



MOOT PROPOSITION

1. The sovereign “Republic of Zindia” is a South Asian democratic country; the criminal laws and government organisations are *pari materia* with the laws of India, subject to exceptions specified hereafter. The Zindian Penal Code (ZPC) is the primary statute governing Criminal law in Zindia.
2. The term economic offences relate to fraud, counterfeiting, money-laundering, and tax evasion, among others. Zindian rules mentioned herein are also *pari materia* rules to India made in this regard.
3. The judicial decisions of the major countries including India (where common law is prevalent), are of significant value for the Republic of Zindia also. The Apex Court of Zindia also relies on established International law principles of the European Union.

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4. Mr. Sanjeev Walia is the chairman of United Spirits, the largest spirits company in India, and continues to serve as chairman of United Liquor Group, an Indian conglomerate with interests including beverage alcohol, aviation infrastructure, real estate, and fertilizer. Though Sanjeev Walia was born to humble parents, he never decided to settle for a quiet life like his father. He had soaring ambitions and a desire to exceed them. His journey started with United Liquor Group, which was already an MNC business conglomerate, comprising over 60 companies.

5. As soon as he joined the business, he worked hard to grow the business and managed to increase the overall turnover by around 64%, reaching US \$ 11 billion in 1998-1999. He was already living a lifestyle of that of kings, being dubbed as the “King of parties” that eventually became the tagline of PartyKing, his own brand for liquor and aviation.

6. In the year 2005, Mr. Walia launched his new airline company, PartyKing Airlines to further diversify his business, which later on became the cause of his downfall. Within a relatively short span of time, Sanjeev Walia got what he aimed for but continued to dream bigger. PartyKing Airlines was launched at the peak of his career when he was already living a lifestyle that most people cannot even

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dream of but after a brief spell of success and with skying debts, it was heavily struggling by 2012.

7. In order to continue his business, he took heavy loans from various banks. He took loans from 17 banks in the country (total Rs. 9000 crores). It is to further mention that Sanjeev Walia was a member of Rajya Sabha when he applied for these loans. It is alleged that he used his position of Member of Parliament (Rajya Sabha) to obtain loans from the banks even when he was declared bankrupt by various banks. It was alleged that he abused his power to gain monetary advantages and was thus charged under this Section. As a response to the above Sanjeev claimed that he never bribed any banking official for the loans that he received.

8. Even after multiple financial years Sanjeev was unable to repay the principal amount as a result of which the consortium of banks decided to file a court case against him for failure to repay the loan, fraud and criminal.

The various reasons which he cited for the failure of airlines were:

- High fuel prices
- Recession of 2008

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8. After the alleged scam in 2016 and actions initiated by the courts, he flew to the United Kingdom without facing any friction from the authorities. He denied all the allegations of scam and fraud alleged by the banks and his employees and wrote a letter promising to pay all the money back with proper interest. The Supreme Court in 2017 ordered him multiple times to appear before the court but he ignored the order. As a result, the court charged him with Contempt of court and fraud and ordered the government to seek his extradition.

9. On the other hand, the Government of India appealed in the court in London to send Sanjeev Walia back to his own country for completion of trial. The government of India requested a court in London for the extradition of Sanjeev Walia from their country to India. It was argued that he ran from the country after doing a scam with the intention to defraud the banks and people and took all the money illegally with him. They again filed an extradition request in 2017 in the court on the basis of which he was arrested and granted bail again. This happened every time such a request was made in court.

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10. The court in London opined that the appellant will not get a fair trial in India due to political influence and pressure, and will be miserably tortured. They applied human rights in a strict sense and denied the request of the Indian Government. They found the request of extradition by the Indian Government opposing and against the European Convention on human rights because of poor prison conditions in India and ordered to improve the conditions and facilities in prisons.

11. The government of India assured a fair trial, compliance of human rights and humane prison conditions for the Sanjeev. An extradition agreement was arrived a between India and UK, where Sanjeev had been staying. India had assured UK that if Sanjeev were extradited, he would not be imprisoned for more than 10 years. As an essential element of the agreement, UK sought India's promise that Sanjeev would not be prosecuted for any offence in Addition to his charges of Fraud, Conspiracy and charges under the Prevention of Corruption Act.

12. United Kingdom's Court said that in case India breached its undertaking, UK could terminate the extradition. It further emphasised that under the "principle of speciality", Sanjeev should be tried only for the alleged offences mentioned in the

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extradition request. The Indian government unconditionally agreed to all the above mentioned extradition conditions and Sanjeev was brought back to India.

13. The CBI charged Mallya under Sections 120B (criminal conspiracy) and 420 (cheating) of the Indian Penal Code, and Sections 13(1)(d) and 13(2) of the Prevention of Corruption Act. In addition to the above The ED has charged Mallya under Sections 3 and 4 of the Prevention of Money Laundering Act (PMLA). The agency has alleged that the now defunct PartyKing Airlines “diverted” at least Rs 3,547 crore of the loans that it received.

14. The Delhi High Court found Sanjeev Guilty on all of the above counts and sentenced him for 15 years of imprisonment while ordering the attachment of his properties to satisfy the loan amount of RS. 9,000 Crores.

15. The counsel on behalf of Sanjeev walia filed a Writ petition in the Supreme Court of India while raising the following issues:

A. The Delhi High Court wrongly framed the charges and Sanjeev cannot be tried under the Prevention of Money Laundering Act (PMLA), 2002 as per the extradition agreement. They have further argued that the quantum of punishment also dishonors the extradition agreement between the Government of UK and the Government of India

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B. The petitioners claim Sanjeev's innocence against all the other charges which have been validly framed.

C. The petitioners have further challenged the Constitutional validity of the Prevention of Money Laundering Act, 2002.

NOTE:

1. Participants have the liberty to frame sub-issues/ additional issues for clarity and convenience.

2. For the purpose of the competition "The Fugitive Economic Offenders Act, 2018" shall be deemed to be non-existent.

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