

**IN THE HIGH COURT OF MANIPUR
AT IMPHAL**

**WP(C) No. 478 of 2024 with
MC(WP(C) No. 412 of 2024**

Suresh Prasad

.....*Petitioner/s*

- Versus -

Directorate of Enforcement

.... *Respondent/s*

BEFORE
HON'BLE MR. JUSTICE A. GUNESHWAR SHARMA

Order

01.04.2025

[1] Heard Mr. M. Gunedhor, learned counsel for the petitioner and Mr. D. Julius Riamei, learned counsel for the respondent, Directorate of Enforcement.

[2] The petitioner approached this Court by way of present writ petition being WP(C) No. 478 of 2024 for setting aside the impugned Provisional Attachment Order No. 02/2024 bearing File No. ECIR/GWZO/01/01/2019 dated 07.03.2024 wherein three bank accounts of the petitioner are proposed to be attached under Sub-Section (1) of Section 5 of the Prevention of Money Laundering Act, 2002 (in short PMLA).

[3] The prayer is reproduced as:

- “(i) To admit this petition;
- (ii) Call for records of the case;
- (iii) issue rule nisi calling upon the respondent to show cause as to why the impugned order/notice dated

- 07.03.2024 issued by the Deputy Director, Directorate of Enforcement, Imphal Sub-Zonal Office, i/c with ECIR/GWZO/01/2019/60 and all the consequent actions in pursuance of the notice shall not be set aside and quashed by declaring the same as illegal and unconstitutional;
- (iv) Defreeze the petitioner's bank accounts which was freezed by the respondent authority by setting aside the impugned notice dated 07.03.2024;
 - (v) pass any other appropriate order/direction that this Hon'ble Court deems fit and proper to secure the ends of justice;
- AND
- (vi) In the interim stay the notice dated 07.03.2024 by declaring the same as illegal and unconstitutional."

[4] Mr. M. Gunedhor, learned counsel for the petitioner, submits that vide notice bearing F.No. ECIR/GWZO/01/2019 dated 25.11.2021 issued by the respondent to Axis Bank, New Friends Colony Branch, New Delhi, it was proposed for freezing 11 bank account under Section 17 (1-A) of PMLA. It is stated that except bank account of serial No. 7, the 10 bank accounts belong to the petitioner herein. It is further pointed out that vide order dated 08.02.2024 passed by this Court in WP(C) No. 02 of 2022, the freezing of accounts of the petitioner mentioned in the letter dated 25.11.2021 was held to be illegal in terms of Section 8(3)(a) of PMLA on expiring of 365 days. It is also submitted that respondents were directed to defreeze the accounts within two months. Learned counsel for the petitioner submits that in terms of the order dated 08.02.2024 passed by this Court, there is no impediment for the petitioner in operating the accounts frozen earlier by the letter dated 25.11.2021 issued by the respondent.

[5] Since the accounts were not defreezed within two months, the petitioner filed a contempt case being Cont.Cas (C) No. 50

of 2024 before this Court and the same was closed vide order dated 25.06.2024 as the respondents issued the present impugned order dated 07.03.2024 of attaching three bank accounts of the petitioner mentioned at serial Nos. 5, 6 & 10 in terms of Section 5 of PMLA giving liberty to challenge the order dated 07.03.2024.

[6] Mr. M. Gunedhor, learned counsel for the petitioner draws the attention of this Court to the scheme of PMLA whereas the authority can initiate three actions i.e. attachment under Section 5 of the Act, seizure of the document of the property or freezing of the bank accounts under Sections 17 or 18 of the Act. Once the authority exercises one of the options available under Section 5, 17 or 18 and attains finality, the authority cannot resort to the remaining options as the same will amount to abuse of process of law. It is pointed out that the impugned provisional order dated 07.03.2024 for attachment of three bank accounts of the petitioner at serial Nos. 5, 6 & 10 in the letter dated 25.11.2021 is nothing but an abuse of process of law of nullifying the direction of this Court vide order dated 08.02.2024 in WP(C) No. 2 of 2022 and it is prayed that the impugned provisional order of attachment dated 07.03.2024 be set aside.

[7] On the other hand, Mr. D. Julius Riamei, learned counsel for the respondent, submits that the attachment under Section 5 or seizure and freezing of account under Sections 17 & 18 have to be confirmed by the adjudicating authority under Section 8 of PMLA. Any order passed by the adjudicating authority under Section 8 of the Act is appealable before the appellate tribunal under Section 26 of the Act

and against the order of the appellate tribunal under Section 26, an appeal lies before the High Court under Section 42 of the Act.

[8] Referring to the counter affidavit, Mr. D. Julius Riamei, learned counsel for the respondent, submits that the provisional notice dated 07.03.2024 has already been confirmed by the adjudicating authority under Section 8 of the Act vide its order dated 18.07.2024 and against the order by the adjudicating authority, an appeal being No. 1661 of 2024 under Section 26 of the Act has been preferred by the petitioner herein before the appellate tribunal and the same is pending. It is submitted that since the appeal is pending before the appellate tribunal, writ petition under Article 226 is not maintainable before this Court. Learned counsel relies on the decisions reported as (2010) 14 SCC 38 and (2025) SCC OnLine SC 556. It is prayed that the writ petition be dismissed with exemplary cost for not disclosing all relevant facts.

[9] This Court has perused the materials on record, the provisions of the Act and the submissions made at the bar.

[10] In the earlier notice dated 25.11.2021 issued by the respondent, 10 bank accounts of the petitioner were proposed to be frozen and the notice dated 25.11.2021 was held by this Court as illegal vide order dated 08.02.2024 in WP(C) No. 02 of 2022 and the accounts were directed to be defreezed within two months.

[11] By the impugned provisional order dated 07.03.2024, the bank accounts mentioned at serial Nos. 5, 6 & 10 of the notice dated 25.11.2021 are proposed to be attached under the provision of Section

5 of the Act and the same has been confirmed by the adjudicating authority vide order dated 18.07.2024. Against the order of adjudicating authority, an appeal before the appellate tribunal has been preferred by the petitioner and the appeal being No. 1661 of 2024 is pending before the appellate tribunal.

[12] This Court finds substance in the submission of Mr. D. Julius Riamei, learned counsel for the respondent that the writ petition challenging the provisional order dated 07.03.2024 is not maintainable, as the same is subject matter of the appeal before the appellate tribunal under Section 26 of PMLA.

[13] Accordingly, writ petition is dismissed as not maintainable in the present form, as the subject matter is pending for adjudication before the appellate tribunal. However, liberty is granted to the petitioner to raise all points in the present writ petition before the appellate tribunal as per rule, including the proposition that once the authority exercises one of the options contemplated under Sections 5, 17 or 18 of PMLA, the authority cannot resort to the other remaining options.

[14] With this observation, writ petition is dismissed. Misc. application is also closed. Interim order, if any, merges with the final order.

JUDGE

Kh. Joshua Maring

**KH. JOSHUA
MARING**
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