



CGHC010244992026



2026:CGHC:35441

NAFR**HIGH COURT OF CHHATTISGARH AT BILASPUR****WPC No. 3329 of 2026**

Order Reserved on 06/08/2026

Final Order Delivered on 12/08/2026

Final Order Uploaded on 12/08/2026



1 - M/s Mokshit Corporation Through Partner Shashank Chopda S/o Shri Shanti Lal Chopda Aged About 33 Years Address 35 Azad Ward Ganjpara Durg District Durg C.G.

2 - Shashank Chopda S/o Shri Shanti Lal Chopada Aged About 33 Years Azad Ward Chopda Compound Ganjpara Durg Tehsil And District Durg C.G.

3 - Shanti Lal Chopda S/o Late Shri Champa Lal Chopda Aged About 35 Years R/o Azad Ward Chopda Compound Ganjpara Durg Tehsil And District Durg C.G.

4 - M/s Mokshit Infrastructuire And Developers Through Partner Shashank Chopda S/o Shri Shanti Lal Chopda Aged About 33 Years Address Ge Road Ganjpara Durg District Durg C.G.

Petitioner(s)**Versus**

1 - Directorate Of Enforcement Through Deputy Derector (Ed) Raipur Zonal Office Part Of 2nd Floor Newtaji Subhash Sadium Moti Bagh Raipur District Raipur C.G.

2 - Ld. Adjudicating Authority (Pmla) Through The Chairperson Room No. 7 4th Floor Jeevan Deep Building Parliament Street New Delhi 110001.

Respondent(s)

(Cause-title taken from Case Information System)

For Petitioner(s) : Mr. Kumar Vaibhav along with Mr. Myank Kumar,
Advocates

For Respondent(s) : Dr. Sourabh Pande, Advocate

CAV Order**Per Bibhu Datta Guru, J.**

1. At the very outset, learned counsel appearing for the respondents/ED raised an objection with regard to maintainability of the present Writ Petition, therefore, this Court heard the parties only on this issue.
2. The present writ petition has been preferred under Article 226 of the Constitution of India by the petitioners calling in question the legality, validity and propriety of the Provisional Attachment Order (PAO) No. 06/2026 dated 13.03.2026 issued by respondent No.1 under Section 5(1) of the Prevention of Money Laundering Act, 2002 (for short, "the PMLA"), whereby 46 immovable and movable properties of the petitioners, valued at approximately ₹80.36 Crores, have been provisionally attached. The petitioners have also assailed the Original Complaint dated 10.04.2026 filed by the Directorate of Enforcement before the Adjudicating Authority under Section 5(5) of the PMLA, as also the Show Cause Notice dated 30.04.2026 issued by the Adjudicating Authority under Section 8 of the PMLA pursuant thereto, seeking quashment of the entire proceedings.
3. (a) Case of the petitioners is that petitioner No.1 is a partnership firm engaged in the business of supply of medical equipments, reagents and consumables to various Government and private institutions, whereas

petitioner No.2 is one of its partners. It is the further case of the petitioners that petitioner No.1 was awarded Tender No.182 by the Chhattisgarh Medical Services Corporation Limited (CGMSCL) for supply of medical equipments and consumables and, pursuant thereto, supplied medical goods worth approximately ₹476.84 Crores. According to the petitioners, against the aforesaid supplies, payments to the extent of only about ₹205.07 Crores have been received from CGMSCL and substantial amounts continue to remain outstanding. It is also the case of the petitioners that the Directorate of Enforcement has initiated proceedings under the PMLA alleging that the petitioners had generated proceeds of crime in relation to the said tender, culminating in the passing of the impugned PAO, followed by the filing of the Original Complaint before the Adjudicating Authority and issuance of the Show Cause Notice under Section 8 of the Act. It has been pleaded that the Directorate of Enforcement has erroneously treated the commercial margin arising out of the execution of the said government contract as "proceeds of crime" and has proceeded to attach the petitioners' properties without there being any material to establish generation of proceeds of crime within the meaning of Section 2(1)(u) of the PMLA.

(b) It is further pleaded that while computing the alleged proceeds of crime, the Directorate has ignored various commercial expenditures, including taxes, logistics, transportation, warehousing, servicing obligations and other operational costs incurred by the petitioner-company. The petitioners have also asserted that several attached

properties had been acquired much prior to the alleged commission of the scheduled offence and, therefore, the conditions prescribed under Section 5 of the PMLA for provisional attachment are not satisfied. On the aforesaid premises, the petitioners contend that the impugned PAO are without jurisdiction and liable to be quashed in exercise of powers under Article 226 of the Constitution.

(c) Further case of the petitioners is that an FIR bearing No.05/2025 dated 22.01.2025 came to be registered by the Economic Offences Wing/Anti-Corruption Bureau, Raipur alleging commission of offences under the Prevention of Corruption Act, 1988 and the Indian Penal Code against petitioner No.1-firm, petitioner No.2 and certain public servants in relation to procurement of medical equipments and consumables for the Chhattisgarh Medical Services Corporation Limited (CGMSCL). According to the petitioners, on the basis of the said FIR, ECIR No. RPZO/07/2025 dated 18.02.2025 was recorded by the Directorate of Enforcement under the provisions of the Prevention of Money Laundering Act, 2002. It is further pleaded that, during the course of investigation, the Directorate of Enforcement alleged that petitioner No.1, acting through petitioner No.2, had manipulated the tender process relating to Tender No.182 and thereby generated proceeds of crime, which were quantified at approximately ₹135.02 Crores. It is the petitioners' case that, on the basis of the aforesaid allegations, the impugned PAO under Section 5(1) of the PMLA came to be issued, followed by the filing of an Original Complaint before the Adjudicating

Authority under Section 5(5) of the Act, pursuant to which proceedings under Section 8 of the PMLA are presently pending.

4. (I) Learned counsel appearing for the petitioner would contend that the impugned PAO has been passed without satisfying the mandatory jurisdictional requirements contained in Section 5(1) of the PMLA. It is submitted that the very assumption of jurisdiction by the Directorate of Enforcement is *ex facie* illegal inasmuch as no "proceeds of crime", as defined under Section 2(1)(u) of the PMLA, have come into existence. According to the petitioners, the Directorate has mechanically treated the commercial profit or margin arising from execution of a valid Government contract as proceeds of crime without first establishing that such amount represents property derived or obtained as a result of criminal activity relating to a scheduled offence. It is argued that when the foundational jurisdictional facts necessary for invoking Section 5 are absent, the consequential attachment proceedings are rendered void ab initio and such a jurisdictional defect cannot be relegated to the statutory authorities constituted under the PMLA.

(II) It is further submitted that the challenge raised in the present writ petition is not directed merely against the subjective satisfaction recorded by the Directorate or against the sufficiency of material collected during investigation, but against the very jurisdiction of the authority to invoke the provisions of the PMLA. Learned counsel would submit that the questions raised in the present petition are pure questions of law relating to the interpretation of the expression "proceeds of

crime", the scope of Section 5 of the PMLA and the existence of jurisdictional facts, which can appropriately be examined by this Court in exercise of its constitutional jurisdiction.

(III) Learned Counsel would further submit that the petitioners have specifically pleaded that the Directorate has proceeded on an inherently erroneous premise by treating the difference between the procurement price and the contractual sale price as proceeds of crime without accounting for manufacturing costs, transportation charges, warehousing expenses, taxes, maintenance obligations, after-sale services, financing costs and other legitimate commercial expenditures. It is contended that the attachment of properties acquired much prior to the alleged commission of the scheduled offence itself demonstrates complete non-application of mind and absence of the jurisdictional satisfaction contemplated under Section 5(1) of the PMLA. According to the petitioners, these defects strike at the root of the jurisdiction exercised by the Directorate and are not mere errors liable to be corrected in appeal.

(IV) Learned counsel would also submit that although proceedings before the Adjudicating Authority under Section 8 of the Act are stated to be pending, the said proceedings commence only after a valid exercise of jurisdiction under Section 5. According to him, the Adjudicating Authority cannot confer legality upon an order which is void for want of jurisdiction at its inception.

5. (A) Learned counsel appearing for the respondents/ED, at the very outset, raised a preliminary objection regarding the maintainability of the present writ petition. It is submitted that the challenge in the present writ petition is directed against the PAO No.06/2026 dated 13.03.2026 passed under Section 5(1) of the PMLA. According to the respondent, the impugned attachment is merely a provisional measure contemplated under the statutory scheme and cannot be examined in isolation *de hors* the adjudicatory mechanism specifically provided under the PMLA. It is contended that immediately after passing of the PAO, the Directorate of Enforcement has filed the Original Complaint before the learned Adjudicating Authority under Section 5(5) of the PMLA within the prescribed period and the adjudication proceedings under Section 8 are presently pending. The petitioners have already been served with notice by the Adjudicating Authority and are entitled to raise all factual and legal objections before the said forum. It is, therefore, submitted that the present writ petition, filed during the pendency of the statutory adjudication proceedings, is premature and not maintainable in law.

(B) It is further submitted that the PMLA constitutes a complete code providing an effective and efficacious adjudicatory mechanism against every provisional attachment. Under Section 8 of the PMLA, the Adjudicating Authority is empowered to independently examine the legality and validity of the provisional attachment after issuing notice, considering the reply of the affected person, affording an opportunity of hearing and examining the material produced by both sides. It is

contended that against the order passed by the Adjudicating Authority, a statutory appeal lies before the Appellate Tribunal under Section 26 of the PMLA, followed by a further appeal before the jurisdictional High Court under Section 42 of the PMLA. According to the respondent, the Parliament having created a complete hierarchy of statutory forums for adjudication of disputes arising out of attachment proceedings, the extraordinary jurisdiction of this Court under Article 226 of the Constitution ought not to be invoked at this intermediate stage by bypassing the statutory mechanism.

(C) Learned counsel would further submit that the petitioners cannot avoid the statutory remedy merely by alleging that the impugned order is without jurisdiction. According to the respondent, every contention sought to be urged in the present writ petition, including the existence of "proceeds of crime", the legality of the recorded "reasons to believe", the validity of the provisional attachment, the alleged absence of jurisdiction and the interpretation of the provisions of the PMLA, can appropriately be examined by the Adjudicating Authority in the first instance. It is contended that the questions sought to be raised by the petitioners involve detailed examination of the material collected during investigation, appreciation of financial records, contractual documents and disputed questions of fact, which are matters falling squarely within the jurisdiction of the statutory authority constituted under the PMLA.

(D) It is also submitted that entertaining the present writ petition despite the pendency of proceedings before the Adjudicating Authority

would amount to permitting parallel proceedings in respect of the very same subject matter and would defeat the statutory scheme enacted by Parliament. According to the respondent, the petitioners have an adequate and efficacious remedy before the specialized forum constituted under the PMLA and have failed to demonstrate any exceptional circumstance, such as patent lack of jurisdiction, violation of principles of natural justice or challenge to the constitutional validity of any statutory provision, so as to warrant interference by this Court in exercise of its extraordinary jurisdiction under Article 226 of the Constitution.

(E) In support of the aforesaid preliminary objection, reliance has been placed upon the decisions of the Hon'ble Supreme Court in *Pareena Swarup v. Union of India*, (2008) 14 SCC 107 and *Special Director and Another v. Mohd. Ghulam Ghouse and another* (2004) 3 SCC 440, as well as the decisions of the Delhi High Court in *Rai Foundation v. Directorate of Enforcement*, 2015 SCC OnLine Del 7626, *Rose Valley Hotels & Entertainments Ltd. v. Secretary, Department of Revenue*, 2015 SCC OnLine Del 10111, *RBL Bank Ltd. v. Directorate of Enforcement and Ors.* (LPA No.381/2023 decided on 19.9.2023), *Gold Croft Properties Pvt. Ltd. v. Directorate of Enforcement* (LPA No.167/2023) and *M/s Krrish Realtech Pvt. Ltd. v. Union of India* (WPC & CM Appl. 4399/2025 decided on 3.11.2025), to contend that where the PMLA provides a complete adjudicatory and appellate mechanism, the High Court ought not to entertain a writ

petition challenging a provisional attachment order and the aggrieved party must first exhaust the statutory remedies available under the Act.

6. (Aa) Learned counsel appearing for the petitioners, while opposing the preliminary objection raised by the learned counsel for the respondent, as to the maintainability of the writ petition, would submit that the existence of an alternative statutory remedy under the PMLA, does not operate as an absolute bar to the exercise of jurisdiction by this Court under Article 226 of the Constitution of India. It is contended that the rule of alternative remedy is merely a rule of self-imposed restraint and not one affecting the jurisdiction of the High Court. According to the learned Counsel, where the impugned action is wholly without jurisdiction, suffers from patent illegality, or has been taken in flagrant violation of the statutory provisions, this Court would be fully justified in exercising its extraordinary writ jurisdiction notwithstanding the availability of a statutory remedy.

(Ab) In support of his contention, learned counsel would place reliance upon the decision rendered by the Supreme Court in the matter of ***Opto Circuit India Limited v. Axis Bank & Others (2021) 6 SCC 707*** and ***Godrej Sara Lee Ltd., v. Excise and Taxation Officer-cum-Assessing Authority and Others (2023) 109 GSTR 402***, the decision of High Court of Delhi in the matter of ***Bharati Sahakari Bank Ltd. v. Union of India & Others, 2026 SCC Online Del 2536*** and the decision of High Court of Karnataka in the matter of ***Jayamma v. Directorate of Enforcement, Represented by its Deputy Director, 2026 SCC OnLine Kar 4012*** and

would submit that the mere availability of an alternative statutory remedy of appeal or revision, which has not been availed of by the party invoking the writ jurisdiction of this Court under Article 226 of the Constitution of India, does not oust the jurisdiction of the High Court or render the writ petition non-maintainable.

7. I have heard learned counsel for the parties at length, considered their rival submissions and perused the record of the writ petition.
8. The principal question, which arises for consideration before this Court is:

“Whether the present writ petition challenging the PAO dated 13.03.2026 and the consequential proceedings initiated under the PMLA is maintainable under Article 226 of the Constitution of India despite the complete statutory adjudicatory mechanism provided under the PMLA ?”

9. At the outset, this Court finds considerable force in the preliminary objection raised by the learned counsel appearing for the respondent-Directorate of Enforcement regarding the maintainability of the present writ petition.
10. The PMLA has been enacted by the Parliament with an intent to prevent money-laundering and to provide for confiscation of property derived from, or involved in, money-laundering and for matters connected therewith or incidental thereto. The said enactment categorically provides a complete adjudicatory mechanism in respect of an order of provisional attachment. Section 5(5) of the PMLA mandates filing of a

complaint before the Adjudicating Authority, which, in terms of Section 8 of the PMLA, is empowered to examine the legality and validity of the provisional attachment after issuing notice to the affected person, considering his reply, affording him an opportunity of hearing and taking into consideration the material placed before it.

11. Against the order passed by the Adjudicating Authority, the PMLA provides a statutory appeal before the Appellate Tribunal under Section 26 and a further appeal before the jurisdictional High Court under Section 42 of the PMLA. Thus, the PMLA provides a complete and efficacious statutory mechanism for adjudication of disputes arising out of provisional attachment proceedings.
12. The Hon'ble Supreme Court, in *Pareena Swarup* (supra), has recognised the Adjudicating Authority as an expert statutory forum constituted to determine the legality of attachment proceedings and observed that its functions relating to confirmation of provisional attachment are civil in nature.
13. For proper adjudication, it would be apt to quote relevant provisions of Sections 2(1)(u), 5, 8, 26 and 42 of the PMLA, which read thus :-

“2. Definitions.- (1) *In this Act, unless the context otherwise requires-*

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(u) *“proceeds of crime” means any property derive or obtained, directly or indirectly, by any person as a result of*

criminal activity relating to a scheduled offence or the value of any such property or where the such property is taken or held outside the country, then the property equivalent in value held within the country or abroad.

Explanation.- For the removal of doubts, it is hereby clarified that “proceeds of crime” including property not only derived or obtained from the scheduled offence but also any property which may directly or indirectly be derived or obtained as a result of any criminal activity relatable to the scheduled offence

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5. Attachment of property involved in money-laundering.-

(1) Where the Director or any other officer not below the rank of Deputy Director authorised by the Director for the purposes of this section, has reason to believe (the reason for such belief to be recorded in writing), on the basis of material in his possession, that-

(a) any person is in possession of any proceeds of crime; and

(b) such proceeds of crime are likely to be concealed, transferred or dealt with in any manner which may result in frustrating any proceedings relating to confiscation of such proceeds of crime under this Chapter,

he may, by order in writing, provisionally attach such property for a period not exceeding one hundred and eighty days from the date of the order, in such manner as may be prescribed:

Provided that no such order of attachment shall be made unless, in relation to the scheduled offence, a report has been forwarded to a Magistrate under section 173 of the Code of Criminal Procedure, 1973 (2 of 1974), or a complaint has been filed by a person authorised to investigate the offence mentioned in that Schedule, before a Magistrate or court for taking cognizance of the scheduled offence, as the case may be, or a similar report or complaint has been made or filed under the corresponding law of any other country:

Provided further that, notwithstanding anything contained in [first proviso], any property of any person may be attached under this section if the Director or any other officer not below the rank of Deputy Director authorised by him for the purposes of this section has reason to believe (the reasons for such belief to be recorded in writing), on the basis of material in his possession, that if such property involved in money-laundering is not attached immediately under this Chapter, the non-attachment of the property is likely to frustrate any proceeding under this Act.].

{Provided also that for the purposes of computing the period of one hundred and eighty days, the period during which the proceedings under this section is stayed by the High Court, shall be excluded and a further period not exceeding thirty days from the date of order of vacation of such stay order shall be counted.

(2) The Director, or any other officer not below the rank of Deputy Director, shall, immediately after attachment under sub-section (1), forward a copy of the order, along with the material in his possession, referred to in that sub-section, to the Adjudicating Authority, in a sealed envelope, in the

manner as may be prescribed and such Adjudicating Authority shall keep such order and material for such period as may be prescribed.

(3) Every order of attachment made under sub-section (1) shall cease to have effect after the expiry of the period specified in that sub-section or on the date of an order made under ³[sub-section (3)] of section 8, whichever is earlier

(4) Nothing in this section shall prevent the person interested in the enjoyment of the immovable property attached under sub-section (1) from such enjoyment.

Explanation. For the purposes of this sub-section "person interested", in relation to any immovable property, includes all persons claiming or entitled to claim any interest in the property.

(5) The Director or any other officer who provisionally attaches any property under sub-section (1) shall, within a period of thirty days from such attachment, file a complaint stating the facts of such attachment before the Adjudicating Authority

8. Adjudication.-*(1) On receipt of a complaint under sub-section (5) of section 5, or applications made under sub-section (4) of section 17 or under sub-section (10) of section 18, if the Adjudicating Authority has reason to believe that any person has committed an offence under section 3 or is in possession of proceeds of crime], he may serve a notice of not less than thirty days on such person calling upon him to indicate the sources of his income, earning or assets, out of which or by means of which he has acquired the property attached under sub-section (1) of section 5, or, seized or frozen under section 17 or section 18, the evidence on which*

he relies and other relevant information and particulars, and to show cause why all or any of such properties should not be declared to be the properties involved in money-laundering and confiscated by the Central Government:

Provided that where a notice under this sub-section specifies any property as being held by a person on behalf of any other person, a copy of such notice shall also be served upon such other person:

Provided further that where such property is held jointly by more than one person, such notice shall be served to all persons holding such property.

(2) The Adjudicating Authority shall, after—

(a) considering the reply, if any, to the notice issued under sub-section (1);

(b) hearing the aggrieved person and the Director or any other officer authorised by him in this behalf, and

(c) taking into account all relevant materials placed on record before him,

by an order, record a finding whether all or any of the properties referred to in the notice issued under sub-section (1) are involved in money-laundering:

Provided that if the property is claimed by a person, other than a person to whom the notice had been issued, such person shall also be given an opportunity of being heard to prove that the property is not involved in money-laundering.

(3) Where the Adjudicating Authority decides under sub-section (2) that any property is involved in money-laundering, he shall, by an order in writing, confirm the

attachment of the property made under sub-section (1) of section 5 or retention of property or record seized or frozen under section 17 or section 18 and record a finding to that effect, whereupon such attachment or retention or freezing of the seized or frozen property or record shall—

(a) continue during investigation for a period not exceeding three hundred and sixty-five days or the pendency of the proceedings relating to any offence under this Act before a court or under the corresponding law of any other country, before the competent court of criminal jurisdiction outside India, as the case may be; and

(b) become final after an order of confiscation is passed under sub-section (5) or sub-section (7) of section 8 or section 58B or sub-section (2A) of section 60 by the (Special Court).

Explanation.—For the purposes of computing the period of three hundred and sixty-five days under clause (a), the period during which the investigation is stayed by any court under any law for the time being in force shall be excluded.

(4) Where the provisional order of attachment made under sub-section (1) of section 5 has been confirmed under sub-section (3), the Director or any other officer authorised by him in this behalf shall forthwith take the possession of the property attached under section 5 or frozen under sub-section (1A) of section 17, in such manner as may be prescribed:

Provided that if it is not practicable to take possession of a property frozen under sub-section (1A) of section 17, the

order of confiscation shall have the same effect as if the property had been taken possession of.

(5) Where on conclusion of a trial of an offence under this Act, the Special Court finds that the offence of money-laundering has been committed, it shall order that such property involved in the money-laundering or which has been used for commission of the offence of money-laundering shall stand confiscated to the Central Government.

(6) Where on conclusion of a trial under this Act, the Special Court finds that the offence of money-laundering has not taken place or the property is not involved in money-laundering, it shall order release of such property to the person entitled to receive it.

(7) Where the trial under this Act cannot be conducted by reason of the death of the accused or the accused being declared a proclaimed offender or for any other reason or having commenced but could not be concluded, the Special Court shall, on an application moved by the Director or a person claiming to be entitled to possession of a property in respect of which an order has been passed under sub-section (3) of section 8, pass appropriate orders regarding confiscation or release of the property, as the case may be, involved in the offence of money-laundering after having regard to the material before it.

(8) Where a property stands confiscated to the Central Government under sub-section (5), the Special Court, in such manner as may be prescribed, may also direct the Central Government to restore such confiscated property or part thereof of a claimant with a legitimate interest in the

property, who may have suffered a quantifiable loss as a result of the offence of money laundering:

Provided that the Special Court shall not consider such claim unless it is satisfied that the claimant has acted in good faith and has suffered the loss despite having taken all reasonable precautions and is not involved in the offence of money laundering:

Provided further that the Special Court may, if it thinks fit, consider the claim of the claimant for the purposes of restoration of such properties during the trial of the case in such manner as may be prescribed.”

26. Appeals to Appellate Tribunal.—(1) *Save as otherwise provided in sub-section (3), the Director or any person aggrieved by an order made by the Adjudicating Authority under this Act, may prefer an appeal to the Appellate Tribunal.*

(2) Any (reporting entity) aggrieved by any order of the Director made under sub-section (2) of section 13, may prefer an appeal to the Appellate Tribunal.

(3) Every appeal preferred under sub-section (1) or sub-section (2) shall be filed within a period of forty-five days from the date on which a copy of the order made by the Adjudicating Authority or Director is received and it shall be in such form and be accompanied by such fee as may be prescribed:

Provided that the Appellate Tribunal may after giving an opportunity of being heard entertain an appeal after the expiry of the said period of forty-five days if it is satisfied that there was sufficient cause for not filing it within that period.

(4) On receipt of an appeal under sub-section (1), or sub-section (2), the Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or setting aside the order appealed against.

(5) The Appellate Tribunal shall send a copy of every order made by it to the parties to the appeal and to the concerned Adjudicating Authority or the Director, as the case may be.

(6) The appeal filed before the Appellate Tribunal under sub-section (1) or sub-section (2) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal finally within six months from the date of filing of the appeal.

42. Appeal to High Court.—*Any person aggrieved by any decision or order of the Appellate Tribunal may file an appeal to the High Court within sixty days from the date of communication of the decision or order of the Appellate Tribunal to him on any question of law or fact arising out of such order:*

Provided that the High Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding sixty days.

Explanation.—*For the purposes of this section, “High Court” means—*

(i) The High Court within the jurisdiction of which the aggrieved party ordinarily resides or carries on business or personally works for gain; and

(ii) Where the Central Government is the aggrieved party, the High Court within the jurisdiction of which the respondent, or in a case where there are more than one respondent, any of the respondents, ordinarily resides or carries on business or personally works for gain.”

14. A conjoint reading of the aforesaid provisions of the PMLA would show that the Parliament has provided a complete adjudicatory mechanism against every provisional attachment order. The legality of the provisional attachment is required to be examined, in the first instance, by the Adjudicating Authority after affording full opportunity of hearing to the affected person. The order passed by the Adjudicating Authority is further amenable to appeal before the Appellate Tribunal and thereafter before the jurisdictional High Court. Thus, the legislative scheme clearly indicates that questions relating to the legality, validity and correctness of a provisional attachment are intended to be adjudicated within the statutory framework itself.
15. In the case of ***Mohd. Ghulam Ghouse*** (supra), the Hon’ble Supreme Court held that where a statute provides an efficacious alternative remedy before a competent forum, the High Court should ordinarily decline to entertain a writ petition unless exceptional circumstances are demonstrated. In para 5, it has been held that:-

“5. This Court in a large number of cases has deprecated the practice of the High Courts entertaining writ petitions questioning legality of the show-cause notices stalling enquiries as proposed and retarding investigative process to

find actual facts with the participation and in the presence of the parties. Unless the High Court is satisfied that the show-cause notice was totally non est in the eye of the law for absolute want of jurisdiction of the authority to even investigate into facts, writ petitions should not be entertained for the mere asking and as a matter of routine, and the writ petitioner should invariably be directed to respond to the show-cause notice and take all stands highlighted in the writ petition. Whether the show-cause notice was founded on any legal premises, is a jurisdictional issue which can even be urged by the recipient of the notice and such issues also can be adjudicated by the authority issuing the very notice initially, before the aggrieved could approach the court. Further, when the court passes an interim order it should be careful to see that the statutory functionaries specially and specifically constituted for the purpose are not denuded of powers and authority to initially decide the matter and ensure that ultimate relief which may or may not be finally granted in the writ petition is not accorded to the writ petitioner even at the threshold by the interim protection granted.”

16. In the case of **Rai Foundation** (supra), the Delhi High Court has held that:-

“11. A perusal of Section 5 of the Act makes it clear that the order passed under sub-section 1 is a provisional measure and valid for maximum period of 180 days. The provisional attachment has to be approved by the Adjudicating Authority after proper adjudication within 180 days. The act envisages three layers of the grievance redressal in addition to safeguards incorporated in Section 5(1) of the Act. The

Adjudicating Authority may confirm or set aside the provisional attachment order on the basis of material produced by the parties before it. If Adjudicating Authority confirms the order of provisional attachment, the Act envisages appeal before the Appellate Tribunal. Section 42 of the Act provides further appeal to the High Court. Thus, it is clear that petitioner has an effective alternative remedy upto the High Court by way of adjudicating proceedings, appeal to the Appellate Tribunal and finally, appeal to the High Court. Petitioner can raise all the pleas including that of the jurisdiction before the Adjudicating Authority.

12. It is trite law that Article 226 of the Constitution of India vests wide discretion in the Writ Court to entertain the writ petition on any grievance and to grant appropriate relief. It is an extraordinary jurisdiction vested in the writ Court. The Writ Courts observe self-imposed restraint in exercising the jurisdiction under Article 226. Availability of alternative remedy is not a bar to entertain a writ petition. However, ordinarily, the writ petition is not entertained under Article 226 if the aggrieved person has an efficacious and effective remedy provided by concerned statute whereunder an adverse decision is taken against the person, which he seeks to assail in the writ petition. Notwithstanding, availability of alternative remedy in a case of exceptional nature or a case of glaring injustice, Writ Court can entertain a writ petition. However, that would not mean that writ jurisdiction can be exercised in every case, where alternative remedies are available to safeguard the interest of the aggrieved person. It is one thing to say that in exercise of power vested in it under Article 226 of the Constitution, this High Court entertain a writ petition against any order passed by or action taken by the State

and/or its agency or any public authority or order passed by quasi-judicial authority and it is altogether different thing to say that each and every petition filed under Article 226 of the Constitution must be entertained by the High Court as a matter of course ignoring the fact that aggrieved person has an effective alternative remedy. Rather, it is settled law that when a statutory forum is created by law for redressal of grievances, a writ petition should not be entertained ignoring the statutory dispensation.”

17. The High Court of Madras in the matter of ***Smt. Soodamani Dorai v. The Joint Director of Enforcement (PMLA), Directorate of Enforcement***, reported in ***2018 SCC OnLine Mad 3138*** held thus at para 13:-

“13. In the case of Devas Multimedia Pvt. Ltd. v. The Joint Director, ED, Bangalore [decided on 4.10.2017 in WP No. 11544 of 2017], the Hon'ble High Court of Karnataka has strengthened that the provisions of the Prevention of Money Laundering Act, have a retrospective effect, as follows:—

“28. In the instant case, as the adjudication process has not yet started and the matter is at the stage of show-cause notice and provisional attachment, it is not proper for this Court to express any opinion on this aspect of the matter. It is also evident from the show-cause notice that allegations of money-laundering are made in respect of transactions spanning over a period of time, even beyond the period when the amendment was brought about. This is evident from paragraphs 9.40 and 9.46 of the show-cause notice.

29. *It is well established by catena of decisions of the Apex Court that High Court will not entertain a petition under Article 226 of the Constitution, if an effective alternative remedy is available to the aggrieved person or the statute under which the action complained of has been taken, itself contains a mechanism for redressal of the grievance. This principle is well enunciated in the case of NIVEDITA SHARMA v. CELLULAR OPERATORS OF INDIA, (2011) 14 SCC 337. In fact, the Apex Court in the case of SPECIAL DIRECTOR v. MOHD. GHULAM GHHOUSE, (2004) 3 SCC 440, has deprecated the practice of High Courts entertaining writ petitions questioning the legality of the show-cause notices, thereby stalling enquiries retarding investigative process initiated to find actual facts with the participation and in the presence of the parties unless the petitioner established absolute want of jurisdiction of authority to even investigate into facts. It is observed in this context that writ petitions should not be entertained and the petitioner should invariably be directed to respond to the show-cause notice.*

30. *It is necessary to notice that at the stage of provisional attachment under Section 5(1) of PML Act, a person interested in the enjoyment of the suspect immovable property is not deprived of its enjoyment. Taking over possession of the attached property would arise upon confirmation of the provisional attachment. On an analysis of several provisions of the Act in particular Section 5, Section 8 and Section 26, it becomes clear that the legislative*

intent underlying the sequential provisions for provisional attachment, confirmation of such attachment and eventual confiscation or for retention of a seized property and also providing remedy of appeal to the appellate authority, is to balance public interest with the individual interest of the person against whom allegations are made and action is initiated. A mechanism is provided under the Act for redressal of the grievance at different stages that is to say before the Adjudicating Authority at 25 the first instance and latter before the Appellate Tribunal. It is only when a person is aggrieved by the order of the Appellate Tribunal that he may file an appeal to the High Court as per Section 42 of PML Act. When such is the mechanism provided for the effective redressal of the grievance within the four corners of the provisions of the PML Act, petitioner is not justified in rushing to this Court at the stage of show-cause notice and the provisional order of attachment. Therefore, it is not appropriate for this Court to enter into various contentions urged by petitioner.”

18. This Court in the matter of **Govind Kumar Kedia v. Union Of India & Others (WPC No. 621/2026 decided on 15/05/2026)**, after placing reliance on various decisions rendered by the Hon’ble Supreme Court as also the High Courts, dismissed the petition on the ground of maintainability. In the said decision, this Court held thus at para 26:

“26. In the aforesaid circumstances of the case and availability of alternative statutory remedy of appeal, this Court is of the considered opinion that the challenge to the Provisional Attachment Order cannot be entertained in

exercise of writ jurisdiction under Article 226 of the Constitution. The Act provides a complete and efficacious adjudicatory mechanism whereby the legality of the provisional attachment is required to be examined in the first instance by the Adjudicating Authority under Section 8, with further statutory appeals under Sections 26 and 42 of the Act. The petitioner has failed to establish any exceptional circumstance, such as patent lack of jurisdiction, breach of principles of natural justice or manifest arbitrariness, warranting interference by this Court at this stage. In view of the settled principle that where an efficacious statutory remedy is available, the High Court should ordinarily decline to exercise its extraordinary writ jurisdiction, this Court is not inclined to entertain the present writ petition and leaves it open to the petitioner to avail the remedies available under the PMLA-2002.”

19. The authorities relied upon by the petitioners also do not advance their case. There can be no quarrel with the proposition that the availability of an alternative statutory remedy does not oust the jurisdiction of the High Court under Article 226 of the Constitution of India. However, the issue before this Court is not one of absence of jurisdiction but of the exercise of judicial discretion. In the facts of the present case, the petitioners have failed to demonstrate the existence of any exceptional circumstance warranting bypass of the complete statutory mechanism provided under the PMLA. The decisions relied upon by the petitioners were rendered in their own peculiar factual background where exceptional circumstances were found to exist justifying exercise of writ jurisdiction. The same, therefore, do not assist the petitioners in the facts of the present case.

20. Applying the well settled principle of law to the facts of the present case and in view of the foregoing discussion, this Court is of the considered opinion that the present writ petition challenging the PAO dated 13.03.2026 and the consequential proceedings initiated under the PMLA, cannot be entertained in exercise of the extraordinary jurisdiction under Article 226 of the Constitution. The PMLA provides a complete and efficacious statutory mechanism whereby the legality and validity of the provisional attachment are required to be examined, in the first instance, by the Adjudicating Authority under Section 8, with further statutory remedies of appeal under Sections 26 and 42 of the PMLA.
21. The petitioners have failed to make out any exceptional circumstance warranting interference by this Court at this stage, such as patent lack of jurisdiction, violation of the principles of natural justice or violation of any provision of the PMLA.
22. In view of the settled principle that where an efficacious statutory remedy is available, the High Court should ordinarily decline to exercise its extraordinary writ jurisdiction under Article 226 of the Constitution, this Court is not inclined to entertain the present writ petition.
23. As an upshot, the writ petition is **dismissed as not maintainable**. It is, however, made clear that the petitioners shall be at liberty to avail the statutory remedies as may be available to them under the provisions of the PMLA, and to raise all factual and legal contentions before the competent statutory forum, if so advised.

24. It is further made clear that upon approaching of the petitioners with respect to the subject issue, the Adjudicating Authority shall consider and decide the proceedings independently, in accordance with law, without being influenced by any observation made in this order, which is confined solely to the issue of maintainability of the present writ petition.

Sd/-

(Bibhu Datta Guru)
Judge

Rahul