPL to invest?,,

Ans. In Jharkhand at the time of our investment it was a growing company among private sector enterprises. So we have invested in the company as,,

the share premium was also very low.,,

xii) What is the activity of your company?,,

Ans. Our company is non banking Finance company (NBFC) registered with RBI. Hence the object of NBFC applies to us and we can invest in,,

shares or loans.,,

xiii) What is the source of funds for purchase the shares of JIPL?,,

Ans. In answer to question 6 I have already written that it has been submitted by our letter dated 21.3.2010.,,

xiv) The net worth of your Co. is more than the amount invested in JIPL or whether you have taken loan to invest in JIPL?,,

Ans. The network of our company is more than the amount invested in JIPL. We have not taken any loan to invest in JIPL.,,

xv) On what basis your shareholders have invested in your company at the time of your investment in JIPL?,,

Ans. Ours is an NBFC company registered with RBI. This being an investment company people subscribe to share capital for increase in intend value,,

of shares. As I have already written that JIPL was a continuous growing company showing profit in all yours. The book value of shares as of today is,,

around 300 Rs. per share. Apart from this the value of land and building has been increased manifold.,,

Hence, keeping in view the above points our shareholders has invested in our company for better future management.",,

xvi) As per your letter dated 21.3.2016 [illegible] 48 shares in your company as on [illegible] 2005 which is twelve more than share has been of last,,

year i.e. 36 shareholders 2007-2008. Please give details of directorate of companies and there address?,,

Ans. Right now I donâ??t have the ans. I will provide details later on.,,

xvii) As per your letter dated 21.3.2012 M/s Escort Trademark Pvt. Ltd. is one of the shareholders of your company and it has also been taken from,,

your letters that M/s Escort Trademark Pvt. Ltd. is constantly increased of your company since 2007/08. Please give details address of the company,",,

name of the directors and its business activities?,,

Ans. Address of the company is Diamond Prestige Building AJC Bose Road, Kolkata. Director are myself and AshishRungta. It is also an NBFC",,

company listed with RBI during investment business.,,

xviii) As per the answer of question No. 2 and 17 you and your brother AshishRungta both are the directors ofLupinCommodealPvt. Ltd. and Escort,,

Trading Pvt. Ltd. as per the list of shareholders of JIPL LupinCommodealPvt. Ltd. and Escort Tradelink Pvt. Ltd. both are the share holders of,,

Jharkhand IspatPvt. Ltd. as on 31 March 2005 and M/s Escort Trademark Pvt. is the shareholders of LupinCommodealPvt. Ltd. as on 31 March,,

2005. Please give reasons why Escort Tradelink Pvt. Ltd. has invested money in Lupin Commanded Pvt. Ltd. when LupinCommodealPvt. Ltd. itself,,

has invested in JIPL?,,

Ans. As per the provisions of companies act, time was no restriction in investment in group companies so as per the need the investment were made.",,

xix) As per your reply of question No. 18 you have told that there is a need of investment in LupinCommodealPvt. Ltd. by Escort Trademark Pvt. Ltd.,,

Please give specific details of money during 2008/09.,,

Ans. Right now I do not have the ans. I will provide details later on.,,

xx) What is the mode of payment by Escort Trade link Pvt. Ltd. to Lupin Commodeal Pvt. Ltd.,,

Ans. Right now I do not have the answer I will provide details later on.,,

xxi) Except Lupin Commodeal Pvt. Ltd. and Escort Tradelink Pvt. Ltd., in how many companies are / were you director? Please give the name of",,

companies, address of names of other director of those companies.",,

Ans. At present I am director in the companies including lupin and escort apart from this. I had Directorship in Punjab [illegible] Sponge Pvt. Ltd.,,

from where I have registered in March 2010 and Jan 2012 respectively. The other details will be given later on. However, the name of companies in",,

which I am director at present are as below:,,

1. Sri Purge Cement Company Ltd.,,

2. Palace Projects Pvt. Ltd.,,

3. Escorts Tradelink Pvt. Ltd.,,

4. TokaniyeViniyug Pvt. Ltd.,,

5. Lupin Commanded Pvt. Ltd,,

6. Nagina Expert and Finvest Pvt. Ltd.,,

7. VikashFastern Pvt. Ltd.,,

8. Rimzim Merchants Pvt. Ltd,,

9. M/s Chamastika Cement of Ispat Pvt. Ltd.,,

10. Araanye Mines pvt. Ltd.,,

xxii) As per your reply of question No.11, you have told that the reason for investment by M/s Lupin Commodeal Pvt. Ltd. in JIPL during 2008/09 is",,

that JIPL was growing company at that time. Please elaborately explain the meaning of growing company in the context of JIPL.,,

Ans. Growing means increase in production capacity, increase in revenue or income in profits in the context of a corporate entity. In the context of",, JIPL as revealed through its balance sheet till date of investment all the three parameters were positive hence, we invested in JIPL.",,

xxiii) Please tell what is the profit for shares of JIPL during 2006/07, 2007/08, 2008/09?",,

Ans. This being a question related to figures, I donâ??t remember right now. This will be submitted later on.",,

Above statement is true and correct and given voluntarily without any pressure. I shall appear again on 13th April 2016 to continue my statement.,,

Sd/-,,

A.K. Rungta,,

12.4.2016,,

30. Statement dated 13.04.2016 under Section 50, PMLA of Alok Rungta Director of M/s Lupin Commodeal Pvt. Ltd.",,

Further statement of Alok Rungta, son of Shri Ram Chandra Rungta, residing at new PNB Building main Road RanjeshCantt Director of M/s",,

LupinCommodealPvt. Ltd., Kolkata, recorded under section 50 of PMLA read with Section 183 and 228 of IPC on 13th April 2016.",,

I have gone through my earlier statements on 12.4.2016 under Section 50 of PMLA and I confirm that given statement recorded and based,,

on the facts disclosed by me voluntarily.,,

Q.1. In your previous statement 12.4.2016 you have asked to provide the details of all investment made by you and your family members either in,,

individual capacity or as a director/ partner/ proprietor of such company in immovable and movable assets as or after 11/2001 of sources of funds for,,

the said investment. In your reply of this question you have answered that I have no details of the investment made by myself or my wife at present.,,

Please given the details of investment as asked in above today.,,

Ans. First of all it has been wrongly asked as I have already given the details of immovable and movable property as appearing in balance sheet of,,

31.3.2015 along with source of fund as appeared in computation of income. I have submitted the papers with for myself and my spouse,,

SudhaAgarwal.,,

Q.2. From your answer to question No. 2 it appears that either you have understood the question or you willingly not want the understand the question.,, In the question No.1 it has been asked you should please provide the year wise investment made by you or your family member or both. Either in,,

individual company or as a director/ partners/ proprietor in such companies in immovable assets on or after 1.1.200 [illegible] and sources of funds for,,

said investment?,,

Ans. As per income tax law I am not supposed to keep the book of account as my account is not audited. However, I cannot submit you balance",,

sheet and computation of income from the assessment year 2010-11, 2015-16 which is supported to be kept by us within one week.",,

Q.3. In your previous statement dated 12.4.2016, reply of question No. 19 you have said that you will provide details of such of investment in",,

LupinCommondealPvt. Ltd. by Escorts Trade link Pvt. Ltd. Please give the details.,,

Ans. As lot of details want to be given to you as my summon on 12.4.2016 has left after 8 pm and today I appear at 10.10 am. So whatever details,,

was possible in such short span we provide to you however, I will be submitted in a week. The following direction is being submitted to you as asked",,

in my previous statement.,,

1. mode of payment for Escort Tradelink Pvt. Ltd to LupinCommodealPvt. Ltd., from 1.4.2007 to 31.3.2016.",,

2. Company name, Address, director, directors address in which I am director.",,

3. Production sales revenue, and PBT of JIPL from 20.3.2004 to 20140-15.",,

4. Details of change in shareholder of LupinCommodealPvt. Ltd. From 2007-08 to 2008-09 with name, address, name of director and address of",,

director.,,

Q.4. As per your letter dated 21.3.2016 there were 48 shareholder in your company as on 31.3.2009 and 23 shareholders as on 31 March 2008 i.e. 12,,

more shareholders. However, cross click of the list of shareholder reveals that some old shareholder has not reflected in the list of shareholder as on",,

31.3.2003. Due to this 4 new shareholders have appeared in the lit of shareholder as on 31.3.2005. Please give the details of director of the,,

companies.,,

Ans. The list of change of shareholders was [illegible] details of address, directors name and directors address is being submitted to you.",,

However, as per my list of number is 23, where you have asked for 24. I will reverify the same and inform you accordingly.",,

Q.5 Did your company M/s LupinCommodeal aware that M/s JIPL had been allotted North Dhadhu Coal Block before investment in JIPl?,,

Ans. Yes, I was aware that company JIPL was alloted a coal mine. However, the name of same was not known to me.",,

Q.6. As per your reply to question No.5, before investment by your company M/s LupinCommodealPvt. Ltd., it was known to M/s LupinCommodeal",,

that M/ JIPL had been allotted a coal block. Had M/s LupinCommodeal taken consideration of allotment of Coal Blok to JIPL before investment by,,

your company in JIPL?,,

Ans. We have invested in JIPL after studying the balance sheet of the company and visited the plant. We have already written that we have invested,,

the money keeping production, revenue and profit in mind. We have not considered the coal block as we know that starting coal block is a very tough",,

job in India.,,

Q.7 In your previous statement dated 12.4.2016 you have said that before making investment by your company in JIPL, you have considered increase",,

in production increase in revenue and increase in profit of JIPL.,,

Whereas in reply to todayâ??s question No. 6 that you have made investment in JIPL without considering allocation of coal block to JIPL.,,

Please clarify it.,,

Ans. We have already said that we have not at all considered the allotment of coal block to JIPL. JIPL was running smoothly without captive mines,,

of iron ore and coal both. And it is evident from the chart given to you today that prior to the allocation or after the allocation there was no such,,

impact on its profit or sales. While many other companies have suffered losses and their share prices have decreased to a great extent, while in JIPL",,

after de-allocation of mines its production and revenue have grown to a sufficient level.,,

Q.8. As provided by you the comparative chart of sales/profit before tax production of JIPL, going through the chart it shows that profit before tax of",,

the company has increased in 2008-09 and thereafter it has decreased. Whereas you have replied in question No. 7 that the profit of JIPL has not,,

affected due to allocation of coal block. Please explain.,, Ans. A company can ultilise its resources for production. The production of the company has increased. Regarding profit, the sale value of any",,

product depends upon market forces, we have to sell the product as per the market which can be up and down.",,

Q.9. When had M/s LupinCommodeal applied for share of JIPL and when were the shares of JIPL allotted to M/s Lupin?,,

Ans.The company had invested the money in 2008-09, the shares were allotted in April 2009.",,

Q.10. Please give the details of investment made by your company from 2005-06 to 2009-10.,,

Ans. The details are not with me right now. I will submit it in a week.,,

The above statement is true and correct and given voluntarily without any pressure. I shall appear again as on call for.,,

Sd/-,,

A.K. Rungta,,

13.4.2016,,

31. Statement dated 12.04.2016 under Section 50, PMLA of Alok Rungta, Director of M/s Toalasariya Vinyog Pvt. Ltd.",,

I, Alok Rungta, son of Shri Ram Chandra Rungta, aged about 33 years, Director of M/s Toalasariya Vinyog Pvt. Ltd. Kolkata, presently",,

Jharkhand for recording my statement in response to summon issued for appearance on 12.4.2016. I have been explained the provision,,

related to summon and I have fully understood to same.,,

a. What do you do and give statements of your family along with their occupation and PAN details.,,

Ans I am businessman, look after working of the companies I what I am director. My wife ShobhaRungta and son DarshRungta 1.5 years old my",,

wife is a house wife. PAN of my wife is AGPPA8129F.,,

b. Who are directors in M/s Toalasariya Vinyog Pvt. Ltd and give their name and address.,,

Ans. Myself and AshishRungta directors in the company having same address.,,

c. Where were you inducted in Board of directors of M/s Toalasariya Vinyog Pvt. Ltd. as a director?,,

Ans. I was inducted director in ToalasariyaVinyugPvt. Ld. dated 3.4.2010.,,

d. Who are chairperson and Managing Director of M/s TolasariyaVinyogPvt. Ltd. please give their name and residential address?,,

Ans. M/s Toalasariya Vinyog Pvt. Ltd. do not have a chair person and nor Managing Director.,,

e. You have shareholding/directorship in other companies of RC Rungta Group associates companies of JIPL?,,

Ans. I am shareholder and director of Sri Durga Cement Co. Ltd. in which R.C Rungta is the director.,,

f. Please give details of source of fund used for purchase of shares of JIPL in the Feb 2009-10 and provide the statement of account from which the,,

payment were use to JIPL for purchase of shares? Ans. The above details has already been submitted to you through letter dated 21.3.2011.,,

g. Please state the reason of purchase of Jipl shares on such high premium of Rs.150/- during the period 2009-10.,,

Ans. I think premium of Rs.150/- is not so high as the book value of a shares of JIPL which was amount 200, what I recall. In addition to this the",,

track record of the company was increasing year by year. The further prospect was good in terms of experienced promoters. The market value of,,

land of the company also appreciated 3-4 times in year 2009-10.,,

h. Please furnish the name and address of the bankers of the company.,,

Ans. The company is having banking with Kotak Mahindra Bank, Shyam Bank Kolkata HDFC Bank Ltd. Shree Arcade Kolkata.",,

i. Please give details of other investment made by you and your family members either in individual company or as a director/ partner/ proprietor of,,

such company in immovable or movable assets on or after 1.1.2006. Sources of fund for the said investment may also be elaborated.,,

Ans. I have no details of the investment made by myself or my wife at present. I can submit the balance sheet and source of income done by myself,,

and my wife as on 31.5.2015.,,

j. Please give the copy of the above by today.,,

Ans. OK, I will submit the same by today.",,

k. Why you have chosen JIPL to invest.,,

Ans. In Jharkhand at the time of our investment it was a growing company among private sector enterprises. So we have invested in the company as,, the share premium was also very low.,,

l. What is the activity of your company?,,

Ans. Our company is non banking Finance company (NBFC) registered with RBI. Hence the object of NBFC applies to us and we can invest in,,

shares or loans.,,

m. What is the source of funds for purchase the shares of JIPL?,,

Ans. In answer to question 6 I have already written that it has been submitted by our letter dated 21.3.2011.,,

n. Is the net worth of your Co. more than the amount invested in JIPL or whether you have taken loan to invest in JIPL?,,

Ans. The network of our company is more than the amount invested in JIPL. We have not taken any loan to invest in JIPL.,,

o. On what basis your shareholders have invested in your company at the time of your investment in JIPL?,,

Ans. Our is a NBFC company registered with RBI. This being an investment company people subordinate to share capital for increase in intend value,,

of shares. As I have already written that JIPL was a continuous growing company showing profit in all years. The book value of shares as of today is,,

around 300 Rs. Per shares. Apart from this the value of land and building has been increased manifold. Hence keeping in view the above points our,,

shareholders has invested in our company for better future management.,,

p. In how many companies are / were you directors please also state the name, address of directors of those companies?",,

Ans. I am director at present are as below:,,

1. Sri Purge Cement Company Ltd.,,

2. Palace Projects Pvt. Ltd.,,

3. Escorts Tradelink Pvt. Ltd.,,

4. TolasariyeViniyug Pvt. Ltd.,,

5. Lupin Commanded Pvt. Ltd,,

6. Nagina Expert and Finvest Pvt. Ltd.,,

7. VikashFastern Pvt. Ltd.,,

8. Rimzim Merchants Pvt. Ltd,,

9. M/s Chamastika Cement of Ispat Pvt. Ltd.,,

10. Araanye Mines Pvt. Ltd.,,

Rest of details will be provided later on.,,

q. As per your reply of question No.11, you have told that the reason for investment by M/s TolosariyaViniyogPvt. Ltd. In JIPL during 2008/09 is that",,

JIPL was growing company at that time. Please elaborately explain the meaning of growing company in the context of JIPL.,,

Ans. Growing means increase in production capacity, income in revenue as income profits in the context of a corporate entity. In the context of JIPL",,

as revealed through its balance sheet till the date of allotment all the three parameter were positive hence, we invested in JIPL.",,

r. Please tell what is the profit per shares of JIPL during 2006/07, 2007/08, 2008/09?",,

Ans. This being a question related to figures, I do not remember right now. This will be submit later on.",,

Above statement is true and correct and given voluntarily without any pressure. I shall appear again as on called for.,,

Sd/-,,

A.K. Rungta,,

12.4.2016,,

32. Statement dated 23.05.2016 under Section 50, PMLA of Alok Rungta, Director of M/s Toalasariya Viniyog Pvt. Ltd.",,

I, Alok Rungta, S/o Shri Ram ChanderRungta aged 33 years, director of M/s Toalasariya Vinyog Pvt. Ltd. Kolkata presently myself before",,

Assistant Director Enforcement Directorate Ranchi, Jharkhand for recording my statement in response to summon issued to me for",,

appearance on 10.5.2016, but due to some reason, I was unable to attend so I am recording my statement today on 23.5.2016. In",,

continuation of my statement on 13.4.2016,,

Q.1. Did your company M/s Talasoriye Vinayog Pvt. Ltd. Kolkata known that M/s JIPL had been allotted north Dhadhu coal block before investment,,

in JIPL.,,

Ans Yes, I was knowing that a coal block was allotted to JIPL, but I was not knowing the name of coal block.",,

Q.2. Had Toalasariya Vinyog Pvt. Ltd. taken consideration of allotment of North

Dhadhu Coal block to JIPL before investment in JIPL?,,

Ans. We have not considered the allotment coal block before investment in JIPL.,,

Q.3 When had Talasoriye Vinayog Pvt. Ltd. applied for shares of JIPL and when where the shares of JIPL allotted to Talasoriye Vinayog Pvt. Ltd?,,

Ans. Our company had applied shares from the period May 2007- July 2008 and the shares were allotted to us in April 2009.,,

Q.4. What were the authorized capital, reserves net worth, NAV of Toalasariya Vinyog Pvt. Ltd. for the financial year 2008-09?",,

Ans. Authorized capital was 2.90 crore, reserve 14.02 Crore Net worth 16.61 Crore and NAV Rs.64 per shares as on 31st March 2009.",,

Q.5. Please give details of investment made by Toalasariya Vinyog Pvt. Ltd. since 2008-09.,,

Ans. The relevant balance sheet for the period has already been given, continuing details of investment.",,

Above statement is true and correct and given voluntarily without any pressure.,,

Sd/-,,

A.K. Rungta,,

23.5.2016.,,

33. Statement dated 12.04.2016 under Section 50, PMLA, of Alok Rungta, Director of M/s Nagina Exports &FinvestmentsPvt. Ltd.",,

I, Alok Rungta son of Shri Ram Chandra Rungta aged about 33 years, Director of M/s Nagina Exports and FinvestmentsPvt. Ltd. Kolkata,",,

presently myself before superintendent, Enforcement Directorate Ranchi Jharkhand for recording my statement in response to summon",,

issued for appearance on 12.4.2016. I have been explained the provision related to summon and I have fully understood to same.,,

i. What do you do and give details of your family along with their occupation and PAN details?,,

Ans I am businessman and Director of Companies and I look after their working. My wife ShobhaRungta and son DarshRungta 1.5 years old my wife,,

is a house wife. PAN of my wife is AGPPA8129F.,,

ii. Who are directors in M/s Nagina Exports and Finvestments Pvt. Ltd. and give this name and address?,,

Ans. Myself and Ashish Rungta are directors in the company having same address.,,

iii. When did you induct in Board of directors of M/s Nagina Exports and Finvest Ltd. As a director?,,

Ans. I was inducted director in M/s Nagina Exports and FinvestmentsPvt. Ltd. dated 3.4.2010.,,

iv. Who are chairperson and Managing Director of M/s Nagina Exports and FinvestLtd. Please give their name and residential address?,,

Ans. M/s Nagina Exports and Finvest Ltd. do not have a chairperson and nor Managing Director.,,

v. You have shareholding/ directorship in other companies of RC Rungta and associates companies of JIPL?,,

Ans. I am shareholder and director of Sri Durga Cement Co. Ltd. In which R.C Rungta is the director.,,

vi. Please give details of source of fund used for purchase of shares of JIPL in the Feb 2009-10 and provide the statement of account from which the,,

payment were made to JIPL for purchase of shares?,,

Ans. The above details has already been submitted to you through letter dated 21.3.2011.,,

vii. Please state the reason of purchase of shares in JIPL shares on such high price of Rs.150/- during the period 2009-10?,,

Ans. In my opinion premium of Rs.150/- is not so high as the book value of a shares of JIPL which was amount 200, what I recall. In addition to this",,

the track record of the company was increasing year by year. The further prospect was good in terms of expenses promoters. The market value of,,

land of the company was appreciated 3-4 times in year 2009-10.,,

viii. Please furnish the name and address of the bankers of the company?,,

Ans. The company is having banking with Kotak Mahindra Bank, Shyam Bank Kolkata HDFC Bank Ltd. Shree Arcade Kolkata.",,

ix. Please give details of other investment made by you and your family members either in individual company or as director/ partner/ proprietor of,,

such companies of movable or immovable assets on or after 1.1.2001. Sources of fund for the said investment may also be elaborated.,,

Ans. I have no details of the investment made by myself or my wife at present. I can submit you the balance sheet and source of income done by,,

myself and my wife as on 31.3.2015.,,

x. Please give the copy of the above by today.,,

Ans. OK, I will submit the same by today.",,

xi. Why you have chosen JIPL to invest.,,

Ans. In Jharkahnd at the time of our investment it was a growing company among private sector enterprises. So we have invested in the company as,,

the share premium was also very low.,,

xii. What is the activity of your company?,,

Ans. Our company is non banking Finance company (NBFC) registered with RBI. Hence the object of NBFC applies to us and we can invest in,,

shares or loans.,,

xiii. What is the source of funds for purchase the shares of JIPL.,,

Ans. In answer to question 6 I have already written that it has been submitted by our letter dated 21.3.2016.,,

xiv. Is the net worth of your Co. more than the amount invested in JIPL or whether you have taken loan to invest in JIPL.,,

Ans. The network of our company is more than the amount invested in JIPL. We have not taken any loan to invest in JIPL.,,

xv. On what basis your shareholders have invested in your company at the time of your investment in JIPL.,,

Ans. Our is a NBFC company registered with RBI. This being an investment company people subscribe to share capital for increase in intend value,,

of shares. As I have already written that JIPL was a continuous growing company showing profit in all yours. The book value of shares as of today is,,

around 300 Rs. per shares. Apart from this the value of land and building has been increased manifold. Hence keeping in view the above points our,,

shareholders has invested in our company for better fund management.,,

xvi. In how many companies are / were you directors please also state the name, address of directors of those companies?",,

Ans. I am director at present are as below:,,

1. Sri Purge Cement Company Ltd.,,

2. Palace Projects Pvt. Ltd.,,

3. Escorts Tradelink Pvt. Ltd.,,

4. TolosariyeViniyug Pvt. Ltd.,,

5. Lupin Commanded Pvt. Ltd,,

6. Nagina Expert and Finvest Pvt. Ltd.,,

7. VikashFastern Pvt. Ltd.,,

8. Rimzim Merchants Pvt. Ltd,,

9. M/s Chamastika Cement of Ispat Pvt. Ltd.,,

10. Araanye Mines pvt. Ltd.,,

Rest of details will be provided later on.,,

xvii. As per your reply of question No.1, you have told that the reason for investment by M/s Nagina Exports and Finvest Ltd. In Jipl during 2008/09 is",,

that Jipl was growing company at that time.,,

Please elaborately explain the money of growing company in the context of JIPL.,,

Ans. Growing means increase in production capacity, income in revenue or increase in profits in the context of a corporate entity. In the context of",,

JIPL as revealed through its balance sheet till the date of allotment all the three parameters were positive hence, we invested in JIPL.",,

xviii. Please tell what is the profit for shares of JIPL during 2006/07, 2007/08, 2008/09?",,

Ans. This being a question related to figures, I am remember right now. This will be submit later on.",,

Above statement is true and correct and given voluntarily without any pressure. I shall appear again as and when called for.,,

Sd/-,,

A.K. Rungta,,

12.4.2016,,

34. Statement dated 23.05.2015 under Section 50, PMLA of Alok Rungta, Director of M/s Nagina Exports &FinvestmentsPvt. Ltd.",,

I, Alok Rungta, S/o Shri Ram ChanderRunga aged 33 years, director of M/s Nagina Exports &FinvestmentsPvt. Ltd.Kolkata presently myself",,

before Assistant Director Enforcement Directorate Ranchi, Jharkhand for recording my statement in response to summon issued to me for",,

appearance on 10.5.2016, but due to some reason, I was unable to attend so I am recording my statement today on 23.5.2016.",,

In continuation of my statement on 13.4.2016,, Q.1. Did your company M/s Nagina Exports &FinvestmentsPvt. Ltd. Kolkata know that M/s JIPL had been allotted north Dhadhu coal block before,,

investment in JIPL.,,

Ans Yes, I was knowing that a coal block was allotted to JIPL, but I did not know the name of coal block.",,

Q.2. Had M/s Nagina Exports &FinvestmentsPvt. Ltd. taken consideration of allotment of North Dhadhu Coal block to Jipl before investment in,,

JIPL?,,

Ans. We have not considered the allotment coal block before investment in JIPL.,,

Q.3 When had M/s Nagina Export and FinvestPvt. applied for shares of JIPL and when where the shares of Jipl allotted to Nagina Export and,,

Finvest.,,

Ans. Our company had applied Shares from the period May 2007- July 2008 and the shares we allotted to us in April 2009.,,

Q.4. What were the authorized Capital, reserves, net worth, NAV of M/s Nagina Exports &FinvestmentsPvt. Ltd. for the financial year 2008-09?",,

Ans. Authorized capital was 2.3 crore, reserve 17.18 Cr Network 19.45 and NAV Rs.85 per shares as on 31st March 2009.",,

Q.5. Please give details of investment made by M/s Nagina Exports &FinvestmentsPvt. Ltd. since 2008?,,

Ans. The relevant balance sheet for the period has already been given, continuing details of investment.",,

Above statement is true and correct and given voluntarily without any pressure.,,

Sd/-,,

A.K. Rungta,,

23.5.2016.,,

35. Statement dated 12.04.2016 under Section 50, PMLA, of Alok Rungta, Director of M/s Escorts Tradelink Pvt. Ltd.",,

I, Alok Rungta son of Shri Ram Chandra Rungta aged about 33 years, Director of M/s Escorts Tradelink Pvt. Ltd., Kolkata, presently",,

Jharkhand for recording my statement in response to summon issued for appearance on 12.4.2016. I have been explained the provision,,

related to summon and I have fully understood to same.,,

a. What do you do and give details of your family along with their occupation and

PAN details?,,

Ans I am businessman, look after working of the companies in which I am director. My wife ShobhaRungta and son DarshRungta 1.5 years old my",,

wife is a house wife. PAN of my wife is AGPPA8129F.,,

b. Who are directors in M/s Escorts Tradelink Pvt. Ltd and give this name and address?,,

Ans. Myself and AshishRungta directors in the company having same address.,,

c. Where did you induct in Board of directors of M/s Escorts Tradelink Pvt. Ltd. as a director?,,

Ans. I was inducted director on dated 3.4.2010 M/s Escorts Tradelink Pvt. Ltd.,,

d. Who are chairperson and Managing Director of M/s Escorts Tradelink Pvt. Ltd? Please give their name and address.,,

Ans. M/s Escorts Tradelink Pvt. Ltd. do not have a chair person nor Managing Director.,,

e. You have shareholding/ directorship in other companies of RC Rungta and associates companies of JIPL?,,

Ans. I am shareholder and director of Sri Durga Cement Co. Ltd in which R.C Rungta is the director.,,

f. Please give details of source of fund used for purchase of shares of JIPL in the Feb 2009-10 and provide the statement of accounts from which the,,

payment was made to Jipl for purchase of shares? Ans. The details has already been submitted to you through letter dated 21.3.2011.,,

g. Please state the reason of purchase of JIPL shares on such high price of Rs.150/- during the period 2009-10.,,

Ans. In my opinion premium of Rs.150/- is not so high as the book value of a shares of JIPL which was amount 200, what I recall. In addition to this",,

the track record of the company was increasing year by year. The further prospect was good in terms of expenses promoters. The market value of,,

land was appreciated 3-4 times in year 2009-10.,,

h. Please furnish the name and address of the bankers of the company?,,

Ans. The company is having banking with Kotak Mahindra Bank, Shyam Bank Kolkata HDFC Bank Ltd. Shree Arcade Kolkata.",,

i. Please give details of other investment made by you and your family members either in individual capacity or as a director/partner/ proprietor of,, such companies in immovable and movable assets on or after 1.1.2001. Sources of fund for the said investment may also be elaborated.,,

Ans. I have no details of the investment made by myself or my wife at present. I can submit you the balance sheet and source of income done by,,

myself and my wife as on 31.5.2015.,,

j. Please give the copy of the above by today. Ans. OK, I will submit the same by today.",,

k. Why you have chosen JIPL to invest?,,

Ans. In Jharkahnd at the time of our investment it was a growing company among private sector enterprises. So we have invested in the company as,,

the share premium was also very low.,,

l. What is the activity of your company?,,

Ans. Our company is non banking Finance company (NBFC) registered with RBI. Hence the object of NBFC applies to us and we can invest in,,

shares or loans.,,

m. What is the source of funds for purchase the shares of JIPL?,,

Ans. In answer to question 6 I have already written that it has been submitted by our letter dated 21.3.2010.,,

n. Is the net worth of your Co. is more the amount invested in JIPL or whether you have taken loan to invest in JIPL.,,

Ans. The network of our company is more than the amount invested in JIPL. We have not taken any loan to invest in JIPL.,,

o. On what basis your shareholders have invested in your company at the time of your investment in JIPL.,,

Ans. Ours is an NBFC company registered with RBI. This being an investment company people subordinate to share capital for increase in intend,,

value of shares. As I have already written that JIPL was a continuous growing company showing profit in all years. The book value of shares as of,,

today is around 300 Rs. per shares. Apart from this the value of land and building has been increased manifold. Hence keeping in view the above,,

points our shareholders has invested in our company for better fund management.,,

p. In how many companies are / were you directors please also state the name, address of directors of those companies?",, Ans. I am director at present are as below:,,

1. Sri Purge Cement Company Ltd.,,

2. Palace Projects Pvt. Ltd.,,

3. Escorts Tridulik Pvt. Ltd.,,

4. TolosariyaViniyug Pvt. Ltd.,,

5. Lupin Commanded Pvt. Ltd,,

6. Nagina Expert and Finvest Pvt. Ltd.,,

7. VikushFastern Pvt. Ltd.,,

8. Rimzim Merchants Pvt. Ltd,,

9. M/s Chamastika Cement of Ispat Pvt. Ltd.,,

10. Araanye Mines pvt. Ltd.,,

Rest of details will be provide later on.,,

q. As per your reply of question No.11, you have told that the reason for investment by M/s Escorts Tradelink Pvt. Ltd. In JIPL during 2008/09 is that",,

JIPL was growing company at that time. Please elaborately explain the money of growing company in the context of JIPL.,,

Ans. Growing means increase in production capacity, increase in revenue as income profits in the context of a corporate entity. In the context of JIPL",,

as revealed through its balance sheet till the date of allotment all the three parameter were positive hence, we invested in JIPL.",,

r. Please tell what is the profit for shares of JIPL during 2006/07, 2007/08, 2008/09?",,

Ans.This being a question related to figures, I cant remember right now.",,

This will be submitted later on.,,

Above statement is true and correct and given voluntarily without any pressure. I shall appear again as and when called for.,,

Sd/-,,

A.K. Rungta,,

12.4.2016,,

36. Statement dated 23.05.2016 under Section of Alok Rungta, Director of M/s Escorts Tradelink Pvt. Ltd.",,

I, Alok Rungta, S/o Shri Ram ChanderRungta aged 33 years, director of M/s

Escort Tradelink Pvt. Ltd., Kolkata presently myself before",,

Assistant Director Enforcement Directorate Ranchi, Jharkhand for recording my statement in response to summon issued to me for",,

appearance on 10.5.2016, but due to some reason, I was unable to attend so I am recording my statement today on 23.5.2016.",,

In continuation of my statement on 13.4.2016,,

Q.1. Did your company M/s Escorts Tradelink Pvt. Ltd. Kolkata known that M/s JIPL had been allotted north Dhadhu coal block before investment in,,

JIPL?,,

Ans Yes, I was knowing that a coal block was allotted to JIPL, but I was not knowing the name of coal block.",,

Q.2. Had M/s Escort Tradelink Pvt. Ltd., taken consideration of allotment of North Dhadhu Coal block to JIPL before investment in JIPL?",,

Ans. We have not considered the allotment coal block before investment in JIPL.,,

Q.3 When had Escorts Tradelink Pvt. Ltd. applied for shares of JIPL and when were the shares of JIPL allotted to M/s Nagina Export and,,

Finvestments Pvt Ltd?,,

Ans. Our company had applied shares from the period May 2007- July 2008 and the shares were allotted to us in April 2009.,,

Q.4. What were the authorized capital, reserve net worth, NAV of Escorts Tradelink Pvt. Ltd. for the financial year 2008-09?",,

Ans. Authorized capital was 2.5 crore, reserve 13.83 Crore, Net worth 16.28 Crore and NAV Rs.66 per shares as on 31st March 2009.",,

Q.5. Please give details of investment made by Nagina Export and FinvestmentsPvt. Ltd. Since 2008-09.,,

Ans. The relevant balance sheet for the period has already been given, continuing details of investment.",,

Above statement is true and correct and given voluntarily without any pressure.,,

Sd/-,,

A.K. Rungta,,

23.5.2016.,,

37. Statement dated 23.05.2016 under Section 50, PMLA, of AbhishekRungta, Director of M/s Mohanka Exports Pvt. Ltd.",,

I, AbhishekRungta, son of Shri Ram Chandra Rungta, aged about 34 years, Director of M/s Mohanka Exports Pvt. Ltd. Kolkata, am",,

presenting myself before Asst. Director, Enforcement Directorate, Ranchi, Jharkhand for recording my statement in response to summon",,

issued for appearance on 23.5.2016. I have been explained the provision related to summon and I have fully understood to same.,,

a. What do you do and give statements of your family along with their occupation and PAN details?,,

Ans I do business and I am director of 8-9 companies and look after the workings of some of these companies. My family includes my wife and my,,

daughter. My wife NehaRungta is a house wife PAN of NehaRungta is AGN PR01434. My daughter is about 3 years.,,

b. Who are directors in M/s Mohanka Exports Pvt. Ltd. and give their name and address?,,

Ans. Apart from myself my younger brother AshishRungta is also a director in the company having same address.,,

c. When did you induct in Board of directors of M/s Mohanka Exports Pvt. Ltd. as a director?,,

Ans. I was inducted director in M/s Mohanka Exports Pvt. Ltd. on dated 24.4.2009.,,

d. Who are chairperson and Managing Director of M/s Mohanka Exports Pvt. Ltd please give their name and address?,,

Ans. Mohanka Exports Pvt. Ltd does not have a chair person and nor Managing Director.,,

e. Do you have shareholding/ directorship in other companies of RC Rungta and associates companies of JIPL?,,

Ans. I am shareholder as well as director of Sri Durga Cement Co. Ltd., in which R.C Rungta is the director.",,

f. Please give details of fund used for purchase of shares of JIPL in the Feb 2009 and provide the statement of account from which the payment were,,

use to JIPL for purchase of shares?,,

Ans. The above details has already been submitted to you through letter dated 21.3.2011.,,

g. Please state the reason of purchase of JIPL shares on such high premium of Rs.150/- per share during the period 2009-10.,,

Ans. I do not think that the premium of Rs 150/- per share was high keeping in mind the book value of the shares of JIPL which was around Rs 190-,,

200, as per my memory. Apart from this the company was growing day by day and was run by experienced promoters.",,

h. Please furnish the name and address of the bankers of the company?,,

Ans. The company is having banking with Kotak Mahindra Bank, Shyam Bank Kolkata HDFC Bank Ltd. Shree [illegible] Kolkata.",,

i. Please give details of all the investment made by you and your family members either in individual capacity or as a director/ partner/ proprietor of,,

such company/ firm in immovable and movable assets as on after 1.1.2006. Sources of the said investment may also be elaborated.,,

Ans. Right now I have no details of the investment made by myself and my wife. However, if you insist, I can submit you a xerox copy of the balance",,

sheet containing details of investment done by myself and wife as on 31.3.2015. I may also submit a copy of computation of income source of and,,

funds.,,

j. Please give the copy of the above by today.,,

Ans. I will submit the same by today itself.,,

k. Why have you chosen JIPL to invest?,,

Ans. JIPL is a growing company in terms of production, capacity, revenue and profitability. Right from the year 2003 up to the date of investment the",,

company was performing very well, so we have invested in the company.",,

l. What is the source of fund to purchase the shares of the company?,,

Ans. Please refer to our letter in response to your letter No. ECIR/ 02/ RSZO/ 2WJ/ 373 dated 4.2.2016, this reply has already been given to you.",,

m. The net worth of your Co. is more the amount invested in JIPL or whether you have taken loan to invest in JIPL?,,

Ans. The net worth of our company is more than the amount invested in JIPL. We have not taken any loan to invest in JIPL.,,

n. In how many companies are you a director?,,

Ans. I am submitting the list of companies in which I am a director.,,

1. Sri Purge Cement Company Ltd.,,

2. MR Casting Pvt. Ltd.,,

3. MR Sponge Pvt. Ltd.,,

4. Alok Steel Industries pvt. Ltd.,,

5. VikashFestners Private Ltd.,,

6. Rim Zim Merchants Pvt. Ltd.,,

7. Bhutania Electrical Pvt. Ltd.,,

8. MR Intradev Private Ltd.,,

9. Ananaya Mines Pvt. Lt.,,

10. M R Realcon Pvt. Ltd,,

11. Rungta Enterprises Pvt. Ltd.,,

12. Mr. International Pvt. Ltd.,,

o. Did your company M/s Mohanka Exports Pvt Ltd. know that M/s JIPL had been allotted North Dhadhu Coal block before investment in JIPL?,,

Ans. I was aware that company was allotted a coal mine, however the name of the mine was not known to me.",,

p. Has M/s Mohanka Exports Pvt. Ltd. taken into consideration of allotment of north Dhadu coal block to JIPL before investment in JIPL?,,

Ans. We had not taken into any consideration of any coalmine before investment in JIPL.,,

Sd/-,,

A.K. Rungta,,

23.5.2016.,,

38. Statement dated 13.05.2016 under Section 50, PMLA, of Rajeev Kr. Agarwal, director of M/s Jharkhand IspatPvt. Ltd.",,

I, Rajeev Kr. Agarwal, S/o Sri Durga Prasad Agarwal aged about 42 years, director of M/s Jharkhand IspatPvt. Ltd. presenting myself",,

before Superintendent, Enforcement Director Ranchi Jharkhand for recording my statement in response to summon issued for appearance",,

on 9.5.2016 vide file No. ESIR-02/RS20/ 20145/ 497 dated 4.5.2016, but as my wife is ill and under treatment at Kolkata so I have",,

requested to attend on dated 13.5.2016 which was considered by your honour. I have been explained the provision related to summon,,

under PMLA Act and I have fully understood the same.,,

Q.1. Please explain about yourself and your family members?,,

Ans. I am an employee Director in Jharkhand IspatPvt. Ltd. I look after day to day production and [illegible] of Jharkhand IspatPvt. Ltd. In my family,,

apart from me my wife and two sons. Wife, NishaAgarwal is house wife and both sons are of ages 12 years and 7 years. My salary from JIPL is Rs.",,

30,000/- per month.",,

2. Who are the other directors in M/s JIPL?,,

Ans. Apart from myself Sri R.C. Rungta is director in M/s JIPL.,,

3. Who are the chairperson and managing director of M/s JIPL?,,

Please give their name and address?,,

Ans. M/s JIPL does not have Chairperson or Managing Director. However, Sri R.C. Rungta controls the offices of JIPL. The address of Sri R.C.",,

Rungta is near PNB Bank Main road Ramgarh.,,

4. When did you induct as a director in M/s JIPL? Ans. I am inducted director in M/s JIPl since inception.,,

5. Do you have share holding/ directorship in other companies of RC.Rungta and group or associated Co. of JIPL?,,

Ans. I am not a share holder or director of any co. of R.C Rungta Group or associate company of JIPL.,,

6. What do you know about allocation of north dhadhu coal block in M/s JIPL?,,

Ans. I am not so much aware of the coal block as Shri R.C. Rungta and Sri R.C. Rungta looking after the matter of coal block. However, this coal",,

Block was allotted to JIPL in 2006 and later on in 2012 it was cancelled.,,

Q.7. Was there any production of coal from the mines?,,

Ans. We have not extracted any coal from the mines.,,

Q8. Has your company benefited from allotment of north Dhadhu coal block?,,

Ans. We have not at all benefitted from coal mines. Actually we have incurred heavy expenditure of 3-4 crores as development of this mines and got,,

nothing.,,

Q.9. M/s JIPL has allotted 10 lakhs shares of Rs.100 each as on a premium of Rs.150/- per shares. Do you know about this allotment?,,

Ans. Yes the above shares were issued in April 2009 to various companies apart from this I do not know any thing about this allotment.,,

Q.10. What basis the companies paid a premium of Rs 150 per share for investment in JIPL?,, Ans: M/s JIPL was running from the year 2003. Every year the Co. was making profit and growing by production, sales etc. The book value of shares",,

was Rs.200 at that time. Apart from this the value of land was increased very much. So I do not think that the premium of Rs.150 was higher for the,,

investor.,,

Q.11.How can you say that the premium received by your company is not due to allotment of north Dhadu coal block?,,

Ans. The Co. was running since 2003 and making growth by all means since 2003 to up to date. The allocation was made in 2006 and was de-,,

allocated in 2012 but in spite of that the growth of the Co. was regular. The allotment had no effect on the co, because no extraction of coal was",,

made from the mines. The co. derived coal for its production through market sources since beginning.,,

Q12. In the financial year 2009-10 the net worth of your company suddenly increased by 73%. Please explain and also explain reasons of shares,,

application money received from the year [illegible] to 2008-09 was allotted in April 2009?,,

Ans. In April 2009 10 lakhs shares of 100 each were issued @ 250 per share. This resulted to increase of 25 crore in share capital and reserve and,,

surplus. That was the main reason for sudden increase of net worth.,,

There was dispute of family partition from the year 2004. The internal understanding between the family was not to allot new shares. But during,,

operation of the Co. has taken loan from SBI. Under the pressure of loan from SBI and their revenue the company allot share in 2009.,,

The above statement form page 1 to Page 5 given by me voluntarily without any force, threat or coercion. I undertake that I will appear for further",,

statement if needed by the department.,,

Sd/-,,

Rakesh Kumar Agarwal,",,

13.5.2016,,

39. On reading of the aforesaid Statements, it appears that the investors have invested in the shares of the Appellant company due to the coal",,

allocation and coal linkage (allocation). Adjudicating Authorityâ?s reading of the aforesaid Statements has gone behind the said Statements and,, amounts to disbelieving the same, without any factual basis or material to the contrary.",,

40. The aforesaid statements recorded under section 50 of the PMLA have been duly signed and affirmed by the persons giving the statement. The,,

proceedings under Section 50 PMLA are deemed to be judicial proceedings within the meaning of Section 193 and Section 298 of the IPC. The,,

aforesaid Statements have not been disputed by the ED who even has relied upon documents in support of the said OC as well as in Show Cause,,

Notice. The Adjudicating Authority cannot disbelieve the statements of the investors or to interpret them its own matter. The same is not permissible,,

in law. Overall view of all the statements are to be read together and then one has to come to the conclusion the finding. Therefore, the Adjudicating",,

Authority has gone beyond the material before it to arrive at the finding that the Appellant and/or the other Defendants in the said OC invited,,

investors/public to invest in the Appellant company using the allurement of the allocation of the coal block or its possible allocation, and that therefore,",,

derivation of benefit from such investment would constitute proceeds of crime. At the same, even otherwise, it is a matter of fact, no investment was",,

made by public which is not denied on behalf of respondent. In commercial, business allurement cannot be treated as money laundering unless money",,

laundering actual happens.,,

41. The findingin the impugned order was based on materials beyond the record of the present case because there is nothing on record to show that,,

the investors invested in the shares of the Appellant company on being invited by it or by any of the officers of the Appellant company and the,,

allocation or the possibility of allocation of coal block was used as allurement to such investors.,,

42. The reliance is placed on behalf of appellants on the recent judgement of the Honâ?ble Delhi High Court in M/s Himachal Emta Power Ltd. Vs,,

UOI, Order dated 23.08.2018, W.P. (C) No. 5537/2018, (paras 19 and 20). In this case, also arising from coal allocation, and where no mining activity",,

took place, the Honâ??ble High Court, set aside the provisional attachment by holding inter alia, as under:",,

â??19. However, it is not disputed that mining of the coal from the block has not commenced, therefore, HEPL did not derive or obtain any",, benefit from the coal block. The ED has also not indicated any reason, which could lead one to believe that HEPL had derived any other",,

benefit from the allocation of the coal block in question.,,

20. In view of the above, the petition is allowed and the impugned order is set asideâ?¦..â??",,

(emphasis supplied),,

In the present case also, no benefit was derived or obtained from the public in the name of coal block.",,

43. The Appellant has been a running concern since 2003 which is much prior to coal allocation in 2006. Copies of the balance-sheet for the year,,

2003-4 till 2013-14 have been filed.,,

â?¢ Balance Sheet of 2003-04,,

â?¢ Balance Sheet of 2004-05,,

â?¢ Balance Sheet of 2005-06,,

â?¢ Balance Sheet of 2006-07,,

â?¢ Balance Sheet of 2007-08,,

â?¢ Balance Sheet of 2008-09,,

â?¢ Balance Sheet of 2009-10,,

â?¢ Balance Sheet of 2010-11,,

â?¢ Balance Sheet of 2011-12,,

â?¢ Balance Sheet of 2012-13,,

â?¢ Balance Sheet of 2013-14,,

44. It is the case of the appellants that despite of absence of any mining activity or coal extraction, the production and Profit before Taxes of",,

Appellant have been constantly increasing on a year-to-year basis. Even without the mining activity, the production of Appellant increased since it had",,

a Coal Linkage till 2012 and also purchased coal from the open market.The above shows that the coal allocation had no relevance for,,

Appellant/Defendant No. 1 and even without the same it continued to run its business and make profits.The Appellant applied for coal linkage on,,

27.05.2003 and was granted the same on 19.09.2006. The Letter of Assurance from Central Coalfields Limited was issued on 15.09.2008. In case the,,

respondent is to be believed, then Appellant should have collapsed after the de-allocation. However, even after de-allocation, Appellant continued to",,

make profits and carry out its manufacturing activities.,,

Sl.

No.",Date,Particulars

a.,29.04.2003,"NameÂ ofÂ â??M/sÂ RewaRetreadsPvt.Â Ltd.â??,Â aÂ company

incorporatedÂ onÂ 12.03.1991,Â wasÂ changedÂ toÂ â??M/s

Jharkhand IspatPvt. Ltd.â??, the Appellant herein.

b.,27.05.2003,"Appellantâ??sÂ ApplicationÂ forÂ CoalÂ LinkageÂ fromÂ Central

Coalfields Limited for Sponge Iron unit.

c.,23.02.2004,"ApplicationÂ toÂ MinistryÂ ofÂ CoalÂ byÂ theÂ AppellantÂ for

allocation of North Dadu coal block.

d.,2004-05,"ShareÂ Â Â Â ApplicationÂ Â Â Â MoneyÂ Â Â Â

amountingÂ Â Â Â toÂ Â Â Â Rs. 1,31,00,000/- received in the

Appellant Company

e.,2005-06,"ShareÂ Â Â Â ApplicationÂ Â Â Â MoneyÂ Â Â Â

amountingÂ Â Â Â toÂ Â Â Â Rs. 39,00,000/- received in the

Appellant Company

f.,13.01.2006,"LetterÂ ofÂ AllocationÂ ofÂ coalÂ blockÂ toÂ theÂ Appellant

issued by the Ministry of Coal jointly in favour of four

g.,19.09.2006,"OrderÂ Â ofÂ Â MinistryÂ Â ofÂ Â Coal,Â Â GovernmentÂ Â

ofÂ Â India granting coal linkage to the Appellants

54. There is no conduct, act or omission on the part of the Appellant that has been shown which would lead the ED to believe that the alleged",,

proceeds of crime are likely to be concealed, transferred or dealt with in any manner which may result in frustrating any proceeding under Chapter 2",,

of PMLA.On the contrary, the following facts would show that the Appellant has been a running concern since the year 2003 and has paid taxes",,

amounting to Rs. 231 crores from FY 2003-04 to FY 2016-17 (upto December 2016).,,

55. The transactions pertaining to receipt of â??SAMâ? from various other companies are duly documented, above-board and legal transactions.The",,

proceedings related to the CBI Charge-sheet and the proceedings under the PMLA have been widely reported and publicized in the media, as such,",,

no prudent person would be willing to deal or transact with Defendant No.1 concerning the attached assets.,,

56. The Adjudicating Authority again travelled beyond the materials before it to arrive at the finding that the mandatory requirement of section 5(1)(b),,

are satisfied in the present case. In order to justify the presumptions of the ED in this regard and the lack of reasons in writing as to the EDâ?s belief,,

in respect of Section 5(1)(b), PMLA, the Adjudicating Authority has raised further presumptionsagainst the Appellant without any reasonable or",,

factual basis and without any reference to the material on record and without any reference to any act or omission of the part of the Appellant.,,

57. The Adjudicating Authority has furnished completely new reasons and has erroneously held that there is no restriction for disposal of the entire,,

running unit by the Appellant or its business, partially or fully and that very few formalities are required to be fulfilled, if the Appellant wished to",,

alienate/transfer/sell the entire running unit. It is submitted that such a finding goes beyond the material before the Adjudicating Authority, especially",,

since even the above-stated reason (assuming it to be justified and reasonable) was not recorded in writing by the ED in the said PAO or the said OC.,,

58. Additionally, in this regard, Adjudicating Authority has also presumed that it cannot be ruled out that the current Directors of the Appellant would",,

be interested in disposing/transferring of the business of the Appellant. This above-said reasoning has appeared for the first time in the Impugned,,

Order and does not find mention in the said PAO or the said OC; and as such, the Adjudicating Authority has stepped into the shoes of the ED and",,

has provided the reasons for the EDâ??s belief, while no such reasons have ever been expressed by the ED.",,

Therefore, no reasonable person could have formed an opinion that the properties which have been provisionally attached could be transferred or dealt",,

in any manner which could result in frustrating any proceedings under the PMLA, and hence, the requirements under S. 5(1)(b), PMLA are not",,

satisfied.,,

59. At time of issuance of the said PAO, the said OC and the said Show Cause Notice, as recorded therein, the EDâ?s case against the Appellant,",,

was that various, different investor companies, having no relation to the Appellant were allured to invest in the shares of the Appellant Company on",,

the basis of the coal allocation.,,

60. It is stated on behalf of appellants that at the stage of rebuttal arguments, for the first time, it was orally argued by the ED that the aforesaid",,

investor companies are actually group companies of the Appellant and the persons who had given statements under Section 50, PMLA, on behalf of",,

such investor companies were related/interested persons and therefore, their statements recorded under Section 50 PMLA are not reliable and liable",,

to be disbelieved. Though ED submitted and not in writing, it was argued by taking new stand just opposite to that put up by it in the said PAO and",,

said OC. It is stated on behalf of appellant that the ED never put this new case in writing and the Appellant was thus never put to notice of this new,,

case or the material, which the ED purportedly relied upon in support thereof. It is apparent from the material on record that the ED also investigated",,

into this aspect and obtained details of shareholding and source of funds of such investor companies. After having so investigated, the ED did not",,

conclude that these companies were group companies of the Appellant Company at the time of investment in the shares of the Appellant Company or,,

that the Appellant had any relation to the source of funds of these investor companies. It is submitted on behalf of appellants that the Adjudicating,,

Authority, however, not only allowed the ED to do so, but also took it into consideration and, a perusal of the Impugned Order shows at Pages 114-116",,

accepted it as the primary ground for confirming the said PAO. While accepting the aforesaid new case put forth by the ED, the Adjudicating",,

Authority has failed to provide any reason for the same or disclose the material which it has relied upon to arrive at the above findings.,,

61. We are of the view that if this new case is accepted for the sake of arguments and the investor companies are presumed to be related or group,,

companies, then the money invested by them also has to be relatable to the Appellants, and as such, there can be no question of profiteering or",,

benefitting from the coal allocation and thus, no question of any proceeds of crime.",,

62. In the light of above, the impugned order is set aside by allowing the appeals.",,

63. No costs.,,

