



CNR: KAHC010495692026

NC: 2026:KHC:55243
WP No. 22380 of 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 5TH DAY OF OCTOBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE RAVI V HOSMANI

WRIT PETITION NO. 22380 OF 2026 (GM-RES)

BETWEEN:

1. BHARATH REDDY
S/O J.GOVINDA REDDY,
AGED ABOUT 50 YEARS
RESIDING AT NO.68,
36TH MAIN, 19TH CROSS,
J.P NAGAR, 6TH PHASE,
BANGALORE-560 078.
2. RASHMI BHARATH REDDY
W/O BHARATH REDDY,
AGED ABOUT 46 YEARS
RESIDING AT NO.68,
36TH MAIN, 19TH CROSS,
J.P NAGAR, 6TH PHASE,
BANGALORE - 560 078.

Digitally signed
by ANUSHA V
Location: High
Court of
Karnataka

(BY SRI MAHESH S., ADVOCATE)

...PETITIONERS

AND:

1. DIRECTORATE OF ENFORCEMENT
MINISTRY OF FINANCE
GOVERNMENT OF INDIA
REP BY ITS ASSISTANT DIRECTOR,
DIRECTORATE OF ENFORCEMENT
HAVING OFFICE AT
HMT LIMITED COMPOUND,
BANGALORE COMPLEX,



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JALAHALLI,
BENGALURU - 560 013.

2. ASSISTANT DIRECTOR,
DIRECTORATE OF ENFORCEMENT
HAVING OFFICE AT
HMT LIMITED COMPOUND,
BANGALORE COMPLEX,
JALAHALLI,
BENGALURU - 560 013.

...RESPONDENTS

(BY SRI MADHU N. RAO, ADVOCATE)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE AN WRIT OF CERTIORARI QUASHING THE SUMMON BEARING NO.PMLA/SUMMON/BGZO/2026/5027ANDPMLA/SUMMON/BGO /2026/5028 DATED 14/07/2026 ISSUED BY THE 2ND RESPONDENT ASSISTANT DIRECTOR, ENFORCEMENT DIRECTORATE VIDE ANNEXURE A AND B SEEKING FOR PETITIONERS TO APPEAR PHYSICALLY BEFORE HIM AND PRODUCE DOCUMENTS AND ETC.,

THIS WRIT PETITION IS HAVING BEEN HEARD AND RESERVED FOR ORDERS ON 18.08.2026, THIS DAY, THE COURT, PRONOUNCED THE FOLLOWING:

CORAM: HON'BLE MR. JUSTICE RAVI V HOSMANI



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CAV ORDER

Challenging summons no.PMLA / SUMMON / BGZO / 2026 / 5027 and no.PMLA / SUMMON / BGZO / 2026 / 5028 dated 14.07.2026 issued by respondent no.2 (Annexures-A and B) and for directing respondents no.1 and 2 to produce records pertaining to F no.BGZO/34/2023 referred in impugned summons etc., this petition is filed.

2. Sri S Mahesh learned counsel for petitioners submitted that petitioners shockingly received impugned summons from respondent no.2 seeking their attendance for production of records claiming it to be in connection with proceedings under Prevention of Money Laundering Act, 2002 (**PMLA**) and issued under Section 50 (2) and (3) thereof.

3. It was submitted, perusal of summons received through WhatsApp revealed that respondents were carrying out investigation in PMLA proceedings no.BGZO/34/2023 and in connection with same, respondent no.2 had sought production of various documents by petitioners. It was submitted,



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documents summoned were without any particulars or reasons for summoning and read as follows:

- 1) *Aadhar Card and Pan Card in original and photocopy.*
- 2) *All the sale/purchase documents, MoU and agreements entered by M/s. Aryan Hometec with any other entity/individual/financial institutions pertaining to the projects at Attibele, Anekal Hobli on which M/s. Aryan Hometec Project (Aryan Golden Arena and Aryan Fountain Square projects) was constructed.*
- 3) *Details of all Bank accounts of yourself and all family members along with bank account statements from the year 2015-16 to till date.*
- 4) *Any other immovable properties in your name or in the name of your family members.*
- 5) *Copy of ITR and statement of assets and liabilities/balance sheet from 2015-16 to till date.*

4. It was submitted, summoning of documents pertaining to Aryan Arena and Aryan Fountain Square projects indicated that summons was in relation to Crime no.209/2023 registered by Marathahalli Police Station for offences under Sections 406, 420, 120B read with Section 34 of Indian Penal Code, 1860 ('**IPC**'). In said FIR, accused no.1 was owner of land and petitioner no.1 herein was builder and allegation was failure to repay loan amount indicating it to be commercial transaction. It was submitted in Crl.P.no.1530/2024, FIR was



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quashed insofar as accused no.1 based on settlement, while in Crl.P.no.3387/2024, FIR was stayed vide order dated 05.06.2024 insofar as petitioner no.1 herein. It was submitted except FIR in Crime no.209/2023, there were no other proceedings pending against petitioners.

5. It was submitted Hon'ble Supreme Court in **P. Chidambaram v. Directorate of Enforcement**, reported in **(2019) 9 SCC 2024**, referring to Section 2 (10) (y) of PMLA, held proceedings under PMLA could be initiated only in case of scheduled offences. And in **Enforcement Directorate v. VC Mohan**, reported in **(2022) 16 SCC 794** held, proceedings under PMLA were dependent on predicate offences which would be under ordinary law including IPC. Therefore, as proceedings in predicate offence in Crime no.209/2023 were stayed, proceedings under PMLA had no legs to stand on.

6. Further issuance of summons without specifying any details would not meet requirements of law especially as proceedings under PMLA were held to be judicial proceedings and absence of particulars would imply non-application of mind.



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It was submitted in para-27 of statement of objections, respondents stated that registration of ECIR was based on FIR in Crime no.225/2022 by Puttenahalli Police Station, but which ended in compromise in CC no.25719/2023 on 18.06.2026 as per Annexure-K. Though in additional statement of objections, there was reference to predicate offences based on FIRs in Crime no.205/2024, 224/2025, 204/2024 by Attibele Police Station and Crime no.438/2020 by Banaswadi Police Station, they were subsequent to ECIR under reference which was registered in 2023. In **M/s. Gameskraft Technologies Pvt. Ltd. And Ors. v. Enforcement Directorate**, [WP no.18285/2026 disposed of on 05.08.2026], this Court held proceedings under PMLA commences with an 'ECIR' based on proceedings for predicate offences enumerated in schedule to PMLA. Consequently, issuance of summons referring to FIRs for predicate offences registered after registration of ECIR under PMLA would be illegal.

7. It was submitted this Court in **H. Ramakrishne Gowda v. Deputy Director, Directorate of Enforcement** [2021:KHC:43408], quashed summons on ground of non-



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disclosure of reasons in summons. And in **Nitesh Shetty v. Director, Directorate of Enforcement and Anor.** [2026:KHC:28588] this Court quashed proceedings under PMLA on ground that proceedings for predicate offences had concluded. Thus, as proceedings in Crime no.209/2023 was quashed insofar as accused no.1 and stayed insofar as accused no.2 - petitioner no.1 herein, summons/proceedings under PMLA could not sustain.

8. It was submitted, under order dated 03.02.2026 Hon'ble Supreme Court in **Directorate of Enforcement v. Gagandeep Singh and Ors.** [SLA (Crl.) no.2234/2023] has referred question about legality of quashing of proceedings under PMLA consequent to closure of proceedings for predicate offences, for consideration by larger bench and same was pending. On above grounds, sought for allowing petition.

9. On other hand, Sri Madhu N Rao, learned counsel for respondents opposed petition. At outset, it was submitted writ petition challenging summons in nature of notice would not be tenable and sought dismissal of writ petition. It was



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submitted, High Court of Delhi in **Mr.Talib Hassan Darvesh v. Directorate of Enforcement [2024:DHC:2027]** dismissed challenge of summons under PMLA as untenable. That High Court of Punjab & Haryana in **Pawan Insaa v. Directorate of Enforcement [2024:PHHC:049512]** dismissed challenge of ECIR. That, High Court of Allahabad in **Saurabh Mukund v. Directorate of Enforcement [2024:AHC-LKO:26612]** rejected challenge of summons under PMLA on ground of abuse of process of law by holding that mere issuance of summons did not give rise to cause of action and same was confirmed by Hon'ble Supreme Court by dismissing SLA (Crl.) no.6357/2024 on 13.05.2024. And Division Bench of this Court in **RM Manjunath Gowda v. Directorate of Enforcement and Anr.**, (WA no.497/2024, disposed of on 22.03.2025) had held challenge of summons under PMLA was untenable by referring to various decisions of Hon'ble Supreme Court in **Union of India and Anr. v. Kunishetty Satyanarayana**, reported in **(2006) 12 SCC 28** and **Kirit Shrimankar v. Union of India and Ors.**, reported in **(2018) 12 SCC 651**. And that Hon'ble Supreme Court had also in **Commissioner of Customs,**



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Calcutta v. MM Exports, reported in **(2010) 15 SCC 647**, took similar view and held every person summoned under PMLA was bound to state truth and that issuance of summons or registration of ECIR would not render him an accused, that no person was entitled to evade summons nor was it mandatory to furnish copy of ECIRs to persons summoned.

10. Learned counsel submitted that High Court of Orissa in **Jitendra Nath Patnaik v. Enforcement Directorate, Bhubaneswar**, reported in **2023 SCC OnLine Ori 7026** held that registration of an ECIR was an administrative act for initiation of proceedings under PMLA and not amenable to judicial review even under inherent powers under Section 482 of CrPC. And High Court of Kerala in **CM Raveendran v. Union of India and Anr.**, reported in **2020 SCC OnLine Ker 7555** dismissed challenge of summons by holding that a person issued with summons under Section 50 (2) of PMLA was bound to appear before summoning officer and state truth on any subject in respect of which he is examined and produce documents as may be required and ED cannot be expected to accommodate his convenience.



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11. It was submitted that writ petition is based on assumption and presumption that ECIR under PMLA was based only on FIR in Crime no.209/2023. It was submitted, assertion by petitioners that there are no other proceedings was incorrect. It was submitted Hon'ble Supreme Court in **Munnesh v. State of Uttar Pradesh**, reported in **2025 SCC OnLine SC 1319** has held failure to disclose criminal antecedents disentitled petitioner of discretionary relief. Since petitioner had failed to disclose pendency of other criminal proceedings, petitioner was not entitled for any relief and prayed for dismissal of this petition.

12. It was submitted, impugned summons at Annexures-A and B were issued with reference to ECIR no.BGZO/34/2023 and details of information sought were mentioned in appendix to summons. It was submitted, FIR in Crime no.209/2023 was registered for offences under Sections 406, 420, 120B read with Section 34 of IPC, which were amongst predicate offences included in schedule to PMLA. It was submitted though in Crl.P. no.3387/2024, interim order of



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stay of further proceedings was granted, same was only insofar as petitioner no.1. That apart, interim order of stay would only mean suspension of proceedings and cannot be equated with quashing by referring to ratio laid down in **Shree Chamundi Mopeds Ltd. v. Church of South India Trust Association**, reported in **(1992) 3 SCC 1**. That apart, High Court of Punjab & Haryana in **Sukhpal Singh Khaira v. Directorate of Enforcement**, reported in **2025 SCC OnLine P&H 14100** has held proceedings under PMLA once commenced would remain unaffected by acquittal of charges pertaining to scheduled offences. And as disclosed in statement of objections, there were other predicate offences than those in Crime no.209/2023, therefore, above contention was without merit. On above grounds sought dismissal of petition.

13. Heard learned counsel and perused material on record.

14. This petition is filed challenging summons issued by respondents calling upon petitioners to appear for inquiry and to produce records on ground of violation of principles of



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natural justice as well as being arbitrary by relying on decisions.

15. There cannot be any cavil about position in law elucidated in **P Chidambaram** and **VC Mohan's** cases (supra) that proceedings under PMLA could be initiated only on basis of proceedings for offence mentioned in schedule to PMLA and which would ordinarily be those under IPC. In **Gameskraft's** case (supra), issuance of summons under PMLA referring to FIRs for predicate offences registered after registration of ECIR held illegal. But contention that in **Ramakrishne Gowda's** case (supra) summons under PMLA were quashed for non-disclosure of reasons would appear untenable as order therein was passed virtually on consent. Likewise, in case of reliance on judgment in **Nitesh Shetty's** case (supra). At same time it is seen that in **Talib's** case (supra) petition was filed for quashing of ECIR and consequently summons and challenge of summons was not on ground of being cryptic or devoid of particulars. Even in **Pawan Insa's** case (supra) challenge of ECIR was turned down. In **Saurabh Mukund's** case (supra), finding of High Court of Allahabad that a person summoned by



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ED in whatever capacity in normal course would be entitled to get atleast substance of accusation if not copy of ECIR so that he can prepare himself or collect relevant documents and answer questions during interrogation, was confirmed by Hon'ble Supreme Court.

16. Division Bench of this Court in **RM Manjunath Gowda's** case (supra) referring to **Kunishetty, Kirit** and **MM Exports's** cases (supra) challenge of summons as not maintainable was rejected as it does not constitute positive action or adverse order which affects right of any party unless it is alleged to have been issued by person having no jurisdiction.

17. In **Jitendra Nath Patnaik's** case (supra), registration of ECIR was held to be an administrative act. View expressed in **CM Raveendran's** case (supra) rejecting challenge against summons is on similar lines as in **RM Manjunath Gowda's** case (supra). It is seen that observations in **Munnesh's** case (supra) are in context of bail petition. Ratio in **Shree Chamundi Moped's** case (supra) is emphatic about difference between consequences of stay of an order and



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quashing of order. It is observed that stay of order/proceedings would not efface them but only eclipse them and cannot be equated with situation where they are quashed. In **Sukhpal Singh's** case (supra), it is held proceedings under PMLA once commenced would remain unaffected even by acquittal of charges pertaining to scheduled offences. Question whether closure of proceedings for predicate offences would remove basis for continuation of proceedings under PMLA is referred for consideration by larger bench.

18. In instant case, summons at Annexures-A and B issued on registration of ECIR are under challenge as devoid of necessary particulars etc. by relying on various decisions.

19. Ratio in **Gameskraft's** case (supra) about issuance of summons referring to FIRs for predicate offences registered after registration of ECIR, would not apply as FIR in Crime no.209/2023 has not been quashed, though stayed insofar as petitioner herein. As per ratio in **Chamundi Mopeds** case (supra), stay of order/proceedings would only mean temporary eclipse and cannot be equated to quashing. And said FIR is



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prior to registration of ECIR. Reference to other FIRs by respondent in statement of objections would not alter position to favour petitioner. **Ramakrishne Gowda** and **Nitesh Shetty's** cases (supra) were disposed of on consent without laying down any ratio. **Talib** and **Pawan Insaa's** cases (supra) involved challenge of ECIR, ratio therein would not apply. In **Saurabh Mukundan's** case (supra), though referring to **Vijay Madanlal Choudhary v. Union of India**, reported in **(2023) 12 SCC 1**, it was ultimately held that furnishing of copy of ECIR would not be necessary by taking note of procedural protection about furnishing of grounds of arrest and deleterious effect on outcome of inquiry/investigation under PMLA and observing that culture of sealed covers cannot be promoted, it was observed that in *normal course*, a person summoned by ED in whatever capacity is required to get atleast substance of accusation if not copy of ECIR so that he can prepare himself accordingly, collect relevant documents and answer questions put him by ED in interrogation. But in **Manjunath Gowda** and **CM Raveendran's** cases (supra), it is held that summons does



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not constitute positive action or adverse order giving rise to cause of action to challenge.

20. Indeed, in cases of challenge of bare notices/summons, Hon'ble Supreme Court in case of **Gorkha Security Services v. Govt. of NCT of Delhi and Ors.**, reported in **(2014) 9 SCC 105**, held that very purpose of a notice is to let noticee know of precise case against him and which he has to meet. And in **UMC Technologies Pvt. Ltd. v. Food Corporation of India and Anr.** reported in **(2021) 2 SCC 551**, has held notice would also require to be informed about consequences of failure to show cause. Failure to comply with said requirements would vitiate such notice/summons. Principles of natural justice/reason have been touchstone of rule of law and held to be basic feature of Constitution of India (**CoI**).

21. But in **Vijay Madanlal Choudhary's** case (supra), recognizing extraordinary complexities and circumstances for inquiry/investigation under PMLA, grounds seeking protection against summons have been moderated. While it cannot be



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contended or presumed that grounds of protection traceable to fundamental rights, especially Articles 14, 19 and 21 of CoI are totally waived and authorities under PMLA would under normal circumstances require to inform summonee of purpose of summoning and even documents/information required to be furnished by him must have nexus with ECIR or proceedings under PMLA, even consequences of default are required to be mentioned. Normally, summons cannot be issued on vague or omnibus purposes. At same time, absence of above would not per se vitiate summons, unless ED fails to demonstrate grounds for summoning before Courts in case of challenge, without need for disclosure of same to summonee if same would frustrate purpose of inquiry/investigation.

22. When above principles are applied to impugned summons at Annexures - A and B, it is seen that they mention ECIR. Though petitioner may have some grievance insofar as documents/information called for, same would not substantiate challenge when he can always approach summoning authorities themselves and inform documents/information available and seek time for furnishing further information/documents. In



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absence of apprehension of consequences of seeking time for furnishing information/documents invocation of extraordinary jurisdiction does not appear appropriate.

23. Thus, it is found appropriate to dispose of writ petition with above observations. Petitioners shall appear before respondents – authorities within two weeks from today if not already done, offer information/documents as available and seek time for furnishing further information/documents as informed to be necessary. Respondents are directed to consider request of petitioners before proceeding further.

**Sd/-
(RAVI V HOSMANI)
JUDGE**

GRD,YKL
List No.: 1 Sl No.: 59