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DARSHAN MALA SERIES (DMS)

31 Frequently Asked Questions (FAQs) on clarifications of the PMLA Schedule for Scheduled offences under the PMLA, 2002

The Darshan Mala Series (DMS) presents weekly research and updates based on information available in the public domain.

This edition, comprising 31 Frequently Asked Questions (FAQs), examines the clarifications of the PMLA Schedule for Scheduled offences under the PMLA, 2002 including respective roles, jurisdiction, investigative processes, and areas of interaction between the two agencies.

The Series covers matters reported in the public domain concerning Special Courts, proceedings before such Courts, and proceedings relating to adjudication and other judicial or quasi-judicial processes concerning enforcement, investigation, attachment, prosecution, and related matters.

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31 FAQs on the PMLA Schedule for Scheduled offences under the PMLA, 2002

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Author's Profile for 31 FAQs on the PMLA Schedule for Scheduled offences under the PMLA, 2002



31 FAQs on the PMLA Schedule for Scheduled offences under the PMLA, 2002

(Source of information's used in preparation of weekly updates are taken from public domain)

1. What is the PMLA Schedule for Scheduled offences under the PMLA, 2002?

- (i) A PMLA schedule offence or predicate offence means an offence specified in the PMLA schedule for scheduled offences under the section 2(1)(y) of PMLA, 2002.
- (ii) And also, Proceeds of Crime (PoC) is required to arise from "criminal activity" relating to a PMLA schedule for scheduled offences under the section 2(1)(u) of PMLA, 2002.

2. What are limits of the PMLA schedule under sec. 2(1)(y) under the PMLA, 2002?

S.No	Part	Nature of offences	Whether INR 1 crore monetary limit is applicable?
(i)	Part A	Specified offences under the various laws	No
(ii)	Part B	Specified offences under the section 132 of Customs Act, 1962	Yes
(iii)	Part C	Specified cross-border offences falling within the statutory definition	No

- The Part C of scheduled offence does not, by itself, establish money laundering under the PMLA, 2002.
- The PMLA authorities are required to establish the applicable requirements concerning Proceeds of Crime (PoC) and the scheduled offence under the section 3 of PMLA, 2002.



3. What laws are included in Part-A of the PMLA schedule?

● Laws in Part-A of the scheduled offence “without” monetary limit of INR 1 crore ●

S.No	PMLA schedule for scheduled offences	Act	Section
(i)	Para 1	Indian Penal Code (IPC) 1860 • Now IPC, 1860 is replaced by Bharatiya Nyaya Sanhita (BNS) 2023, from July 01, 2024	120B, 121, 121A, 255–260, 302, 304, 307, 308, 327, 329, 364A, 384–389, 392–402, 411–414, 417–421, 422–424, 467, 471–473, 475–476, 481–489, 489A–489B
(ii)	Para 2	NDPS Act, 1985	15–25A, 27A, 29
(iii)	Para 3	Explosive Substances Act, 1908	3, 4, 5
(iv)	Para 4	Unlawful Activities (Prevention) Act (UAPA) 1967	10, 11, 13, 16, 16A, 17, 18, 18A, 18B, 19, 20, 21, 38, 39, 40
(v)	Para 5	Arms Act, 1959	25, 26, 27, 28, 29, 30
(vi)	Para 6	Wild Life (Protection) Act, 1972	Section 51 read with Sections 9, 17A, 39, 44, 48, 49B
(vii)	Para 7	Immoral Traffic (Prevention) Act, 1956	5, 6, 8, 9
(viii)	Para 8	Prevention of Corruption Act (PCA) 1988	7, 7A, 8, 9, 10, 11, 12, 13, 14
(ix)	Para 9	Explosives Act, 1884	9B, 9C
(x)	Para 10	Antiquities and Art Treasures Act, 1972	Section 25 read with Section 3; Section 28
(xi)	Para 11	SEBI Act, 1992	Section 12A read with Section 24; Section 24
(xii)	Para 12	Customs Act, 1962	Section 135
(xiii)	Para 13	Bonded Labour System (Abolition) Act, 1976	16, 18, 20
(xiv)	Para 14	Child Labour (Prohibition and Regulation) Act, 1986	Section 14
(xv)	Para 15	Transplantation of Human Organs Act, 1994	18, 19, 20
(xvi)	Para 16	Juvenile Justice Act, 2000	23, 24, 25, 26



(xvii)	Para 17	Emigration Act, 1983	Section 24
(xviii)	Para 18	Passports Act, 1967	Section 12
(xix)	Para 19	Foreigners Act, 1946	14, 14B, 14C
(xx)	Para 20	Copyright Act, 1957	63, 63A, 63B, 68A
(xxi)	Para 21	Trade Marks Act, 1999	103, 104, 105, 120
(xxii)	Para 22	Information Technology Act, 2000	Section 75
(xxiii)	Para 23	Biological Diversity Act, 2002	Section 55 read with Section 6
(xxiv)	Para 24	Protection of Plant Varieties and Farmers' Rights Act, 2001	Sections 70–73 read with Section 68
(xxv)	Para 26	Water (Prevention and Control of Pollution) Act, 1974	41(2), 43
(xxvi)	Para 28	Suppression of Unlawful Acts against the Safety of Maritime Navigation and Fixed Platforms on Continental Shelf Act, 2002	Section 3
(xxvii)	Para 29	Companies Act, 2013	Section 447 — Fraud

- **Paragraph 25 & 27 of the Schedule to the PMLA, 2002 has been omitted from August 13, 2024, therefore, it's no longer an operative paragraph of the PMLA schedule for scheduled offences. Hence 27 (29-2) paras are included in the PMLA schedule**

4. What offences are included in IPC, 1860 under the Para 1 of the PMLA schedule?

- (i) Criminal conspiracy
- (ii) Murder
- (iii) Kidnapping for ransom
- (iv) Extortion
- (v) Robbery
- (vi) Dacoity
- (vii) Cheating
- (viii) etc.

5. What offences are included in NDPS Act, 85 under Para 2 of the PMLA schedule?

- (i) Poppy straw
- (ii) Opium



- (iii) Cannabis
- (iv) Psychotropic substances
- (v) Illegal import, export or transshipment
- (vi) Financing illicit traffic and conspiracy

6. What offences are included in UAPA, 1967 under Para 4 of the PMLA schedule?

- (i) Terrorist activities
- (ii) Terrorist funding
- (iii) Conspiracy
- (iv) Membership of terrorist organisations
- (v) Etc.

7. What laws are included in Part-B of the PMLA schedule?

● Laws in Part-B of PMLA schedule "with" monetary limit of INR 1 crore ●

S.No	Act	Section
(i)	Customs Act (CA) 1962	132

8. What laws are included in Part-C of the PMLA schedule?

● Acts in Part-C of PMLA schedule "without" monetary limit of 1 crore ●

S.No	Act	Section
(i)	Cross border implications	---
(ii)	Wilful attempts to evade tax, penalty or interest of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015	51
(iii)	Offences against property under Chapter XVII of the Indian Penal Code (IPC), 1860	378-382



9. Whether domestic cheating is included in Part-C of the PMLA schedule?

No

- A purely domestic cheating case does “not qualify” under Part C of PMLA schedule for scheduled offences under the PMLA, 2002 because it involves a large sum of money.

10. Whether cross border cheatings are included in Part-C of the PMLA schedule?

Yes

- (i) A property offence involving conduct “outside India” that meets the applicable statutory test may qualify under Part C of the PMLA schedule for scheduled offences under PMLA, 2002.
- (ii) The statutory concept of cross-border implications is explained in Section 2(ra) of the PMLA, 2002

11. Whether cross border transfer of stolen funds is in Part-C of PMLA schedule?

Yes

- (i) The cross-border facts may be relevant
- (ii) However, the legal ingredients of the underlying scheduled offences are required to be established under the PMLA, 2002.
- (iii) The statutory concept of cross-border implications is explained in Section 2(ra) of the PMLA, 2002.

12. What are cross border implications under the Part C of the PMLA schedule?

(Section 2(1) (ra), read with Section 2(1)(y)(iii) of the PMLA, 2002)

- (i) Cross border implications are to involve the movement of funds or property between India and a foreign country.
- (ii) The relevant provisions are Section 2(1) (ra), read with Section 2(1)(y)(iii) and Part C of the PMLA schedule for scheduled offences under the PMLA, 2002.



13. What are examples for cross border implications under Part C of PMLA schedule?

S.No	Situation	Legal meaning	Example
(i)	From Foreign country to India	<p>(a) When a scheduled offence committed "outside India"</p> <p>(b) This scheduled offence should also correspond to an offence specified in Part A, B or C of the PMLA schedule for scheduled offences</p> <p>(c) The PMLA schedule for scheduled offences treated as committed in India when the Proceeds of Crimes (PoC) are transferred to India.</p>	<p>(a) When a person commits a qualifying fraud "outside India"</p> <p>(b) When the person transfers the resulting Proceeds of Crimes (PoC) to bank account "in India".</p>
(ii)	From India to Foreign country	<p>(a) When a scheduled offence is committed "in India"</p> <p>(b) And also, its Proceeds of Crimes are transferred to "outside India"</p> <p>(c) Or, an attempt is made to transfer Proceeds of Crimes (PoC) "outside India".</p>	<p>(a) When a person obtains the money through a qualifying scheduled offence "in India"</p> <p>(b) And also, transfers Proceeds of Crimes (PoC) to a bank account "outside India".</p>

14. What are 3 matters for inclusion in Part C of the PMLA schedule?

● "Without" monetary limit of INR 1 crore ●

- (i) The offences as included in Part A of scheduled offences that satisfy the cross-border requirement under the section 2(1) (ra), read with Section 2(1)(y)(iii) of PMLA, 2002.
- (ii) The offences against the property under Chapter XVII of the Indian Penal Code, (IPC) 1860, as expressly listed in the PMLA schedule for scheduled offences under the PMLA, 2002.
- (iii) The wilful attempts to evade tax, penalty or interest covered by Section 51 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 commonly known as BMA, 2015.



15. What is flow chart for ED/PMLA litigation under the PMLA, 2002?

FIR or Complaint under the PMLA, 2002



Exact predicate offence under the PMLA, 2002



Exact statutory section under the PMLA, 2002



Scheduled provision under the PMLA, 2002



Criminal activity under the PMLA, 2002



Proceeds of Crime (PoC) under the PMLA, 2002



Laundering activity under the section 3 of PMLA, 2002.

16. What is flow chart for ED/PMLA litigation against corporate fraud?

Corporate fraud under Section 447 of the Companies Act (CA), 2013



Para 29 of Part A of PMLA schedule for scheduled offences under the PMLA, 2002



Whether the alleged corporate fraud is actually generated identifiable Proceeds of Crime (PoC) under the PMLA, 2002?



Whether the property is represented the Proceeds of Crime (PoC) under PMLA, 2002?



What is the accused's alleged role in the process or activity connected with the Proceeds of Crime (PoC) under the PMLA, 2002?



Whether it's satisfied the provisions of the section 3 PMLA, 2002.



17. What criminal offences are required to establish statutory link?

- (i) An allegation of fraud, tax evasion, corruption or FEMA contravention does not, by itself, automatically create a PMLA case under the PMLA, 2002.
- (ii) The alleged criminal offences are required to fall within the PMLA schedule for scheduled offences under the PMLA, 2002.
- (iii) The ED is required to establish a statutory link to Proceeds of Crime (PoC) under the section 2(1)(u) of PMLA, 2002.
- (iv) The ED is required to establish the statutory link to the money-laundering offence under the section 3 of PMLA, 2002.

18. What criminal offences are “not” included in the PMLA schedule?

- (i) The Part A, B and C “expressly includes” specified offences under the PMLA, 2002
- (ii) The “specific included” the criminal offences under the certain acts like:

S.No	Part	Para	Name of Act	Sections
(i)	Part-A	Para 8	The Prevention of Corruption Act (PCA) 1988	7, 7A, 8, 9, 10, 11, 12, 13, 14
(ii)	Part-A	Para 12	The Customs Act, 1962	135
(iii)	Part-A	Para 11	The SEBI Act, 1992	Section 12A read with Section 24 or Section 24 as applicable
(iv)	Part-A	Para 29	The Companies Act, 2013	447
(v)	Part-B	---	The Customs Act, 1962	132

- The abovementioned sections are included in Part A, B and C of the PMLA schedule for scheduled offences under the PMLA, 2002.
- Therefore, “other than” abovementioned sections are “not included” in Part A, B and C of the PMLA schedule for scheduled offences under the PMLA, 2002



19. What is priority matrix for corruption, cheating, fraud and economic offences?

S.No	<i>Alleged predicate offence</i>	<i>Statutory provision to check</i>	<i>PMLA Schedule position</i>	<i>Practical ED issue</i>
(i)	<i>Public servant taking illegal gratification</i>	<i>The section 7 of PCA, 1988</i>	<i>Paragraph 8 of Part A of the PMLA schedule for scheduled offences under the PMLA, 2002</i>	<i>To identify the alleged bribe, recipient, source of funds and property derived from “criminal activity” under the PMLA, 2002.</i>
(ii)	<i>Bribe given to influence a public servant</i>	<i>The section 8 of PCA, 1988</i>	<i>Paragraph 8 of Part A of the PMLA schedule for scheduled offences under the PMLA, 2002</i>	<i>To trace the gratification, payment route, intermediaries and any property derived from the offence under the PMLA, 2002.</i>
(iii)	<i>Bribing a public servant by a commercial organisation</i>	<i>The section 9 of PCA, 1988</i>	<i>Paragraph 8 of Part A of the PMLA schedule for scheduled offences under the PMLA, 2002</i>	<i>To examine the organisation's conduct, the alleged bribe and the connection between the offence and the Proceeds of Crimes (PoC) under the PMLA, 2002.</i>
(iv)	<i>Public servant abetting specified bribery offences</i>	<i>The section 10 of PCA, 1988</i>	<i>Paragraph 8 of Part A of the PMLA schedule for scheduled offences under the PMLA, 2002</i>	<i>To establish the statutory ingredients of the offence and identify the alleged Proceeds of Crime (PoC) under the PMLA, 2002.</i>
(v)	<i>Criminal misconduct by a public servant</i>	<i>The section 13 of PCA, 1988</i>	<i>Paragraph 8 of Part A of the PMLA schedule for scheduled offences under the PMLA, 2002</i>	<i>To establish in disproportionate-assets cases, examine lawful income, assets acquired during the check period and the evidentiary link to “criminal activity” under the PMLA, 2002.</i>



(vi)	<i>Cheating and dishonestly inducing delivery of property</i>	<i>The section 420 of IPC, 1860 Or The section 318(4) of BNS, 2023</i>	<i>Paragraph 1 of Part A of the PMLA schedule for scheduled offences under the PMLA, 2002</i>	<i>To establish deception and dishonest inducement resulting in delivery of property, a contractual dispute or unpaid debt alone is insufficient under the PMLA, 2002.</i>
(vii)	<i>Criminal conspiracy</i>	<i>The section 120B of IPC, 1860 Or The section 61 of BNS, 2023</i>	<i>Paragraph 1 of Part A of the PMLA schedule for scheduled offences under the PMLA, 2002</i>	<i>To identify the object of the conspiracy and the particular scheduled offence allegedly contemplated or committed under the PMLA, 2002.</i>
(viii)	<i>Forgery of valuable security, will or similar instrument</i>	<i>The section 467 of IPC, 1860 Or The section 338 of BNS, 2023</i>	<i>Paragraph 1 of Part A of the PMLA schedule for scheduled offences under the PMLA, 2002</i>	<i>To identify the forged instrument, its legal character, its use and the alleged proceeds generated under the PMLA, 2002.</i>
(ix)	<i>Using a forged document as genuine</i>	<i>The section 471 of IPC, 1860 Or The section 340 of BNS, 2023</i>	<i>Paragraph 1 of Part A of the PMLA schedule for scheduled offences under the PMLA, 2002</i>	<i>To establish that the document was forged, that it was used as genuine and that the accused had the requisite knowledge under the PMLA, 2002.</i>
(x)	<i>Criminal breach of trust</i>	<i>The section 406 or 409 of IPC, 1860 Or The section 316 of BNS, 2023</i>	<i>Paragraph 1 of Part A of the PMLA schedule for scheduled offences under the PMLA, 2002</i>	<i>To identify the entrustment, dishonest misappropriation and any independently established scheduled offence under the PMLA, 2002.</i>



(xi)	Fraud in company affairs	The section 447 of CA, 2013	Paragraph 29 of Part A of the PMLA schedule for scheduled offences under the PMLA, 2002	To establish the ingredients of statutory fraud and trace property or value connected with the alleged "criminal activity" under the PMLA, 2002.
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20. What is priority matrix for FEMA, GST, Customs and Income tax?

S.No	Legislation / alleged offence	Relevant provision	PMLA schedule for scheduled offences status	Practical assessment
(i)	FEMA contravention, including unauthorised foreign exchange transactions	The Section 3, 4, 6, 13 and 16 of FEMA, 1999	Not independently scheduled offences merely because FEMA is contravened.	(a) To examine whether same facts disclose a separate scheduled offence? (b) A FEMA contravention or penalty alone does not establish money laundering.
(ii)	GST invoice fraud / fake input tax credit (ITC)	The Section 132 of CGST Act, 2017	Correction required: Section 132(5) is expressly listed in the PMLA schedule for scheduled offences, Part A, Paragraph 21.	(a) To identify specific offence and applicable statutory ingredients. (b) Do not assume every GST demand, ITC reversal or tax dispute constitutes a PMLA schedule for the scheduled offences or establishes PoC.
(iii)	Customs duty evasion or prohibited-goods offence	The Section 135 of Customs Act, 1962	Yes Paragraph 12 of Part A	(a) To identify specific alleged offence (b) To establish and establish the required connection between the "criminal activity" and the property alleged to be Proceeds of Crime (PoC).



(iv)	<i>False declaration / false documents under Customs</i>	<i>The Section 132 of Customs Act, 1962</i>	<i>Yes Part B. "With" monetary limit of INR 1 crore</i>	<p>(a) <i>To establish the alleged false declaration or document and quantify the amount involved.</i></p> <p>(b) <i>Do not confuse Customs Act Section 132 with CGST Act Section 132.</i></p>
(v)	<i>Income-tax evasion generally</i>	<i>Applicable provisions of the Income-tax Act, 1961</i>	<i>Not automatically scheduled merely because tax has been evaded.</i>	<p>(a) <i>To check the precise offence.</i></p> <p>(b) <i>Part C covers the specified cross-border category</i></p> <p>(c) <i>Part C covers wilful attempts to evade tax, penalty or interest under Section 51 of the Black Money Act (BMA) 2015.</i></p>
(vi)	<i>Fraud involving listed securities or insider trading</i>	<i>The section 12A read with Section 24, or Section 24, as applicable of SEBI Act, 1992</i>	<i>Yes Paragraph 11 of Part A</i>	<p>(a) <i>To identify the particular scheduled offence, relevant transaction, alleged benefit</i></p> <p>(b) <i>To identify the evidence connecting the property to the "criminal activity".</i></p>

21. What are IPC provisions corresponding to BNS provisions for PMLA schedule?

<i>S.No</i>	<i>Former IPC provision listed in the PMLA schedule for scheduled offences</i>	<i>Corresponding BNS provision</i>	<i>Legal issue to verify</i>
(i)	<i>Section 120B for Criminal conspiracy</i>	<i>Section 61(2), read with Section 61(1)</i>	<p>(a) <i>To establish the alleged agreement and applicable conspiracy offence.</i></p> <p>(b) <i>To verify its connection with the relevant scheduled offence under the PMLA, 2002.</i></p>



(ii)	Section 420 for Cheating and dishonestly inducing delivery of property	Section 318(4)	(a) To establish deception, dishonest inducement and required delivery of the property or other statutory consequence. (b) To establish a contractual dispute alone does not establish cheating.
(iii)	Section 467 for Forgery of valuable security, will, etc.	Section 338	(a) To establish that the document falls within the specified category (b) To establish that the alleged forgery satisfies the statutory ingredients.
(iv)	Section 471 for Using a forged document as genuine	Section 340, particularly subsection (2) for punishment	(a) To establish use of the forged document as genuine (b) To establish the requisite knowledge or reason to believe it is forged.
(v)	Sections 384–389 for Extortion offences	Relevant provision under Section 308	(a) To identify the precise form of extortion alleged (b) To establish its particular ingredients.
(vi)	Sections 392–402 for Robbery and dacoity offences	Relevant provisions under Sections 309–313	(a) To identify the specific offence, including robbery, dacoity or the applicable related offence.
(vii)	Sections 411–414 for Stolen-property offences	Relevant provision under Section 317	(b) To distinguish receiving, retaining, dealing with or assisting in the concealment or disposal of stolen property, as applicable.

22. What is PCA, 1988 checklist for determining application of PMLA, 2002?

(i) Predicate offence under the PCA, 1988

- To identify the exact section of PCA, 1988 and the ingredients alleged in the FIR, charge-sheet and prosecution case.

(ii) Property obtained from “criminal activity” under the PCA, 1988

- To identify the property alleged to have been derived or obtained, directly or indirectly, as a result of “criminal activity” relating to the PMLA schedule for scheduled offences under the PMLA, 2002.



(iii) Asset tracing under the PCA, 1988

- (a) Separate the alleged bribe or disproportionate assets from property supported by a documented lawful source.
- (b) Trace dates, accounts, beneficial ownership and transfers.

(iv) Corporate or 3rd party involvement under the PCA, 1988

- To determine whether the evidence connects each person or entity to the alleged laundering conduct, being related to an accused or holding property is not, by itself, the whole statutory test.

(v) Predicate case status under the PCA, 1988

- (a) To record whether the PCA, 1988 matter is under investigation, charge-sheeted, discharged, quashed, acquitted or under appeal.
- (b) The stage and legal basis of the order can materially affect the PMLA challenge.

(vi) Attachment versus prosecution under the PCA, 1988

- (a) To analyse the legal basis and evidence for each separately.
- (b) A challenge to an attachment order is not necessarily identical to a challenge to the ED complaint or prosecution.

23. What is Case-law matrix for the PMLA schedule under the PMLA, 2002?

S.No	Authority	Legal principle / use in analysis
(i)	Vijay Madanlal Choudhary v. Union of India (2022) SCC OnLine SC 929, decided 27 July 2022	Foundational Supreme Court authority on the PMLA framework. (a) Property is required to be derived or obtained, directly or indirectly, as a result of "criminal activity" relating to a scheduled offence to qualify as Proceeds of Crime (PoC) under the PMLA, 2002. (b) Mere undisclosed income or possession of property is not sufficient by itself under the PMLA, 2002.



(ii)	<i>Pavana Dibbur v. Directorate of Enforcement (2023)</i> 15 SCC 91; 2023 INSC 1029	<p>Reaffirms that a scheduled offence is a condition precedent to the existence of proceeds of crime.</p> <p>(a) The judgment also examines the circumstances in which criminal conspiracy can constitute a scheduled offence and the need to identify an underlying scheduled offence</p> <p>(b) In this case the person is finally absolved of the scheduled offence, the effect on the PMLA case must be examined in light of the applicable facts and law under the PMLA, 2002.</p>
(iii)	<i>Nagani Akram Mohammad Shafi v. Union of India (2025)</i> BHC-AS:27479, Bombay High Court, 8 July 2025	<p>Addresses the IPC-to-BNS transition</p> <p>(a) The Bombay High Court held that corresponding BNS offences can be treated as scheduled offences where the former IPC offences were listed in the PMLA schedule for scheduled offences, applying Section 8(1) of the General Clauses Act, 1897.</p> <p>(b) The precise correspondence between the old and new offences are required to be established.</p> <p>(c) This is a High Court decision, not a Supreme Court ruling.</p>
(iv)	<i>Karnataka Lokayuktha Police v. Lakshman Rao Peshve (2025)</i> Supreme Court, order dated 16 September 2025, SLP (Crl.) Nos. 11870/2023 and 16533/2023	<p>A significant qualification in PCA, 1988 cases</p> <p>(a) The Supreme Court set aside the High Court's discharge order concerning the predicate offence and consequently set aside the quashing of the PMLA proceedings under the PMLA, 2002.</p> <p>(b) However, it expressly left open the question whether PMLA proceedings remain maintainable when the PC Act predicate offence is quashed or set aside?</p> <p>(c) It's not required to be cited as conclusively resolving that question.</p>



24. What are criteria for determining for the PMLA schedule under the PMLA, 2002?**(i) Meaning and scope of a scheduled offence**

- Whether the particular statutory provision is included in the Part A, Part B or Part C of PMLA schedule for scheduled offences under the PMLA, 2002?

(ii) Conspiracy and ancillary offences

- Whether an offence such as criminal conspiracy can independently establish the scheduled-offence requirement under the PMLA, 2002?

(iii) IPC-to-BNS transition

- Whether corresponding offences under the Bharatiya Nyaya Sanhita (BNS) 2023, can satisfy older Schedule references under Indian Penal Code (IPC) 1860?

(iv) Effect of acquittal, discharge or quashing

- Whether PMLA proceedings under the PMLA, 2002 can continue after the predicate case ends?

(v) Offences under special statutes

- How courts treat corruption, customs, tax, company fraud and other economic offences?

25. What is distinction in scheduled offence and money laundering offence?

- (i) A PMLA schedule and the money laundering offence are legally distinct under the PMLA, 2002
- (ii) However, the PMLA requires the alleged Proceeds of Crime (PoC) is to be connected with "criminal activity" relating to a scheduled offence under the PMLA, 2002.
- (iii) A mere allegation of financial irregularity does not, by itself, satisfy that requirement under the PMLA, 2002.



26. What are principal judgements for interpretation of the PMLA schedule?

S.No.	Judgment & citation	Clarification given by the court	Practical application
(i)	<i>Vijay Madanlal Choudhary v. Union of India</i> , 2022 SCC OnLine SC 929; decided 27 July 2022. Supreme Court of India	<p>(a) The Proceeds of Crime (PoC) under Sec. 2(1)(u) is required to satisfy statutory definition, including required connection with the “criminal activity” relating to a scheduled offence under the PMLA, 2002.</p> <p>(b) The judgment also upheld the constitutional validity of key PMLA provisions under the PMLA, 2002.</p>	<p>(a) To challenge attachment or prosecution where alleged property has not been the adequately connected to “criminal activity” for PMLA schedule for the scheduled offences under PMLA, 2002.</p> <p>(b) The judgment does not mean that the ED is required to establish entire predicate case through a prior conviction before the proceeding under the PMLA, 2002.</p>
(ii)	<i>Pavana Dibbur v. Directorate of Enforcement</i> , (2023) 15 SCC 91; 2023 INSC 1029; decided 29 November 2023.	<p>(a) The existence of a PMLA schedule for the scheduled offences is a prerequisite for the existence of Proceeds of Crime (PoC) under the PMLA, 2002.</p> <p>(b) A person may be prosecuted even when they were not an accused in the scheduled-offence case, provided the statutory requirements for money laundering is satisfied under the PMLA, 2002.</p>	<p>(a) This judgement is relevant to the 3rd party property holders, family members, intermediaries and persons allegedly involved in the concealing, possessing, using or projecting Proceeds of Crime (PoC) under the PMLA, 2002.</p> <p>(b) To examine whether the alleged property is actually linked to a scheduled offence under the PMLA, 2002.</p>
(iii)	<i>Yash Tuteja v. Union of India</i> , 2024 INSC 301; decided 8 April 2024.	<p>(a) Section 120B IPC cannot automatically convert every alleged conspiracy into a PMLA schedule for scheduled offences under the PMLA, 2002.</p>	<p>(a) This judgement is useful where ED relies on criminal conspiracy but the alleged substantive offences are not scheduled offences and no conspiracy to commit a PMLA schedule for the</p>



		<p>(b) The alleged conspiracy is required to concern an offence covered by the PMLA schedule for scheduled offences under the PMLA, 2002.</p> <p>(c) The Supreme Court quashed the relevant proceedings on the facts before it under the PMLA, 2002.</p>	<p>scheduled offences is established under the PMLA, 2002</p>
(iv)	<p><i>Neeharika Singh v. Directorate of Enforcement, 2025 AHC-LKO:28078; Allahabad High Court, decided 14 May 2025.</i></p>	<p>(a) This Judgement is applying Vijay Madanlal Choudhary and Pavana Dibbur</p> <p>(b) The court considered the effect of termination of the PMLA schedule for scheduled offences proceedings under the PMLA, 2002.</p> <p>(c) The distinction is between termination that eliminates the PMLA schedule for scheduled offences foundation and proceedings that continue against other accused under the PMLA, 2002.</p>	<p>(a) To examine whether the predicate offence itself has ceased to exist or whether proceedings against other accused continue.</p> <p>(b) The discharge or acquittal of one person does “not automatically” terminate every PMLA proceeding under the PMLA, 2002.</p> <p>(c) This is a High Court ruling, not a Supreme Court judgment.</p>
(v)	<p><i>Karnataka Lokayuktha Police v. Lakshman Rao Peshve 2025 Supreme Court order dated 16 September 2025, SLP (Crl.) Nos. 11870/2023 and 16533/2023.</i></p>	<p>(a) The Supreme Court set aside the High Court's discharge order in the Prevention of Corruption Act predicate case under the PCA, 1988.</p> <p>(b) It expressly left open the question whether PMLA proceedings remain maintainable where the PCA, 1988 predicate offence has been quashed or set aside.</p>	<p>(a) This judgement is important in corruption and disproportionate-assets cases.</p> <p>(b) Do not treat this judgement as conclusively holding that PMLA proceedings invariably survive or “automatically” terminate when a predicate case is quashed</p>



27. How the courts interpret 3 Parts of the PMLA schedule under the PMLA, 2002?

- The section 2(1)(y) defines scheduled offence with reference to Parts A, B and C of the PMLA schedule for scheduled offences under the PMLA, 2002.
- In *Pavana Dibbur*, the Supreme Court reproduced and applied this statutory framework.
- The monetary limit is not a general INR 1 crore limit for every PMLA case, moreover it's a part of the statutory definition for Part B offences.
- A Part A offence does not become unscheduled merely because the amount involved is below INR 1 crore.

S.No	Part	Statutory rule	Point to examine
(i)	Part A	(a) The offences which are expressly specified in the Part A of the Schedule. (b) Monetary limit of INR 1 crore is "not" applicable for the offences specified in Part A under the section 2(1)(y)(i) of PMLA, 2002.	Whether the precise offence and applicable statutory provision listed, and do the alleged facts satisfy its essential ingredients?
(ii)	Part B	Monetary limit of INR 1 crore is applicable for the offences specified in Part B under the section 2(1)(y)(ii) of PMLA, 2002.	Whether the offence expressly listed in Part B, and does the total value involved meet the statutory threshold?
(iii)	Part C	The offences which are expressly specified in Part C under the section 2(1)(y)(iii) of PMLA, 2002.	Whether the offence listed in Part C, and do the facts satisfy the applicable cross-border requirements under the Act?

28. What is important issue specific propositions for the PMLA schedule?**(i) Conspiracy alone is not a universal gateway**

- (a) Under *Pavana Dibbur* and *Yash Tuteja*, an IPC Section 120B allegation is required to be examined in relation to the offence that was allegedly the object of the conspiracy.



- (b) *Merely adding Section 120B to a non-scheduled offence does “not automatically” satisfy the PMLA schedule for scheduled offences under the PMLA, 2002.*

(ii) The PMLA accused need not be named in the predicate case

- (a) *A person may allegedly enter the chain later and assist with concealment or use of Proceeds of Crime (PoC) under the PMLA, 2002.*
- (b) *The relevant question is whether the statutory requirements for the scheduled offence, Proceeds of Crime (PoC) and money laundering are satisfied, not simply whether the person’s name appears in the original FIR under the PMLA, 2002.*

(iii) Termination of the predicate case

- (a) *The Vijay Madanlal Choudhary and Pavana Dibbur establish the significance of final discharge, acquittal or quashing of the scheduled offence under the PMLA, 2002.*
- (b) *However, whether all predicate proceedings have ended, whether the order is final, and whether other accused or other scheduled offences remain involved are required to be checked.*
- (c) *The 2025 Lakshman Rao Peshve judgement specifically left the PC Act quashing question open.*

(iv) Exact statutory provision matters

- (a) *A broad label such as fraud, tax evasion, financial irregularity or economic offence is not enough for the PMLA schedule for scheduled offences under the PMLA, 2002.*
- (b) *The prosecution is required to identify the applicable scheduled provision under the PMLA, 2002.*
- (c) *Where an offence is alleged under a special statute, check the Schedule against the precise section and the version applicable on the relevant date.*



29. What are applications to the main regulatory and economic-offence areas?

S.No	Area	Main legal question
(i)	PC Act, 1988 including disproportionate assets	<p>(a) Whether the specific offence under the Prevention of Corruption Act (PCA) 1988, included in the PMLA schedule for scheduled offences under the PMLA, 2002?</p> <p>(b) What property is alleged to constitute Proceeds of Crime (PoC) under the PMLA, 2002?</p> <p>(c) What is the legal effect of any order passed in the predicate proceedings?</p>
(ii)	FEMA, 1999	<p>(a) Whether the allegation disclose merely a contravention of FEMA, 1999?</p> <p>Or</p> <p>(b) Whether the facts independently disclose an offence scheduled under the PMLA, 2002?</p>
(iii)	GST, 2017 including Fake ITC	<p>(a) Whether the precise alleged offence fall within a provision specified in the PMLA schedule for scheduled offences?</p> <p>Or</p> <p>(b) Whether the ED is relying on a GST-related tax offence "without" identifying an independent scheduled offence?</p>
(iv)	Customs Act, 1962	<p>(a) What are specific provisions of the Customs Act, 1962, invoked?</p> <p>(b) Whether the offence covered by Part A or Part B of the PMLA schedule for scheduled offences?</p> <p>(c) When Part B applies, is the prescribed monetary threshold satisfied?</p>
(v)	Section 447 of Companies Act (CA) 2013	<p>(a) Whether the alleged facts and supporting material establish the ingredients of the PMLA schedule for scheduled offences of fraud under Section 447 of the Companies Act, 2013?</p> <p>(b) What property is alleged to have been derived or obtained from that criminal activity under the PMLA, 2002?</p>



(vi)	IPC / BNS Transition	<p>For conduct occurring on or after 1 July 2024</p> <p>(a) Whether the corresponding provision of the Bharatiya Nyaya Sanhita (BNS) 2023, fall within the applicable PMLA schedule for scheduled offences entry?</p> <p>(b) Whether the precise offence, applicable savings and transition provisions, and relevant binding judicial authorities must be examined?</p>
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30. What is recommended structure for a litigation-ready case-law matrix?

- (i) Case name, court, date and neutral or report citation.
- (ii) Exact Schedule Part, paragraph and statutory provision in dispute.
- (iii) Whether the court addressed classification of the predicate offence, Proceeds of Crime (PoC) or the effect of the predicate case ending?
- (iv) The precise ratio decidendi, separated from observations made on the facts.
- (v) Whether the decision is binding Supreme Court authority or a High Court ruling?
- (vi) Its application to the ECIR, prosecution complaint, attachment proceedings or appeal in the matter under consideration.

31. What is conclusion on PMLA Schedule for Scheduled offences under PMLA, 2002?

- (i) It's recommended that a challenge based on the absence of a scheduled offence, begin with Pavana Dibbur and Yash Tuteja cases.
- (ii) It's recommended that the Proceeds of Crime (PoC) foundation, use Vijay Madanlal Choudhary case.
- (iii) Matters involving discharge or quashing, include the express reservation in Lakshman Rao Peshve and avoid stating the law more broadly than the Supreme Court has decided.



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