



CNR: KAHC010125252019

NC: 2026:KHC:48282
WP No. 19356 of 2019

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 7TH DAY OF SEPTEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

WRIT PETITION NO.19356 OF 2019 (GM-RES)

BETWEEN:

D.RAVI KUMAR
S/O K.DORESWAMY
AGED 49 YEARS
FLAT NO.E-1201, MANTRI ELEGANCE
1ST MAIN, N.S.PALYA
BANNERGHATTA ROAD
BENGALURU - 560 076

...PETITIONER

(BY SRI.CHANDRASHEKARA K, ADVOCATE)

AND:

ASSISTANT DIRECTOR
DIRECTORATE OF ENFORCEMENT
BANGALORE ZONAL OFFICE
3RD FLOOR, 'B' BLOCK, BMT-C-TTMC BUILDING
K.H.ROAD, SHANTHINAGAR
BENGALURU - 560 027

...RESPONDENT

(BY SRI.M.UNNIKRISHNANA, CGC)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND
227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH THE

Digitally signed by
CHATTARA A
Location: HIGH
COURT OF
KARNATAKA



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SUMMONS DATED 11.02.2019 BEARING NO.ECIR/BGZO/04/2016/MNT/3298 (ANNEXURE-A), AS ILLEGAL AND ABINITIO VOID AND ETC.

THIS PETITION, COMING ON FOR ORDERS, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

ORAL ORDER

The captioned writ petition is filed calling in question the summons dated 11.02.2019 bearing No.ECIR/BGZO/04/2016/MNT/3298, issued by the respondent under the provisions of the Prevention of Money Laundering Act, 2002 (for short, 'the PML Act, 2002'), at Annexure-A. The petitioner has also sought a consequential writ in the nature of mandamus directing the respondent not to proceed with or initiate any proceedings under the provisions of the PML Act, 2002.

2. Heard the learned counsel appearing for the petitioner and the learned Standing Counsel appearing for the respondent. Perused the records.

3. Learned counsel appearing for the petitioner has filed a memo and placed on record a true copy of the judgment



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rendered by the learned Special Court in Spl.C.C.No.38/2015. It is submitted that, by the said judgment, the petitioner has been acquitted of the predicate offences punishable under Sections 120-B and 420 read with Section 120-B of the Indian Penal Code, 1860 and under Sections 13(2) read with Section 13(1)(d) of the Prevention of Corruption Act, 1988. It is therefore contended that, with the petitioner having been acquitted of the predicate offences, the proceedings initiated pursuant to ECIR No.ECIR/BGZO/04/2016/MNT/3298 cannot survive.

4. Learned counsel for the petitioner places reliance upon the judgment of the Hon'ble Apex Court in ***Vijay Madanlal Choudhary and others vs. Union of India and Others (2022) 10 SCC 1*** and also upon the judgment rendered by a Co-ordinate Bench of this Court in W.P.No.9144/2020 c/w W.P.No.10074/2020, whereby the Provisional Order of Attachment dated 12.03.2020 came to be quashed.

5. Learned Standing Counsel appearing for the respondent, on instructions, fairly concedes the factual position and the legal consequence flowing from the subsequent



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acquittal of the petitioner. He submits that, in view of the acquittal of the petitioner by the learned Special Court in respect of the predicate offences, the respondent is unable to contest the present proceedings.

6. In view of the aforesaid subsequent development, the issue that arises for consideration is whether the proceedings initiated under the PML Act, 2002 can survive upon the petitioner being acquitted of the scheduled/predicate offences.

7. The answer to the said issue is no longer *res integra*. The Hon'ble Apex Court in **Vijay Madanlal Choudhary** (supra) has held in paragraph No.109 as under:

"109. Tersely put, it is only such property which is derived or obtained, directly or indirectly, as a result of criminal activity relating to a scheduled offence that can be regarded as proceeds of crime. The authorities under the 2002 Act cannot resort to action against any person for money-laundering on an assumption that the property recovered by them must be proceeds of crime and that a scheduled offence has been committed, unless the same is registered with the jurisdictional police or pending inquiry by way of complaint before the competent forum. For, the expression "derived or obtained" is indicative of criminal activity relating to a scheduled offence already accomplished. Similarly, in the event the person named in the criminal activity relating to a



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scheduled offence is finally absolved by a Court of competent jurisdiction owing to an order of discharge, acquittal or because of quashing of the criminal case (scheduled offence) against him/her, there can be no action for money laundering against such a person or person claiming through him in relation to the property linked to the stated scheduled offence. This interpretation alone can be countenanced on the basis of the provisions of the 2002 Act, in particular [Section 2\(1\)\(u\)](#) read with [Section 3](#). Taking any other view would be rewriting of these provisions and disregarding the express language of the definition clause "proceeds of crime", as it obtains as of now."

8. The above declaration of law makes it abundantly clear that when the person concerned is finally absolved of the scheduled offence by a competent Court, either by way of discharge, acquittal or quashing of the criminal proceedings, there can be no action for money laundering against such person in relation to the property linked to the scheduled offence.

9. In the present case, the petitioner has been acquitted on merits by the learned Special Court in Spl.C.C.No.38/2015 of the very predicate offences which constitute the foundation for the proceedings initiated under the PML Act, 2002. The said subsequent development is not in dispute and is, in fact, fairly



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conceded by the learned Standing Counsel appearing for the respondent.

10. Once the petitioner stands acquitted of the predicate/scheduled offences, the substratum of the proceedings initiated pursuant to the impugned summons no longer survives. Consequently, the summons issued to the petitioner and the proceedings emanating therefrom cannot be sustained.

11. For the foregoing reasons, the writ petition deserves to be allowed. Accordingly, the following:

ORDER

(i) The writ petition is ***allowed***.

(ii) The summons dated 11.02.2019 bearing No.ECIR/BGZO/04/2016/MNT/3298, issued by the respondent and produced at Annexure-A, is hereby quashed.

(iii) Consequently, all proceedings emanating from the aforesaid summons, insofar as the petitioner is concerned, shall stand quashed.



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(iv) Pending interlocutory applications, if any,
do not survive for consideration and stand disposed
of accordingly.

**Sd/-
(SACHIN SHANKAR MAGADUM)
JUDGE**