



Press Release

15.10.2026

Special Court, Bengaluru convicts former Excise official and his daughter under PMLA; five properties ordered for confiscation. Court also directs perjury case against one of the defence witness.

Directorate of Enforcement (ED), Bengaluru Zonal Office, has secured conviction against **M. Ramachandra**, a retired Excise Guard / in-charge Sub-Inspector (Accused No. 1), and his daughter **R. Yurekha** (Accused No. 2), for the offence of money laundering under Section 3, punishable under Section 4 of the Prevention of Money Laundering Act, 2002 (Spl.CC No. 357/2016, ED ECIR No. 07/BGZO/2009). The order of conviction was pronounced by the Court of the XLVII Additional City Civil & Sessions Judge and Special Judge for CBI Cases, Bengaluru (CCH-48), on 14 October 2026. The particulars of the judgement are as under:

Sentence and confiscation

Particulars	Accused No. 1 (M. Ramachandra)	Accused No. 2 (R. Yurekha)
Rigorous imprisonment	5 years	3 years
Fine	Rs. 5 lakhs	Rs. 3 lakhs
Default of fine	2 years simple imprisonment	1 year simple imprisonment

The Court ordered five immovable properties to be confiscated to the Central Government under Section 8(5) of the PMLA. The Court noted that the offence is against society at large and made no separate compensation order.

The Facts of the Case:

The case originates from FIR No. 16/2009 (7 July 2009) registered by Karnataka Lokayukta Police under Sections 13(1)(e) read with 13(2) of the Prevention of Corruption Act, 1988. ED registered ECIR No. 07/BGZO/2009 on 26 October 2009. The Lokayukta charge sheet covered the check period **1 July 1977 to 8 July 2009**. ED attached eight properties valued at **Rs. 1,09,39,539** vide Provisional Attachment Order No. 07/2016 dated 23.03.2016) and filed its prosecution complaint in June 2016.

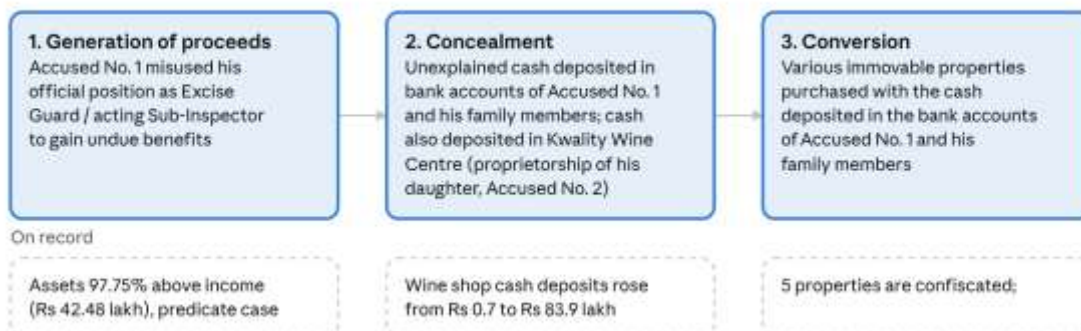
In the predicate case (Spl.CC No. 55/2020, judgment of 8 November 2024), Accused No. 1 was convicted under Section 13(1)(e) of the PC Act and sentenced to three years' rigorous imprisonment with a fine of Rs. 50 lakh. The trial court assessed his disproportionate assets at **Rs. 42,48,188.50, or 97.75% of known income**.

Modus operandi established by the investigation:

ED's investigation, supported by the evidence on record, showed the following pattern.

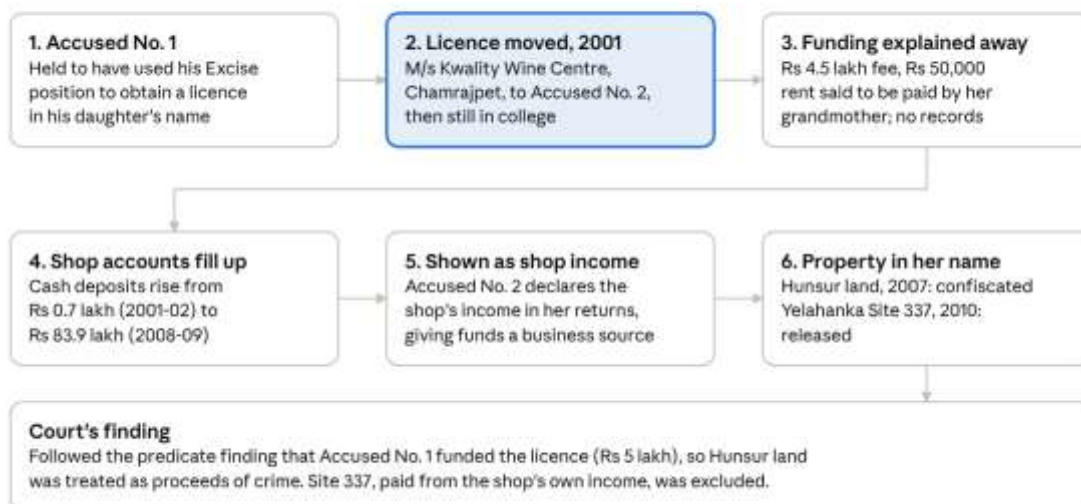
Generation, concealment and conversion

Generation, concealment and conversion of proceeds of crime



The wine shop route in detail:

Wine shop route: a licence in the daughter's name, then growing cash deposits



Key findings of the Court:

Offence proved beyond reasonable doubt against both accused under Sections 3 and 4 of the PMLA.

Section 24 presumption applied. The accused failed to rebut it. Their explanations, including that the Vijayanagar construction was financed by their mother and that Sharada bought the sites, were unsupported by documents.

Predicate judgment can be relied upon. Following *Vijay Madanlal Choudhary*, the Court relied on Spl.CC No. 55/2020 (Ex.P47) and noted that the defence itself accepted its findings.

No need to segregate or quantify tainted money. The Court held that blending of assets does not matter in Disproportionate asset case and it is

immaterial to quantify the Proceeds of Crime as only disproportionate proceeds are the crime proceeds in DA case.

Money laundering is a continuing offence. It continues while proceeds are possessed or projected as untainted, so acts predating the commencement of the PMLA did not defeat the charge.

Accused No. 2 liable as a knowing party. The Court held that she had knowingly assisted in holding property bought with Proceeds of Crime in her name.

Sentencing. The Court treated the offence as a white-collar economic offence with deep social impact. It weighed Accused No. 1's age (about 72) and Accused No. 2's family circumstances in mitigation. Considering the facts, the court has sentenced rigorous imprisonment of 5 years and fine of Rs. 5 Lakhs to Accused no.1 and rigorous imprisonment of 3 years and fine of Rs. 3 lakhs to Accused no.2.

Perjury direction against defence witness

By a separate order dated 14.10.2026 on ED's application, the Court found that defence witness 1, M. Jayaram (son of H. Mayanna Gowda), deposed falsely in chief that he did not know Accused No. 1. In cross-examination he admitted a family relationship, and that his earlier statement was false. Applying the five guidelines in *James Kunjwal v. State of Uttarakhand* (2024 INSC 601), the Court held there was prima facie reason to proceed and directed the Registrar, City Civil Court, to register a perjury case under Section 340 Cr.P.C. The Court noted that the same witness had also deposed in the predicate case.

Impact on other cases

- **Clear route for PMLA prosecution after a DA conviction.** A conviction under Section 13(1)(e) of the PC Act can anchor the PMLA trial, with the Section 24 burden on the accused.
- **Family members who hold or enjoy tainted assets are exposed** to prosecution, even if they were not accused in the predicate case.
- **Pre-2005 conduct is not a shield** where proceeds continue to be held or projected as untainted.
- **Defence witnesses face consequences for false testimony.** The perjury direction signals that evasive or false depositions on relationship and source of funds can lead to separate prosecution.