

Delhi High Court: SFIO's jurisdiction is limited to offenses under the Companies Act and does not prohibit other authorities from

investigating different offenses under other laws, hence transferring the investigation to SFIO does not impede concurrent proceedings under PMLA.

In *Sanjay Aggarwal v. Union of India & Ors*, the Delhi High Court ruled that concurrent proceedings under the Prevention of Money Laundering Act, 2002 are not prohibited by the transfer of an inquiry to the Serious Fraud inquiry Office (SFIO) under the Companies Act of 2013.

According to a Division Bench of Justices Anil Kshetarpal and Harish Vaidynathan Shankar, the SFIO's jurisdiction is limited to offenses under the Companies Act and does not prohibit other agencies from looking into different offenses under other statutes.

Furthermore, the [corporations] Act of 2013 only applies to offenses pertaining to corporations and does not cover offenses under other laws, such as the PMLA, according to a purposeful and harmonious interpretation of the legislative regime. The Court noted that although Section 212 [of the Companies Act] is a self-contained regulation controlling SFIO inquiries into company issues, its structure does not prohibit other authorities in their own area from looking into offenses under different laws.

The Bench made these remarks while rejecting a number of petitions that businessmen had filed contesting the Enforcement Directorate's (ED) temporary seizure of their properties in

relation to a purported ₹6,000-crore foreign exchange remittance scam that involved fake trade documents and shell corporations.

The petitioners contended that the CBI and ED were prohibited from carrying out concurrent investigations after the Central government transferred the case to the SFIO in October 2015. Additionally, they argued that the seizure of their properties was unlawful because no chargesheet under the Code of Criminal Procedure (CrPC) had been filed against them.

The Court dismissed these claims after reviewing the case and decided that the PMLA does not require a pre-attachment chargesheet.

As a result, the applications were rejected.

The petitioners were represented by attorneys Naveen Malhotra, Ritvik Malhotra, Nilansh Malhotra, RK Handoo, Yoginder Handoo, Aditya Chaudhary, Ashwin Kataria, Garvit Solanki, Fateh Singh, Gaurav Vishwakarma, and Aditya Aggarwal.

The ED was represented by Special Counsel Anupam S. Sharma along with attorneys Vivek Gurnani, Harpreet Kalsi, Abhishek Batra, Ripudaman Sharma, Vashisht Rao, Riya Sachdeva, Vishesh Jain, and Anant Mishra.

The Central government was represented by CGSC Ripudaman Bhardwaj, along with attorneys Kushagra Kumar and Amit Kumar Rana.