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DARSHAN MALA SERIES (DMS)

41 Frequently Asked Questions (FAQs) on the Serious Fraud Investigation Office (SFIO) ➔ ED nexus for investigations and Adjudications across the India

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

*This edition, comprising **41 Frequently Asked Questions (FAQs)**, examines the **Serious Fraud Investigation Office (SFIO) ➔ ED nexus for investigations and Adjudications across the India**, including the respective roles, jurisdiction, investigative processes, and areas of interaction between the two agencies.*

*The Series covers matters reported in the public domain concerning **exclusive and/or designated 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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41 FAQs on SFIO ➔ ED nexus for investigations and Adjudications across the India

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41 FAQs on SFIO ➔ ED nexus for investigations and Adjudications across the India

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

1. What is SFIO ➔ ED nexus for investigations and Adjudications across India?

(i) *The **SFIO–ED nexus** arises mainly where a **corporate fraud investigated under** the Companies Act **(CA), 2013** also generates **Proceeds of Crime (PoC)** connected with a **scheduled offence under the PMLA**, 2002.*

(ii) ***The SFIO and ED have different statutory mandates**:*

S.No	SFIO	ED
(a)	*Primarily investigates **serious corporate fraud** under the Companies Act (**CA**), 2013*	*Primarily investigates **money laundering under PMLA, 2002** and FEMA, 1999 violations*
(b)	*Investigation is assigned under **Section 212 of CA, 2013***	*Investigation under **PMLA** focuses on Proceeds of Crime (**PoC**) and money-laundering activity*
(c)	*Focused on **corporate fraud, management, books, transactions and persons responsible***	*Focused on **generation, possession, concealment, acquisition, use or projection of PoC***
(d)	***Can file prosecution** under Companies Act (**CA**), 2013 for the offences **through Special Courts**?*	*Can **provisionally attach property**, seek confiscation and **prosecute** under PMLA, 2002?*

- *The **ED** itself describes PMLA **enforcement** as including **tracing PoC**, provisional **attachment** and **prosecution**/confiscation.*

2. What are Key principles for SFIO ➔ ED nexus?

(i) ***The SFIO investigation does not, by itself, prevent ED from conducting a parallel PMLA investigation.***

(ii) *This has now been expressly **addressed by** the **Delhi High Court in Sanjay Aggarwal v. Union of India**, judgment dated **Nov 27, 2025**.*

(iii) *The **Court held** that **Section 212(2)** of the Companies Act (**CA**), 2013 which **concerns** investigation into **offences** under that Act, does **not create a bar against proceedings under another statute such as the PMLA**, 2002.*

3. Whether "same" factual matrix is permitted for investigations by SFIO and ED?

Yes

(i) ***Investigation by the SFIO:***

Company-law investigation
↓
Identify fraud
↓
Identify responsible directors/officers/persons
↓
*Companies Act (**CA**) 2013 prosecution.*

(ii) ***Investigation by the ED:***

Scheduled offence
↓
Identify PoC
↓
Trace movement of PoC
↓
Identify money-laundering activity
↓
Attachment/prosecution under PMLA.

- *Thus, **same transaction ≠ same offence ≠ same statutory jurisdiction**.*

4. What is flow chart for investigations by SFIO and ED?

Corporate fraud
↓
Diversion of company funds
↓
Generation of PoC
↓
Laundering/integration of those funds

5. What SFIO's findings are helpful for ED's investigations?

- *The **SFIO materials** may become important **investigative material for** ED's **investigations** like:*

(i) Corporate records

(ii) Transaction trails

(iii) Statements and documents

(iv) Identification of beneficiaries

(v) Diversion of funds

(vi) Sham transactions

(vii) Related-party transactions

(viii) Movement of funds through companies/entities.

6. Whether SFIO's findings are "automatically" establishing a PMLA offence?

No

- *The **ED** still **has to establish** the statutory ingredients of money **laundering and Proceeds of Crime (PoC)**.*

7. What ED's finding are helpful for SFIO's investigations?

*(i) **ED may uncover**:*

Bank transactions

↓

Shell entities

↓

Diversion of corporate funds

↓

Fraudulent corporate transactions

*(ii) The **ED** is also permitted **to share information with** "other" **authorities under** the **statutory** framework and **section 66** of PMLA, 2002.*

(iii) ***In simple terms***

- *The **ED** and **SFIO** both are **permitted to share information's** to each other under SFIO ➔ ED nexus **rather** than **1 agency** exercising **control over** the **other**.*

8. What is SFIO ➔ ED nexus for adjudications?

(i) ***SFIO adjudication**/prosecution consequences and **PMLA adjudication** are "not" **interchangeable**.*

(ii) ***Adjudication under PMLA, 2002***

ED investigation

↓

*Provisional Attachment Order (**PAO**)*

↓

Adjudicating Authority under Section 8

↓

Confirmation/other consequences

↓

Special Court proceedings

(iii) *The **ED's** published **statistics show** that PMLA **PAOs** are "separately" **considered by** the PMLA Adjudicating **Authority**.*

(iv) ***Adjudication for SFIO under Companies Act (CA) 2013***

(a) *The **SFIO report** is "not" itself a **substitute for** proof of the **ingredients** required **in** PMLA **adjudication**.*

(b) *The **SFIO proceeding** being **pending does not** "automatically" **suspend** PMLA **adjudication**.*

9. What are practical questions needed for nexus test?

(i) *What is the **original corporate fraud**?*

(ii) *What offence constitutes the **alleged scheduled offence**?*

(iii) *Does that offence actually **fall** with**in** the **PMLA Schedule**?*

(iv) *What are the **identifiable** Proceeds of Crime (**PoC**)?*

(v) *Who generated or **acquired** the **PoC**?*

(vi) *What subsequent activity **constitutes money laundering**?*

(vii) *What independent material **connects** the person/**property to** the **PMLA offence**?*

- ***When** these **links** are **established**, **SFIO** proceedings and **ED**/PMLA **proceedings** can proceed **in parallel**.*

10. What is conclusion for SFIO ➔ ED nexus?

(i) ***SFIO → ED nexus is complementary, not hierarchical.***

(a) ***The SFIO to investigate***

- *"Was there serious corporate fraud and who committed it?"*

(b) ***The ED to investigate***

- *"Did that fraud produce PoC, and was that PoC subsequently dealt with in a manner constituting money laundering?"*

(ii) ***In simple terms***

(a) *The **SFIO investigation** does "not" **immunise** the **company**, directors or other persons **from** a parallel **ED investigation**, **provided** the statutory **requirements** of PMLA are "independently" **satisfied**.*

(b) *The **Delhi** High **Court's** Nov 27, 2025 **decision** is particularly **significant** on this point.*

(iii) ***Conclusion***

(a) *A mere **SFIO**/Companies Act (**CA**) 2013 **violation** or corporate irregularity **does not "**automatically" become a **PMLA case**.*

(b) *The **existence of** a qualifying scheduled **offence and identifiable PoC** remains **central**.*

11. Whether Statutory jurisdiction is different for SFIO and ED?

***Yes**.*

(i) ***SFIO** and ED have different statutory jurisdictions, **although** "same" **corporate/** financial **facts** may sometimes come with**in** the **investigative orbit** of both.*

(ii) **SFIO vs ED — Statutory Jurisdiction**

Aspect	SFIO	ED
Principal statute	*Companies Act (**CA**), 2013*	*PMLA, 2002; FEMA, 1999 and other assigned statutes*
Core jurisdiction	**Serious corporate fraud**	**Money laundering** *and* **foreign-exchange violations**
Investigates	*Affairs of a company where investigation is assigned to SFIO under* **Section 212**	*Proceeds of Crime (PoC) under* **PMLA** *and contraventions under* **FEMA**
Trigger	*Central Government orders investigation into company's affairs*	*Scheduled offence + PoC for PMLA; FEMA contravention for FEMA*
Primary focus	*Corporate fraud, management, transactions, books, misstatements, diversion etc.*	*PoC, laundering, attachment /confiscation, cross-border foreign exchange issues*
Nature	*Corporate fraud investigation*	*Financial-crime / money-laundering and foreign-exchange enforcement*
Can both investigate same facts?	**Yes, potentially**	**Yes, potentially**
Does SFIO *"automatically"* **have PMLA jurisdiction?**	**No**	—
Does ED *"automatically"* **have Companies Act (CA) 2013 /SFIO jurisdiction?**	—	**No**

12. What is SFIO's jurisdiction?

(i) *The* **SFIO derives** *its principal investigative* **jurisdiction from Section 211** *and* **Section 212** *of the Companies Act (***CA***) 2013.*

(ii) *The important point is that* **SFIO** *is "not" a general financial-***crime agency** *merely* **because** *a* **company** *is* **involved***.*

*(iii) Its statutory **mandate** is primarily investigation **into serious fraud** relating to companies, **when investigation** is **assigned** to it **by** the Central **Govt**. in accordance with **Section 212** of the **CA** 2013.*

*(iv) **In simple terms***

***Company** + serious corporate **fraud** + Central **Govt. assignment** under **Section 212** of the **CA** 2013*

↓

*The **SFIO jurisdiction**.*

13. What is ED's jurisdiction?

*(i) The **ED's** PMLA **jurisdiction** is "fundamentally" **different**.*

*(ii) Under PMLA 2002, the **central issue** is the **existence of PoC** arising **from** a scheduled **offence** and **activities connected with** those **PoC**.*

*(iii) **In simple terms***

Scheduled offence + Proceeds of Crime (PoC) + laundering activity

↓

PMLA/ED jurisdiction.

*(iv) The **ED** also **has** a "separate" statutory **field under FEMA**, 1999 **for** dealings with **foreign-exchange** transactions and related **contraventions**.*

14. What are important criteria for overlapping between SFIO and ED?

*(i) **When** a **company** is alleged to have **committed** a serious corporate **fraud** and, during that fraud, **generated money** that **constitutes** Proceeds of Crime (**PoC**) **from** a scheduled **offence**.*

*(ii) The **SFIO** is required **to investigate** under CA, 2013 **against** alleged a serious corporate **fraud and** simultaneously the **ED** is also required **to investigate** "same" **transaction** does "not" **mean that** their statutory **jurisdictions become identical beside** their legal **questions** remain **different**:*

*(iii) **The SFIO to investigate***

- *"**Was** there corporate **fraud and** who was **responsible under** the Companies Act (**CA**) 2013 and **connected laws**"?*

(iv) ***The ED to investigate***

- *"**Are** there Proceeds of Crime (**PoC**) **and** has there been an **offence of money laundering** under PMLA 2002?"*

15. What is important distinction between SFIO and ED?

(i) *The **SFIO** investigation ≠ The **PMLA** investigation.*

(ii) *The Corporate **fraud** ≠ "automatically" **money laundering**.*

(iii) ***Under** the **PMLA**, 2002 the statutory **requirements** concerning a scheduled **offence and** Proceeds of Crime (**PoC**) **must** "independently" be **satisfied**.*

(iv) *A mere **violation of** the **CA**, 2013 or an **ordinary** corporate **irregularity** does **not** "automatically" **become** a PMLA **offence**.*

(v) ***Conclusion***

(a) *The **SFIO** and **ED** have **distinct** statutory **jurisdictions**.*

(b) *Their **jurisdiction can overlap** factually, **but** they do "not" **derive** their **authority from** the "same" **statute** or pursue **exactly** "same" legal **object**.*

16. Where an actual nexus is existed between SFIO and ED?

(i) *The actual SFIO–ED nexus is "not" that **SFIO** and **ED** are the "same" **agency or** that **one controls** the **other**.*

(ii) *The **nexus arises when** a corporate **fraud investigated by SFIO** also **generates** a Proceeds of Crime (**PoC**) connected **with** a PMLA scheduled **offence**.*

(iii) ***Actual nexus**:*

SFIO
↓
Corporate fraud
↓
ED
↓
Proceeds of Crime (PoC)

17. What is comparison for actual nexus between the SFIO and ED?

Aspect	SFIO	ED
Principal statute	Companies Act (**CA**), 2013	**PMLA**, 2002 / **FEMA**, 1999
Core focus	Serious/**fraudulent affairs** of companies	**Money laundering**, Proceeds of Crime (**PoC**) and foreign-**exchange violations**
Investigation trigger	Govt. **assignment under** section **212 of CA**, 2013	PMLA **scheduled offence / information** giving **rise to** PMLA **investigation**
Main question	**How** was the company **fraud committed**?	**Where** did the **PoC go**, **how** were they **laundered**, and **what** assets represent **PoC**?
Output	**SFIO** investigation **report / prosecution for CA,** 2013 **offences**	PMLA **investigation**, attachment, **prosecution** and **confiscation proceedings**

18. What is best example for SFIO➔ED nexus?

(i) ED itself describes its **PMLA mandate** as **tracing assets** derived **from** Proceeds of Crime (**PoC**) provisionally **attaching property** and pursuing **prosecution/** confiscation.

(ii) **Flow chart** for SFIO➔ED nexus

Company fraud

↓

Generation of illicit money

↓

Movement/layering/concealment of that money

↓

Assets acquired from it

↓

SFIO investigates the underlying corporate fraud.

● *Adjudication in the SFIO–ED Nexus* ●

19. What is parallel adjudicatory and judicial proceedings under SFIO and ED?

(i) ***2 separate legal tracks***

S.No	**SFIO Track**	**ED/PMLA Track**
(a)	***To investigate under*** *Companies Act (**CA**), 2013*	***To investigate under*** *Prevention of Money Laundering Act (**PMLA**), 2002*
(b)	***To investigate*** *into affairs or* ***fraud*** *of company*	***To investigate*** *into Proceeds of Crime (**PoC**) and money* ***laundering***
(c)	***To prepare*** *SFIO investigation* ***report***	***To register ECIR*** *and to start PMLA investigation*
(d)	***To file prosecution*** *complaint before Special Court*	***To file prosecution*** *Complaint before PMLA Special Court*
(e)	***To determine*** *Corporate or "criminal"* ***liability***	***To determine*** *Money-laundering* ***liability*** *and* ***confiscation***

(ii) *The Delhi High Court* ***in Sanjay Aggarwal v. Union of India*** *(Nov 27 2025) specifically* ***held*** *that* ***assignment of*** *a company* ***investigation to SFIO*** *under Section 212* ***does*** *"not"* ***bar ED proceedings*** *under PMLA, 2002, merely* ***because*** *both* ***arise from*** *the "same"* ***factual matrix****.*

(iii) *The Court* ***emphasized*** *that the statutory* ***ingredients*** *and* ***purposes*** *are* ***different****.*

20. What is SFIO's prosecution adjudication?

(i) *After investigation,* ***SFIO*** *may* ***submit*** *its investigation* ***report*** *and* ***initiate prosecution*** *against the offences like:*

(a) *Offence under head* ***fraud*** *-section* ***447*** *of CA, 2013*

(b) *Offence under head* ***false statement*** *-section* ***448*** *of CA, 2013*

(c) *Offence under head* ***other offences*** *under CA, 2013*

(d) *Offences under* ***other laws*** *arising from the investigation.*

(ii) *The* ***criminal guilt*** *is ultimately* ***determined by*** *the competent* ***Special Court*** *constituted/designated* ***under*** *the* ***CA****, 2013 framework.*

21. What is ED's prosecution adjudication?

(i) *This is a completely **different mechanism when ED** provisionally **attaches property** under **Section 5** of PMLA, the **matter goes before** the Adjudicating **Authority** under **Section 6** PMLA, 2002.*

(ii) *The Adjudicating **Authority examines** certain **questions** like:*

(a) *Whether the **property is prima facie** Proceeds of Crime (**PoC**)?*

(b) *Whether the **property is connected with** money **laundering**?*

(c) *Whether the **provisional attachment** should **be confirmed**?*

(iii) *Hence, this is an **independent** statutory **adjudication** concerning property, **distinct from** the **SFIO** criminal **prosecution**.*

22. What is Special court under PMLA, 2002?

(i) *After investigation, **ED** may **file** a **prosecution complaint**.*

(ii) *The PMLA **Special Court** then **adjudicates**:*

(a) *Whether the **offence of** money **laundering** under Section 3 **is established**?*

(b) *Whether the **accused** knowingly **participated in processes** connected **with PoC**?*

(c) *Whether **confiscation** consequences arise **after trial**?*

(iii) ***Conclusion***

*Attachment **adjudication** ➔ Adjudicating **Authority***

Criminal guilt** under PMLA ➔ **Special Court

23. Whether SFIO's and ED's adjudications can have different conclusions?

Yes

(i) ***SFIO adjudication's conclusion***

*The **directors committed** corporate **fraud** under Section **447** CA, 2013*

(ii) ***ED adjudication's conclusion***

- *The **fraud generated** Proceeds of Crime (**PoC**), which were subsequently **concealed**, possessed, acquired, used, or **projected as untainted property**.*

(iii) ***The Delhi High Court's 2025 decision***

- *The Delhi High Court's 2025 decision strongly **supports** this statutory **separation between SFIO** jurisdiction and **PMLA** jurisdiction like:*
- *"Same **transaction ≠** same **offence** ≠ same **adjudication**"*

24. What is flow chart for predicate/schedule offence?

SFIO Investigation
↓
Finding of Scheduled Offence
↓
Criminal activity generating proceeds
↓
*"Proceeds of Crime (**PoC**)"*
↓
ED acquires PMLA jurisdiction
↓
Attachment → Adjudicating Authority
↓
Prosecution → PMLA Special Court

- *Hence, **SFIO** may establish or **investigates** the underlying corporate **fraud**, while **ED investigates** the subsequent or connected **money-laundering dimension**.*

25. Whether SFIO findings are binding the ED Adjudicating Authority?

No

(i) ***SFIO findings** are highly **relevant but not** "automatically" **conclusive for** every **PMLA** issue.*

(ii) *The **PMLA** Adjudicating Authority **independently** examines:*

(a) *Whether the **property constitutes** Proceeds of Crime (**PoC**)?*

(b) *Whether there is **a nexus between** the **property and criminal activity** relating to a scheduled offence?*

(c) *Whether **attachment** should **be confirmed**?*

(iii) *The **PMLA** Special **Court** independently **determines** whether the **ingredients** of Section 3 are **proved**.*

(iv) ***Conclusion***

- *The **SFIO** investigation **report** can be foundational **evidence**, **but PMLA authorities exercise independent** statutory jurisdiction.*

26. What are consequences when the SFIO prosecution fails?

(i) ***When** the alleged scheduled/**predicate offence** itself ultimately **disappears through acquittal** or a finding that no scheduled offence existed, thereafter **consequences for** the PMLA **case** may **become crucial**.*

(ii) *The general PMLA principle is that **money laundering** is **connected to** the **existence of** Proceeds of Crime (**PoC**) derived or obtained **from** "criminal" **activity** relating **to** a scheduled **offence**.*

(iii) *Therefore, the final **outcome of** the **SFIO**/predicate proceedings can materially **affect** the **sustainability of** the **ED proceedings**.*

(iv) ***However**, this does "not" **necessarily** mean **that ED proceedings** must remain "completely" **inactive** until SFIO trial concludes.*

(v) *The **Courts** have **recognized** "simultaneous" **proceedings** in appropriate cases.*

27. What is same factual matrix for SFIO → ED nexus?

● ***Same Factual Matrix*** ●

SFIO ↓ *Companies Act Investigation* ↓

ED ↓ *PMLA Investigation* ↓

Corporate Fraud / Section 447
↓
SFIO Prosecution
↓
Special Court

*Proceeds of Crime (**PoC**)*
↓
Provisional Attachment
↓
Adjudicating Authority
↓
Confirmation of Attachment
↓
PMLA Special Court
↓
Money Laundering Trial

28. What are investigations and adjudications nexus?

(i) ***Investigation nexus***

- *Separate but **overlapping**.*

(ii) ***Jurisdiction nexus***

- ***Independent** statutory jurisdictions.*

(iii) ***Adjudication nexus***

- ***Separate** adjudicatory **forums** and tests.*

(iv) ***Evidentiary nexus***

- ***SFIO findings** may provide the factual **foundation for ED**.*

(v) ***Final dependency***

- *The **PMLA cannot** ultimately **survive** "without" a legally sustainable **foundation of** "criminal" **activity** relating **to** a scheduled **offence**.*

(vi) *This distinction is particularly important after **Sanjay Aggarwal v. Union of India** (Delhi High Court, Nov 27, 2025), which substantially **clarifies** that **Section 212** of the Companies Act (**CA**) 2013 **does** "not" **create** an absolute **bar against ED**/PMLA **proceedings***

29. Whether "same" evidences are legally used by SFIO and ED?

(i) **Yes**

S.No	Common Evidence	SFIO examines	ED examines
(a)	**Bank statements**	**Diversion** or misuse **of company funds**	Whether **diverted funds** became Proceeds of Crime (**PoC**)?
(b)	**Fake invoices**	**Fraud** or falsification **under** Companies Act (**CA**) 2013	**Layering** or laundering **of** "criminal" **proceeds**
(c)	**Directors' statements**	Corporate fraud and responsibility	**Knowledge** and involvement **in money laundering**
(d)	**Forensic audit**	Financial manipulation	**Generation**, possession, concealment or use **of PoC**

(ii) **Therefore**, same **documents** ≠ same **offence** ≠ same **investigation**.

(iii) The **Supreme Court** has also recently **observed**, in the context of ED sharing material with other agencies under Section **66(2)** PMLA, 2002 **that materials** may be **common**, **but conclusions** based on further material **can be different** and **investigations** may travel **on separate channels**.

30. When the "same" evidences are become problematic for ED?

- The **ED** may **face** a serious **legal challenge** where:

(i) **When no independent predicate offence survives?**

- **If** the scheduled **offence disappears** or is quashed, consequences may follow **for PMLA proceedings** depending on the facts and applicable law.

(ii) **When no Proceeds of Crime (PoC) are identified?**

- Corporate **fraud** alone **does not** "automatically" **establish** money **laundering**.

(iii) **When no laundering activity is demonstrated?**

- The **ED must connect** the **accused with activities** covered by Sec. 3 PMLA.

(iv) **When ED simply reproduces SFIO allegations?**

- *A **prosecution** complaint **cannot succeed** merely **because SFIO** has already **alleged** corporate **fraud**.*

(v) ***When Same facts, same allegations, same relief, without separate statutory ingredients?***

- *Then the **argument of** impermissible **duplication** becomes **stronger**.*

31. What are important limitations for ED's investigations?

(i) *To **copies** the **SFIO investigation**,*

(ii) *To **relies** entirely on the **SFIO conclusions**,*

(iii) *To **investigates** exactly the **same allegations**,*

(iv) *To **produces** "no" independent PMLA **material**,*

(v) ***Cannot establish** Proceeds of Crime (**PoC**) or a laundering activity*

- *The **defence can argue that** the **ED** is **conducting** a duplicative or **mechanical investigation when** ED **used SFIO evidence**, therefore ED investigation is illegal*
- *The **defence can argue that** the **ED** has **failed to** independently **establish** the statutory **ingredients of** the **offence** under **Section 3** PMLA and is merely reproducing the SFIO case.*

● *The Supreme Court and High Courts judgements* ●

32. What is Vijay Madanlal Choudhary v. Union of India (2022) in Supreme Court?

*(i) The Supreme Court **upheld** the constitutional validity of the **principal** PMLA **enforcement framework and** explained the **relationship between** the scheduled **offence**, Proceeds of Crime (**PoC**) **and money laundering**.*

*(ii) **The Supreme Court has described the schedule offence**:*

*(a) Generates or **relates to** Proceeds of Crime (**PoC**)*

*(b) Subsequent **processes**/activities **concerning** those **PoC***

*(c) Money-laundering **offence** under **Section 3** PMLA, 2002*

*(iii) Therefore, **when** the scheduled **offence is** a corporate **fraud** under **Section 447** Companies Act (**CA**) 2013, the **SFIO** may **investigate** that corporate **fraud**, while **ED** may **investigate** the PMLA **consequences** arising **from** the **PoC of** the corporate **fraud**.*

*(iv) The Supreme Court's **reasoning** has subsequently been **applied by** several **High Courts in** cases involving SFIO **complaints and** ED **investigations***

33. What are Cochin Minerals and Rutile Ltd. v. ED (2026) in Kerala High Court?

*(i) The Kerala High Court **held that** the **absence of** an **FIR** or complaint concerning the scheduled **offence** does "not" necessarily **prevent ED from** commencing **civil action** such as **attachment** under **Sec. 5** or **inquiry** under **Sec. 50** PMLA. 2002.*

*(ii) It **distinguished** the **civil** under section **5** or **inquiry** under section **50 from** penal **prosecution** under **Sections 3** and **4** of PMLA, 2002.*

*(iii) The Court **relied** extensively **on** the Supreme Court's **interpretation** of the PMLA **in Vijay** Madanlal **Choudhary** and emphasised **that** an **ECIR** is an **internal** ED **document** and is "not" equivalent to an **FIR**.*

*(iv) This is relevant to SFIO because **it demonstrates** that **ED's jurisdiction cannot** always be made **dependent** up**on** the procedural **stage** reached **by** the **SFIO**/predicate-offence **proceedings**.*

34. What is Sanjay Aggarwal v. Union of India and Ors (2025) in Delhi High Court?

*(i) The Delhi High Court **decision** discussed in ED's 2025 Legal Bulletin **in Sanjay Aggarwal** v. **Union of India** and Ors., judgment dated **Nov, 27 2025**.*

*(ii) The ED's own bulletin records that an **investigation by SFIO** into a company's affairs does "not" **bar parallel proceedings by ED** under PMLA arising **from** the **same factual matrix**.*

*(iii) The Delhi High Court position specifically **recognises that SFIO proceedings** do "not" **create** a blanket **bar on parallel** PMLA **proceedings**.*

*(iv) **In simple terms***

*(a) The **SFIO investigates** the corporate **fraud** and affairs of the company and **ED investigates** the Proceeds of Crime (**PoC**) **and money-laundering** dimension.*

*(b) The **nexus is** the **financial trail** connecting the **underlying** corporate **offence to** the **PoC and** their **laundering**, "not" **a merger** of jurisdiction.*

35. What is Rahul Surana v. Assistant Director (2025) in Madras High Court?

*(i) The **original** ED **ECIR** was **based on** a **CBI FIR**.*

*(ii) **Subsequently**, an **SFIO complaint** under Section **447** Companies Act (**CA**), 2013 was **filed**.*

*(iii) The ED incorporated **that SFIO complaint as** a scheduled **offence and relied** up**on** the additional corporate-**fraud material**, including a **forensic audit**.*

*(iv) The **ED's argument, recorded by** the **Court**, was **that** the SFIO **complaint constituted** "new" **material and** a "separate" scheduled **offence**, even **though** the **underlying** historical **transactions** were **connected**.*

36. What is Mohit Arora v. SFIO (2025) in Delhi High Court?

*(i) The Delhi High Court expressly **recognised that SFIO and PMLA proceedings** could **be** "simultaneously" **maintainable**, even **though** when the **underlying** financial **transactions** were "substantially" the **same**.*

*(ii) It observed **that** the **scope and role** attributed in the 2 proceedings **may vary**.*

*(iii) This supports the proposition **that** "same" **transactions do not** "automatically" mean "same" **offence** or same **investigation** like:*

Corporate fraud

*INR **500 crore fraud** → false books → diversion of company funds → violation of Companies Act (**CA**), 2013*

↓

SFIO

***Investigates corporate fraud**, books, directors/officers and CA, 2013 violations.*

↓

***If** those activities **generated** Proceeds of Crime (**PoC**), **and** there was "subsequent" **concealment**, possession, acquisition, use or **projection of** those **PoC as untainted**:*

↓

ED/PMLA

***Investigates** the money-**laundering** offence and **PoC**.*

37. What is Pankaj Kumar Tiwari v. ED (2024) in Delhi High Court?

*(i) The predicate **offence** had been **investigated by SFIO**, resulting in a **complaint** under **Section 447** Companies Act (**CA**) 2013 **and** "other" **offences**.*

*(ii) These **offences** were **scheduled offences** under PMLA, **ED registered** an **ECIR** and subsequently **filed** its own **prosecution** complaint. The flow chart is as below:*

SFIO investigation

↓

*Companies Act (**CA**) 2013 fraud*

↓

Scheduled offence

↓

*ED identifies Proceeds of Crime (**PoC**)*

↓

PMLA investigation/prosecution.

(iii) *The important qualification is that **ED** is "not" merely **conducting** the "same" **investigation again**.*

(iv) ***Its** statutory **enquiry** is directed **towards** the money-**laundering component**.*

38. What is Vijayraj Surana v. Assistant Director (2024) in Madras High Court?

(i) *The Court **noted that** the **SFIO complaint** remained **in existence** even **though** the **FIR** investigated **by** "another" **agency** had been **quashed**.*

(ii) *The Court also **recognised** that **Section 447** Companies Act (CA), 2013 **is** a **scheduled offence** under PMLA, 2002.*

(iii) *The Court **explained** an important **distinction**:*

  (a) ***When** the scheduled **offence disappears** on substantive grounds, the **PMLA**, 2002 **case** may **lose** its **foundation**.*

  (b) *However, merely **quashing** an **FIR on technical**/procedural **grounds** does **not** "automatically" **destroy** the PMLA **proceedings**.*

  (c) *The Court **must examine** the circumstances **case by case**.*

(iv) *This is **important when SFIO** itself has **filed** a **complaint** under **Sec. 447** CA, 2013.*

39. What is ED v. SFIO and Ors. (2018) in Delhi High Court?

(i) *This is particularly important concerning the **coordination of** the **SFIO** / company-**offence** proceedings **with PMLA proceedings**.*

(ii) *The Delhi High Court dealt with the question that **Special Court should deal with** the scheduled **offence when** a **PMLA prosecution** was also **pending**.*

(iii) *The Court **applied Section 44** PMLA, 2002 **and directed** that the **SFIO prosecution be transferred**/committed **to** the **Special Court** which had taken cognizance of the PMLA complaint.*

(iv) ***Conclusion***

  (a) *The existence of **parallel SFIO and ED proceedings** does "not" **necessarily** mean **that 1 investigation replaces** the **other**.*

  (b) *Therefore, **Section 44** PMLA, 2002 **provides** a **mechanism for** coordinating the **trials**.*

40. What is Surendera Kumar Jain v. ED (2017) in Delhi High Court?

(i) *The **SFIO** had **investigated** the **companies** and **filed** a criminal **complaint** alleging **offences** including **cheating**, forgery and **conspiracy**.*

(ii) *The **ED** subsequently **registered** an **ECIR, relying** up**on** those **scheduled offences** under PMLA, 2002.*

(iii) *The important legal issue raised was **whether ED** could **proceed when** the **SFIO complaint** had been **filed** but **cognizance of** the **scheduled offence** had "not" yet been **taken**.*

(iv) *The case demonstrates that an **SFIO** investigation/**complaint** can **become** the factual and legal **starting point for** an **ED**/PMLA **investigation**.*

(v) *However, the **2 investigations** have **different** statutory **objects***

(vi) ***Conclusion***

(a) ***The SFIO's role***

- ***To investigate** the corporate **fraud**, affairs of the company **and offences** under the Companies Act (**CA**) 2013*

(b) ***The ED's role***

- ***To trace** the Proceeds of Crime (**PoC**) **and money-laundering** under PMLA, 2002.*

(c) ***The SFIO → ED nexus***

- ***SFIO** investigation ≠ **PMLA** investigation.*

41. What are the conclusions for current judicial status?

(i) *The **SFIO** and **ED can use overlapping** or even substantially "common" **evidence**, **but SFIO must establish** company-law **offences** while **ED must** independently **establish** the ingredients of **money laundering** under the PMLA 2002.*

(ii) *The **Madras High Court** has also **recognized that** an **SFIO proceeding** involving Sec. **447** of the Companies Act (**CA**) 2013 **can constitute a** scheduled **offence** giving ED jurisdiction, while **treating** the **PMLA investigation** as operating **under** a **separate** statutory **framework**.*

(iii) ***Practical legal principle***

(a) ***Common evidences** are permissible*

(b) ***Common facts** are permissible*

(c) ***Common witnesses** are permissible*

(d) ***Same Investigation** for Different Statutory offence is often permissible*

(e) ***Mechanical duplication** "without" proving independent the PMLA ingredients are **legally challengeable***

Published By

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Sep-2026