



2025:DHC:10341-DB



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IN THE HIGH COURT OF DELHI AT NEW DELHI

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Judgment reserved on: 23.09.2025

Judgment pronounced on: 24.11.2025

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W.P.(C) 11361/2015, CM APPL. 29836/2015

NARESH BANSAL AND ORS

.....Petitioners

Through: Mr Sushil Gupta, Ms Sunita Gupta, Advs.

versus

ADJUDICATING AUTHORITY AND ANRRespondents

Through: Mr. Anupam S. Sharrma, Special Counsel with Ms. Harpreet Kalsi, Mr. Ripudaman Sharma, Mr. Vashisht Rao, Ms. Riya Sachdeva, Mr. Vishal Jain, Mr. Anant Mishra, Advs. for ED

Mr. Ripudaman Bhardwaj, CGSC with Mr Amit Kumar Rana, Adv. for UOI

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W.P.(C) 12261/2015, CM APPL. 32473/2015

MUKESH KUMAR & ANR

.....Petitioners

Through: Mr. Bakul Jain, Adv.

versus

UNION OF INDIA & ORS

....Respondents

Through: Mr. Anupam S. Sharrma, Special Counsel with Ms. Harpreet Kalsi, Mr. Ripudaman Sharma, Mr. Vashisht Rao, Ms. Riya Sachdeva, Mr. Vishal Jain, Mr. Anant Mishra, Advs. for ED

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W.P.(C) 12274/2015, CM APPL. 32501/2015

UMESH BHAI CHAUTALIYA & ORS

.....Petitioners

Through: Mr. Mayank Jain, Mr. Paramatma Singh, Mr. Madhur Jain, Mr. Sahil Yadav, Advs.

versus

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ADJUDICATING AUTHORITY (UNDER THE
PREVENTION OF MONEY LAUNDERING ACT) & ANR

.....Respondents

Through: Mr. Anupam S. Sharrma,
Special Counsel with Ms.
Harpreet Kalsi, Mr. Ripudaman
Sharma, Mr. Vashisht Rao, Ms.
Riya Sachdeva, Mr. Vishal Jain,
Mr. Anant Mishra, Advs. for
ED

+ W.P.(C) 68/2016, CM APPL. 389/2016, CM APPL.
16156/2016

GHANSHYAMBHAI B. PATELPetitioner

Through: Mr. Mayank Jain, Mr.
Paramatma Singh, Mr. Madhur
Jain, Mr. Sahil Yadav, Advs.

versus

ADJUDICATING AUTHORITY & ANRRespondents

Through: Mr. Anupam S. Sharrma,
Special Counsel with Ms.
Harpreet Kalsi, Mr. Ripudaman
Sharma, Mr. Vashisht Rao, Ms.
Riya Sachdeva, Mr. Vishal Jain,
Mr. Anant Mishra, Advs. for
ED

+ W.P.(C) 78/2016, CM APPL. 418/2016

HARSHAD MALAPetitioner

Through: Mr. Mayank Jain, Mr.
Paramatma Singh, Mr. Madhur
Jain, Mr. Sahil Yadav, Advs.

versus

ADJUDICATING AUTHORITY & ANRRespondents

Through: Mr. Anupam S. Sharrma,
Special Counsel and Mr. Vivek
Gurnani, Panel Counsel with
Ms. Harpreet Kalsi, Mr.
Ripudaman Sharma, Mr.
Vashisht Rao, Ms. Riya
Sachdeva, Mr. Vishal Jain, Mr.

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Anant Mishra, Mr. Kanishk
Maurya and Mr. S.K. Raqueeb,
Advs. for ED

CORAM:
HON'BLE MR. JUSTICE ANIL KSHETARPAL
HON'BLE MR. JUSTICE HARISH VAIDYANATHAN
SHANKAR

JUDGMENT

ANIL KSHETARPAL, J.

1. The present Petitions have been filed challenging the proceedings initiated by the Directorate of Enforcement [hereinafter referred to as 'the Directorate'], the Respondent herein. In particular, the Petitioners assail the validity of issuance of the Provisional Attachment Order ('PAO') passed under Section 5(1) of the Prevention of Money Laundering Act, 2002 [hereinafter referred to as 'PMLA'] along with the Original Complaint filed under Section 5(5) of the PMLA and Show Cause Notice ('SCN') issued under Section 8 of the PMLA thereof.

2. At the threshold, it is noted that the present batch of six petitions arises out of a similar ECIR registered by the Directorate, thereby challenging the proceedings initiated under the provisions of PMLA on substantially similar factual matrix with the Petitioners advancing largely analogous submissions. Therefore, in order to maintain clarity and continuity in the adjudication of the present batch, this Court deems it appropriate to treat W.P.(C) 12261/2015 as the lead matter and refer to the facts delineated therein for the sake of consistency.

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BRIEF BACKGROUND:

3. The dispute between the parties arises out of the actions initiated by the Directorate against the Petitioner in connection with large scale hawala transactions and illegal international cricket betting operations [hereinafter referred to as 'Int'l Cricket Betting Racket'] conducted through a U.K. based website "Betfair.com". The said operations were stated to have been carried out from a Farmhouse situated in village Sikandarpur, Nr. Ajwa Chowkdee, Vadodara by one Mr. Girish Parshottam Patel @ Tommy Patel and his associate, Mr. Kiran Jayantilal Mala.

4. In the month of May 2015, the Directorate, acting upon specific intelligence inputs, conducted a search operation under Section 37 of Foreign Exchange Management Act, 1999 [hereinafter referred to as 'FEMA'], at the aforesaid farmhouse and the residential premises of Mr. Kiran Jayantilal Mala and Mr. Gopal Pandya, associates to Mr. Girish Parshottam Patel @ Tommy Patel. These searches resulted in the recovery and seizure of incriminating documents, digital records and cash, allegedly linked to the operation of the hawala network facilitating international betting activities. Thereafter, the Directorate shared the seized documents with the Commissioner of Police, Vadodara, for further investigation, whereafter, it was revealed that certain SIM Cards had also been procured through forged signatures in bogus names as a part of Int'l Cricket Betting Racket.

First Provisional Attachment Order and its consequential proceedings

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5. Consequently, a First Information Report ('FIR') bearing I-CR No.85/2015 dated 25.03.2015 under Sections 418,419,420,465,467,468,471 and 120-B of Indian Penal Code, 1860 [hereinafter referred to as 'IPC'] was registered by the Vadodara Police, against four individuals, namely, Mr. Girish @ Tommy Parshottamdas Patel, Mr. Kirankumar Jentilal Mala, Mr. Dharmendra @ Dharmin Vishwanath Chauhan and Mr. Chirag Parikh, partners of an orally constituted partnership firm, "Maruti Ahmedabad" [hereinafter referred to as 'MA'].

6. Subsequent to the registration of the FIR, the Directorate, Ahmedabad, initiated simultaneous proceedings under Sections 3 and 4 of the PMLA on 26.03.2015 and registered Enforcement Case Information Report ('ECIR') No.ECIR/03/AMZO/2015, against the aforementioned individuals, in order to identify and locate proceeds of crime.

7. During the course of investigation, the Directorate on 22.05.2015 conducted a raid at the residential premises of the Petitioner and certain incriminating documents and valuables including cash to the tune of Rs.10 lacs were seized. Subsequently, a prosecution complaint bearing PMLA Case No.08/2015 was filed on 15.06.2015 before the Special Court, Ahmedabad, against the Petitioner. During the examination of the Petitioner under the provisions of the PMLA, it was revealed that the Petitioner acted as a key conduit in the Int'l Cricket Betting Racket by distributing Master and Client Login IDs for the betting platform "Betfair.com" within India. The Petitioner used to buy Super Master Login IDs from one

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Sukhminder Singh Sodhi in India, against a sum of approximately Rs.2.4 crores (USD 30,000) per ID, which he paid for by remitting funds abroad through unauthorised channels.

8. Each Super Master Login ID, in turn, enabled the creation of multiple subordinate Master and Client Login IDs for use by individual bettors. The Petitioner distributed these Master Login IDs to various persons, including Kiran Jayantilal Mala, and earned a commission ranging between Rs.30/- and Rs.110/- per US Dollar on the winning or losing position generated by users operating under the Master Login IDs/(Client)Sub-Login IDs. It was further revealed that the login IDs procured and distributed by the Petitioner were issued without obtaining any documents mandated under the prescribed KYC norms, thereby facilitating anonymous, unregulated and unverifiable betting activities.

9. Prior to the filing of prosecution complaint, certain properties of the Petitioner were provisionally attached by way of a PAO No.08/2015 dated 12.06.2015. The said attachment came to be challenged by the Petitioner before the High Court of Gujarat in *SCA No. 15353-2015* captioned *Mukesh Kumar s/o Late Jai Kishan Sharma v. Directorate of Enforcement*, wherein the Court, *vide* its order dated 28.10.2015, directed the Adjudicating Authority [hereinafter referred to as 'AA'] to grant an adjournment to the Petitioner in view of pendency of the proceedings thereof.

Second Provisional Attachment Order and its consequential proceedings

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10. However, during the course of investigation under PMLA, it also came to the notice of the Directorate that, in the year 2013, Detection Crime Branch ('DCB'), Mumbai had filed a report under Section 173 of Code of Criminal Procedure, 1973 [hereinafter referred to as 'CrPC'], following a registration of an FIR, disclosing the active participation of several individuals in a similar Int'l Cricket Betting Racket.

11. It was further revealed that during the intervening period of 04.12.2014 to 19.03.2015, MA generated aggregate proceeds of crime amounting to approximately Rs.2,400 Crores through illegal betting activities, by placing and accepting bets on various matches played during the said period, involving bookies and punters located in India, Dubai, Pakistan and other nations across the world. The aforesaid proceeds were subsequently settled by MA with multiple bookies between 01.12.2014 and 16.03.2015, including Rs.60 Crores being settled with the Petitioner.

12. Resultantly, based on the cumulative evidence, including FIR No.85/2015, the final report filed by DCB, Mumbai, bank account statements, ledger entries and statements recorded under Section 50 of the PMLA, the Directorate on 10.09.2015 issued a PAO under Section 5(1) of the PMLA, attaching moveable and immoveable properties valued at approximately Rs.20 crores, as being proceeds of crime arising out of illegal acts connected to the betting activities. Thereafter, the Directorate filed an Original Complaint ('OC') being OC No.523/2015, before the AA under Section 5(5) of the PMLA

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seeking confirmation of the PAO. Subsequently, a SCN dated 14.10.2015 was also issued under Section 8(1) of the PMLA.

13. Aggrieved by the aforesaid actions of the Directorate, the Petitioner approached the Single Bench of this Court seeking quashing of the PAO No.10/2015, OC No.523/2015 and SCN dated 14.10.2015. However, the learned Single Judge *vide* its Order dated 18.02.2016, referred the present Petitions before this Court for adjudication.

14. This Court has heard learned counsel for the parties at length and with their able assistance perused the paper book.

15. Learned counsel for the parties have filed their respective written submissions and have relied upon judgments thereof. The contentions of the parties are examined hereinafter.

16. During the course of arguments, learned counsel for the Directorate along with submissions with respect to the substantive merit of the case, has also raised preliminary objections regarding the maintainability of the Petition, which has remained uncontested by the Petitioner. Therefore, this Court deems it appropriate to trifurcate the submissions of the parties under three heads:

- I. Submissions relating to maintainability of the Petition by the Directorate;
- II. Submissions on the merits of the case by the Petitioner; and
- III. Submissions on the merits of the case by the Directorate.

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I. SUBMISSIONS RELATING TO MAINTAINABILITY OF THE PETITION BY THE DIRECTORATE

17. Learned counsel for the Directorate, while raising preliminary objection, has made the following submission:

17.1 At the outset, it has been contended that the present petition is not maintainable and as such is liable to be dismissed, on account of the availability of an alternative statutory remedy under the PMLA. It is his case that the impugned PAO can be challenged before the AA under Section 8 of the PMLA, the order passed by the AA thereof, is appealable under Section 26 of the PMLA, and any subsequent order arising from exercise of such powers under Section 26 of the PMLA can be challenged before the High Court under Section 42 of the PMLA.

17.2 Further, it is submitted that this Court lacks territorial jurisdiction to entertain the present Petition, since the alleged offences and proceedings pertain to the State of Gujarat. Consequently, any exercise of judicial review falls within the exclusive jurisdiction of the Gujarat High Court.

II. SUBMISSIONS ON THE MERITS OF THE CASE BY THE PETITIONER

18. Learned counsel for the Petitioner, in support of his case has made the following submissions:

18.1 It is contended that the raid conducted by the Directorate at the farmhouse, which led to registration of FIR No.85/2015, neither



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named the Petitioner nor was he identified as a suspect or witness in the said FIR. It has also been submitted that the Directorate on the basis of mere assumption of certain transactions being settled by MA in cash, proceeded to directly attach properties obtained by the Petitioner prior to the said raid, as proceeds of crime.

18.2 It has also been argued that neither the PAO nor the SCN records a 'reason to believe', which is a *sine qua non* for initiating proceedings under Sections 5 and 8 of the PMLA. Relying on **Arvind Kejriwal v. Directorate of Enforcement**¹, it has been contended that a PAO under Section 5 of the PMLA can be validly issued only if the designated/authorised officer [hereinafter referred to as 'D/AO'], issuing the said attachment records on the basis of material in his possession, records a reason to believe, in writing, that the accused is in possession of proceeds of crime, which, if not attached, is likely to be concealed, transferred or otherwise dealt with in a manner which may result in frustration of proceedings under PMLA.

18.3 Further, reliance has been placed on judgment passed by a Division Bench of this Court in W.P.(C) 5320/2017 captioned **J Sekar v. Union of India & Ors.** decided on 11.01.2018, to argue that a reason to believe shall be communicated at every stage to the notice under Section 8(1) of PMLA, and the noticee is entitled to access the materials on record basis which a reason to believe has been formed, failing which the order of PAO would be rendered illegal.

¹ 2024 SCC OnLine SC 1703



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18.4 It is the case of the Petitioner that in the present case, the AA is *coram non-judice* in terms of Section 6 of the PMLA, since the proceedings are being conducted solely by the Chairperson. Reliance has been placed on **J. Sekar** (*supra*), wherein it was observed that under PMLA, both the AA and the Appellate Tribunal ('AT'), may function through Single-Member Benches, and such Benches need not necessarily comprise a Judicial Member but may also consist of an Administrative Member.

18.5 In this context, it has been argued that the Supreme Court, *vide* its Order dated 04.07.2018 in **SLP (C) No. 12865/2018** captioned **Union of India v. J. Sekar**, stayed the judgment of **J. Sekar** (*supra*). Nevertheless, its *ratio decidendi* has been erroneously interpreted by this Court in **Alaknanda Realtors Private Ltd. v. Deputy Director, Directorate of Enforcement² & M/s Gold Croft Properties Pvt. Ltd. v. Directorate of Enforcement³**. Additionally, it has also been contended that interpretation provided under **J. Sekar** (*supra*), with respect to functioning of the AA as a single member bench, remain under challenge before the Supreme Court in **SLP (C) Diary No. 5616/2019** captioned **Virender Jain v. Union of India**.

18.6 It has also been argued that there exist no proceeds of crime within the meaning of Section 2(1)(u) of PMLA, since there exists no material on record to prove that the properties attached under Section 5(1) of the PMLA, have been derived as a result of criminal activity relating to a scheduled offence. Applying the aforesaid to the present

² W.P. (C) 12243/2022

³ W.P.(C) 2191/2023



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case, it has been stated that cricket betting is not a scheduled offence, as such failing to fall under the ambit of predicate offence, consequently, no proceeds of crime can be stated to have been derived. The learned counsel for the Petitioner, with respect to the present case, is of the view that only the property derived or obtained as a result of cricket betting by usage of SIM cards procured by other accused persons, can be termed as proceeds of crime generated as a result of criminal activity relating to the scheduled offence.

18.7 Lastly, in addition to the aforestated, learned counsel for Petitioners in W.P. (C) 12274/2015 and W.P. (C) 68/2016, submits that SCN can only be issued against persons, whose properties have been attached in the PAO, however, in the aforesaid petitions, no properties of the Petitioners have been attached. Hence, the SCN is invalid.

II. SUBMISSIONS ON THE MERITS OF THE CASE BY THE DIRECTORATE

19. *Per contra*, the counsel for the Directorate has made the following submissions:

19.1 Reliance has been placed on orders dated 07.12.2015 and 08.12.2015 passed in W.P.(C) 11361/2015, order dated 23.12.2015 in W.P.(C) 12261/2015 and W.P.(C) 12274/2015, order dated 06.01.2016 in W.P. (C) 68/2016 and W.P.(C) 78/2016, to state that the present batch of petitions were filed challenging the validity of PAO on account of the Petitioners not being arrayed as accused in the predicate offence.

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19.2 To substantiate his arguments further, it has been submitted by learned counsel for the Directorate that for the purpose of attachment it is not important that the person needs to be an accused in predicate offence or under the offences defined in PMLA, since the proceeds of crime can be in hands of any person. Reliance in this regard, has been placed on *Vijay Madanlal Chaudhary & Ors. v. UOI*⁴ and *Radha Mohan Lakhotia v. Deputy Director*⁵ and *Dilbag Singh@Dilbag Sandhu v. UOI & Ors*⁶.

19.3 Contrary to the averments made by the Petitioners in W.P.(C) 12274/2015 and W.P.(C) 68/2016, that the SCN holds no merit, since no properties of the Petitioners have been attached, two counter-arguments have been raised. *Firstly*, it has been argued that the Petitioners have already received a SCN, in response thereto, they are at liberty to bring the said averment before the AA for appropriate consideration. *Secondly*, it has been stated that, even if the said argument made by the Petitioner were to be accepted, the said writ petitions would, in any event, be rendered infructuous, since presently the Petitioners are not affected by any attachment.

ANALYSIS & FINDINGS:

20. Having heard the rival submissions advanced by the learned counsel for the parties and upon perusal of the record, this Bench has identified the following four issues:

⁴ 2022 SCC OnLine SC 929

⁵ 2010 SCC OnLine Bom 1116

⁶ (2024:PHHC:143784-DB)



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- A. Maintainability: Preliminary Objection regarding the present petition.
- B. Sections 5(1) and 8(1) of the PMLA: Whether the PAO dated 10.09.2015 and the consequential SCN dated 14.10.2014 stand vitiated for lack of proper “reason to believe”?
- C. Section 2(1)(u) of the PMLA: Whether the properties attached under PAO constitute “proceeds of crime” particularly in light of the argument that cricket betting is not a scheduled offence?
- D. Issuance of a SCN: Whether SCN under Section 8 of the PMLA is valid, notwithstanding that the AA was functioning as a single-member bench and whether the contentions raised in W.P.(C) 68/2015 and W.P.(C) 12274/2015 hold merit?

A. Maintainability: Preliminary Objection regarding the present petition.

21. Before examining the arguments advanced by the parties with respect to the maintainability of the present petition, this Court deems it appropriate to reproduce relevant portion of Article 226 of the Constitution of India, 1950 [hereinafter referred to as ‘COI’], which is as follows:

“226. Power of High Courts to issue certain writs.—(1) Notwithstanding anything in article 32, every High Court shall have power, throughout the territories in relation to which it exercises jurisdiction, to issue to any person or authority, including in appropriate cases, any Government, within those territories directions, orders or writs, including [writs in the nature of habeas corpus, mandamus, prohibition, quo warranto and certiorari, or any of them, for the enforcement of any of the rights conferred by Part III and for any other purpose.]

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(2) The power conferred by clause (1) to issue directions, orders or writs to any Government, authority or person may also be exercised by any High Court exercising jurisdiction in relation to the territories within which the cause of action, wholly or in part, arises for the exercise of such power, notwithstanding that the seat of such Government or authority or the residence of such person is not within those territories."

22. With respect to the preliminary objection raised by the Directorate that, this Court lacks the territorial jurisdiction, a reference is made to Article 226(2) of the COI, which empowers High Courts to exercise its writ jurisdiction in relation to matters in which a part of the cause of action arises within the respective territorial limits of the High Court. In the present case, while it is true that the Int'l Cricket Betting Racket was undertaken in the state of Gujarat, on the basis of which the PAO and its consequential proceedings were also initiated in Gujarat. However, it is of equal, if not greater, relevance that the acts of the Petitioner relating to the procurement and distribution of Super Master Login IDs were executed and carried out within the territorial jurisdiction of this Court. This fact, in particular, establishes that a substantial part of the cause of action has arisen in Delhi, thereby justifying the invocation of the jurisdiction of this Court under Article 226 of the COI. Even otherwise, at this stage, after the passage of long years ripening into a decade, it would neither be just nor expedient to relegate the matter to the Gujarat High Court, as it would lead to a further delay.

23. Turning now to deal with the second preliminary issue raised by the learned Counsel for the Directorate that the present petition shall be dismissed at the threshold, on account of the availability of an alternative statutory remedy under the PMLA. In regard to the



aforesaid contention this Court deems it appropriate to rely upon its recent decision in **LPA 102/2023** titled **Directorate of Enforcement v M/S Prakash Industries Ltd.** dated 03.11.2025, wherein this Court in detail dealt with the practice of invoking a writ jurisdiction of this Court within Article 226 of the COI for quashing of PAO and its consequential proceedings, thereby delineating and discussing in detail the law laid down by the Supreme Court in **Whirlpool Corporation v Registrar of Trademarks**⁷, which provides for three contingencies under which a writ court can exercise the powers vested in it, even if there exists an alternative efficacious remedy. The relevant paragraphs are as follows:

*“21. Having examined the foregoing, this Court deems it essential to delineate the contours of jurisdiction exercisable by the Court under Article 226 of the COI, notwithstanding the existence of an alternative efficacious remedy, as enunciated by the Supreme Court in **Whirlpool Corporation v. Registrar of Trademarks**. The Supreme Court in the aforementioned judgment, has authoritatively laid down three contingencies, the existence of either of which would enable the Court to exercise its writ jurisdiction vested under Article 226 of the COI; firstly, when the petition is filed for the enforcement of Fundamental Rights; secondly, where there has been a violation of the principles of natural justice; or thirdly, where the order or proceedings are wholly without jurisdiction or the vires of an Act is under challenge.*

22. In addition to the foregoing, it is also imperative to observe that the rule of availability of an efficacious alternate remedy, is not a technical bar rather, it is a rule of prudence and self-restraint, invoked with the intent of ensuring that the concerned parties resort to the rights and remedies created by or within the relevant statutory framework before invoking the extraordinary and discretionary remedy of Article 226 of the COI.

23. Proceeding now to examine the facts and circumstances of the present case in light of the aforementioned contingencies, it is, at the outset, evident that no situation pertaining to the infringement of any

⁷ (1998) 8 SCC 1



Fundamental Right of PIL has either been pleaded or established in the petition before the LSJ.

24. Further, with regard to the second contingency, which contemplates the exercise of writ jurisdiction in cases involving violation of principles of natural justice, it is deemed apposite to outline that the statute of PMLA is a self-contained and comprehensive statute providing a complete procedural mechanism to challenge the PAO prior to its confirmation. Primarily, upon issuance of a PAO under Section 5(1) of the PMLA and registration of complaint under Section 5(5) of the PMLA, the Adjudicating Authority follows the recourse of Section 8 of the PMLA.

25. Under Section 8(1) of the PMLA, the Adjudicating Authority is empowered to issue a notice to the concerned person(s) on the basis of "reason to believe" calling them to submit response(s) and participate in the proceedings before confirmation of the attachment. Thereafter, Section 8(2) further mandates upon the Adjudicating Authority to consider the reply and other material placed before it and affording hearing opportunity to take a final decision and only thereafter the mandate of Section 8(3) would apply in particular case. These provisions ensure that before the PAO attains finality in any form, the affected party is accorded a fair and reasonable opportunity to present its case and assist the authority in the adjudicatory process.

26. Moreover, the statute under Section 26 provides a remedy of appeal before the Appellate Authority against the order of the Adjudicating Authority. Section 42 of the PMLA further enables a statutory appeal before the competent High Court. To put it succinctly, the statutory scheme under the PMLA incorporates a robust and multi-tiered mechanism ensuring adherence to the principles of audi alteram partem and natural justice at every stage, beginning from the issuance of notice, adjudication and confirmation to appellate remedies.

27. In the present case, the order of the Appellate Tribunal was already under challenge before this Court by PIL, in the year 2019, by W.P.(C) 9063/2019 titled as M/s Prakash Industries Ltd v Directorate of Enforcement. This Court vide its Order dated 21.09.2022, observed that the parties were ad idem that the nature of the order being challenged, forms an appeal under Section 42 of the PMLA, therefore the nomenclature after being changed can be placed for adjudication before a separate Bench designated to deal the matter in nature of



appeal under the said provision, the relevant part of the said order is reproduced hereunder:

“Learned counsels for parties are ad idem that although the instant matter has been titled as a writ petition, it is essentially an appeal under Section 42 of the Prevention of Money Laundering Act, 2002.

In view of the aforesaid, the Court grants liberty to Mr. Chawla to amend the cause title. Let an amended cause title be placed on the record within a period of 48 hours. The matter may thereafter be placed before the appropriate Court on 11.10.2022, subject to orders of Hon“ble the Chief Justice.”

In view of the aforesaid, the Learned Single Judge ought not to have interfered in the present dispute, particularly since an appeal arising from the very same order of the Appellate Tribunal was already pending adjudication before this Court. Entertaining a writ petition in such circumstances resulted in two parallel proceedings concerning the same issue, which is not permissible in law.

28. Adverting now to the third contingency, namely, whether the order or proceedings are wholly without jurisdiction or the vires of an Act is under challenge, this Court deems it apposite to bifurcate the said contingency into two parts for clarity. Examining the first limb, concerning lack of jurisdiction, it is observed that although PIL assailed the validity of PAO before the LSJ, no challenge was made on the competence or authority of the Directorate to issue such PAO under Section 5 of the PMLA. It is further pertinent to note that the arguments advanced by PIL, questioning the validity of PAO, found its genesis on the existence or non-existence of a scheduled offence and the factual matrix surrounding the same, which are issues inherently involving adjudication of disputed questions of fact. Such factual determinations fall outside the plenary writ jurisdiction of Article 226 of the COI, which is confined only to questions of law and instances of patent illegality or jurisdictional error. As regards, the second limb of this contingency, it is evident that the vires of the PMLA has not been challenged before the LSJ.

29. Therefore, in view of the foregoing analysis, since neither of the three parameters provided by the Supreme Court in **Whirlpool** (Supra) stand attracted in the facts of the present case, this Court is of the considered view that it was not appropriate for the LSJ to interfere with the issuance of the PAO. This conclusion is fortified for two reasons: firstly, there was no infraction of the principles of natural



justice, in view of the comprehensive procedural safeguards incorporated within the PMLA; and secondly, the PAO, though issued, constitutes only a provisional measure pending adjudication, and does not culminate in any final determination of rights.

30. Against the said backdrop, this Court deems it relevant and necessary to underscore that the recurring practice of invoking the extraordinary writ jurisdiction under Article 226 of the COI to challenge the validity of a PAO at every other opportunity is wholly unwarranted amounting to an abuse of the process of law. In addition to the aforesaid, it is also to note that when a special statute, such as the PMLA, provides a detailed hierarchy of forums and a complete adjudicatory mechanism for redressal of grievances, bypassing such remedies by directly approaching the writ court not only clogs the judicial system but also defeats the legislative intent behind creating a specialized adjudicatory mechanism under the PMLA. Accordingly, the jurisdiction under Article 226 of the COI, being discretionary and equitable in nature, ought not to be exercised to supplant the statutory remedies specifically envisaged under the relevant statute.”

In substance, it was observed by this Court that invocation of writ jurisdiction under Article 226 of the COI, despite the existence of an efficacious alternative remedies, is permissible upon the establishment of either of the three well-recognised contingencies; *firstly*, a violation of Fundamental Rights of a person; *secondly*, a violation of the principles of natural justice; and *thirdly*, a situation wherein the impugned order or proceedings are wholly without jurisdiction or the vires of an Act are assailed. By laying emphasis on these three parameters, this Court reaffirmed that Article 226 of the COI does not operate as an unrestricted avenue of bypassing statutory processes, but rather as a carefully guarded constitutional safety valve, to be invoked only in exceptional circumstances.

24. It was further noted that the PMLA constitutes a comprehensive, self-contained legislative scheme, meticulously



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structured to provide a complete adjudicatory hierarchy comprising the AA, the AT and Appeals before the High Court under Section 42 of the PMLA. Since the procedural architecture of the PMLA embodies the principle of *audi alteram partem* at every stage, there exists no justification for routine or premature recourse to the writ jurisdiction. While concluding its observation, this Court expressed strong disapproval of a recurring practice of invoking Article 226 of the COI, as an alternative forum of first instance, highlighting that such attempts lead to abuse of process of law.

25. Having regard to the fact that the present matter mirrors, in material respects, the procedural substratum considered in ***ED v. Prakash Industries (Supra)***, this Court finds no compelling cause to re-examine the facts or circumstances in the present case, more so, since the argument on maintainability has not been responded to. Nevertheless, this Court is of the view that neither of the three contingencies, stands attracted in the present case.

26. Accordingly, this Court is of the considered view that it would be wholly inappropriate, both in law and in principle, to intercede in the present proceedings under Article 226 of the COI. The constitutional jurisdiction of this Court, though wide and potent, is not intended to supplant the specialised statutory mechanism envisaged under the PMLA and must yield to the legislative framework when none of the exceptional circumstances warranting its invocation are demonstrated.



27. Before moving towards the merits of the present case, it is important to reproduce the relevant part of the provisions under the PMLA, which are as follows:

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

(u) *“proceeds of crime” means any property derived 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 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” include 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;]

(v) *‘property’ means any property or assets of every description, whether corporeal or incorporeal, movable or immovable, tangible or intangible and includes deeds and instruments evidencing title to, or interest in, such property or assets, wherever located;*

[Explanation.—For the removal of doubts, it is hereby clarified that the term —property includes property of any kind used in the commission of an offence under this Act or any of the scheduled offences;]

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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,



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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 1[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.

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(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.

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6. Adjudicating Authorities, composition, powers, etc.—(1) *The Central Government shall, by notification, appoint 4[an Adjudicating Authority] to exercise jurisdiction, powers and authority conferred by or under this Act.*

(2) *An Adjudicating Authority shall consist of a Chairperson and two other Members:*

Provided that one Member each shall be a person having experience in the field of law, administration, finance or accountancy.

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(5) *Subject to the provisions of this Act,—*

(a) *the jurisdiction of the Adjudicating Authority may be exercised by Benches thereof;*

(b) *a Bench may be constituted by the Chairperson of the Adjudicating Authority with one or two Members as the Chairperson of the Adjudicating Authority may deem fit;*

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(7) *If at any stage of the hearing of any case or matter it appears to the Chairperson or a Member that the case or matter is of such a nature that it ought to be heard by a Bench consisting of two Members, the case or matter may be transferred by the Chairperson or, as the case may be, referred to him for transfer, to such Bench as the Chairperson may deem fit.*

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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], it 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:*

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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.

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B. Sections 5(1) and 8(1) of the PMLA: Whether the PAO dated 10.09.2015 and the consequential SCN dated 14.10.2014 stand vitiated for lack of proper “reason to believe”?

28. Section 5(1) of the PMLA empowers the D/AO to provisionally attach any property constituting ‘proceeds of crime’, subject to recording a reason to believe, based on material in his possession, that, the person is in possession of such proceeds which if not attached forthwith, is likely to result in the property being concealed, transferred or otherwise dealt with in a manner that may frustrate the proceeding under the Act.



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29. A significant legislative development in this context is the deletion of erstwhile clause 'b' to Section 5(1) of the PMLA by the Prevention of Money Laundering (Amendment) Act, 2013 (Act 2 of 2013), which mandated that a person must have been necessarily charged with the commission of a scheduled offence before a PAO could be issued. Resultantly, the explicit omission of the said clause indicates that within the statutory framework of the PMLA, as on date, filing of a chargesheet in respect of the predicate offence is no longer a condition precedent for initiating attachment under the PMLA.

30. Similarly, Section 8(1) of the PMLA enables the AA to initiate adjudicatory proceedings by issuing a SCN to the concerned person, upon receipt of a complaint under Section 5(5) of the PMLA, amongst three pre-conditions stipulated thereunder, triggering the exercise of such power. Such initiation requires the AA to have a reason to believe that the concerned person has committed an offence under Section 3 of the PMLA or is in possession of proceeds of crime.

31. Therefore, both Section 5(1) and Section 8(1) of the PMLA, provides for a foundational pre-condition of 'reason to believe' for the D/AO and the AA, respectively, to exercise their powers under these provisions. This statutory requirement acts as a crucial safeguard against arbitrary exercise of power and ensures accountability in the enforcement of the PMLA.

32. This Court in **MISC. APPEAL (PMLA) 4/2021** captioned **Directorate of Enforcement through Deputy Director v. Poonam Malik** dated 14.11.2025, while relying upon the recent decision of



Supreme Court in *Radhika Agarwal v. Union of India*⁸, elaborated the contours of the expression ‘reason to believe’. In substance, this Court observed that, ‘reason to believe’ is an objective, evidence-based satisfaction founded on tangible material that provides sufficient cause for the relevant authority to reach to a conclusion, and cannot rest on, or be equated with, mere suspicion.

33. Having regard to the aforesaid legal position, this Court now adverts to the material on record to see whether the D/AO and the AA had sufficient ‘reason to believe’ before the issuance of PAO and SCN under Sections 5(1) and 8(1) of the PMLA, respectively. Before advertng to the material on record, it is deemed appropriate to clarify that, this Court is conscious of the fact that its jurisdiction in the present matter is inherently circumscribed, since this Court cannot, in exercise of writ jurisdiction, travel in leaps and bounds beyond the procedural limitations imposed by law, particularly when an alternative efficacious statutory remedy exists within the contours of the PMLA. Consequently, the observations in the succeeding paragraphs is confined merely to a prima facie assessment of the existence of jurisdiction pre-requisites, and shall not be construed as a final adjudication on the merits, which falls under the exclusive domain of the statutory authorities, which upon an exhaustive scrutiny of the evidence produced thereof, shall either confirm or reject the powers exercised by the D/AO under the provisions of the PMLA.

34. Advertng now to the material on record, a perusal of the order show that in concluding that the emergency attachment of the

⁸ 2025 SCC OnLine SC 449



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properties is necessary, the D/AO has relied upon the following documents:-

- i. copy of FIR No. 85/2015 registered at Vadodara Police Station, Gujarat;
- ii. copy of report under Section 173 of CrPC filed by DCB, Mumbai;
- iii. statements of bank Accounts and ledger;
- iv. statements of various persons recorded under Section 50 of the PMLA, and the documents submitted during deposition;
- v. various other documents collected during investigation.

35. In so far as the acquisition of proceeds of crime and its further settlement with the Petitioner is concerned, the PAO records the following, which includes, the amount settled between MA and the Petitioner:-

“13. And whereas, one more person whose identity was disclosed as “Mukesh Delhi” was further identified as Shri Mukesh Kumar, son of Shri Jai Kishan Sharma having his residence at Jagriti Enclave, Delhi;

14. And whereas, the residential premises of Shri Mukesh Kumar at 65 Jagriti Enclave, Delhi was searched on 22.05.2015 under the provisions of PMLA, 2022 which resulted in recovery and seizure of various incriminating documents, valuable including cash to the tune of Rs. 10 lacs;

15. And whereas, examination of Shri Mukesh Kumar under the provisions of PMLA disclosed that he is one of the many persons procuring Super Master Login IDs from betting website “BETFAIR.COM” persons active in India. He has admittedly

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transferred Rupees 40 to 50 Crores for procuring Super Master Login IDs of “BETFAIR.COM” in last three years;

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18. And Whereas, from the records retrieved so far, it has been revealed that a turnover of Rs. 2469,99,08,750/- (Rupees Two Thousand Four Hundred Sixty Nine Crores Ninety Nine Lacs Eight Thousand Seven Hundred Fifty only] in form of various bets placed by a large number of bookies/punters spread not within the geographical boundaries of India but also in Dubai, Pakistan etc., on different matched played between 04.12.2014 till 19.03.2015 was generated by ‘MARUTI AHMEDABAD’;

20. And Whereas, out of the aforementioned settlement amount of Rs. 2469,99,08,750, Proceeds of Crime to the tune of to Rs. 60, 71,75,090/- (Rupees Sixty Crores Seventy One Lacs Seventy Five Thousand Ninety only) from 01.1.2014 till 16.03.2015 has been settled between Shri Mukesh Kumar and “MARUTI AHMEDABAD”.

36. Therefore, having regard to the material relied upon in the PAO and the discussion therein, this Court is of the view, that the D/AO possessed sufficient and cogent material to form the requisite reason to believe and the formation of such belief under Section 5(1) of the PMLA was not mechanical or predicated on mere suspicion. Further, the PAO also indicates the existence of a clear nexus between the material collected and the inference drawn regarding the involvement of the Petitioner in process of money-laundering. In the aforesaid circumstances, and in view of the limited scope of judicial review at this stage, this Court finds no infirmity in the issuance of the PAO or the consequential SCN.

C. Section 2(1)(u) of the PMLA: Whether the properties attached under PAO constitute “proceeds of crime” particularly in light of the argument that cricket betting is not a scheduled offence?

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37. Before proceeding to establish the requisite nexus between the alleged acts of the Petitioner in facilitating the Int'l Cricket Betting Racket; by distributing Super Maser Login IDs to the persons involved in Int'l Cricket Betting Racket, which purportedly led to an acquisition of proceeds of crime amounting to Rs. 2400 Crores by MA, this Bench deems it appropriate to delineate the legal framework under PMLA. Such examination is necessitated to comprehensively examine the elements that give rise to the offence of money laundering under the statutory scheme of the PMLA, particularly the definitions of “property”, “proceeds of crime” and the process of activity that constitutes an offence under Section 3 of the PMLA thereof.

38. This Court in *LPA 588 of 2022* titled *Directorate of Enforcement v M/s Hi-Tech Merchantile India Pvt. Ltd. & Ors. & Ors.* dated 17.10.2025, has examined as to what constitutes property within the contours of PMLA. In substance, while dealing with the definition of property under Section 2(1)(v) of the PMLA, this Court emphasized that in a rapidly evolving world of commerce, the expression must be interpreted in a broad and expansive manner, including modern intangible assets such as digital rights, data and other incorporeal interest, all of which possess exchangeable value and form part of the wealth of an individual.

39. This Court in its decisions in *ED v. Prakash Industries (supra)*, also dealt in detail with the definition of Section 2(1)(u) of the PMLA. In substance, this Court observed that Section 2(1)(u) of PMLA not only covers properties directly obtained from a scheduled offence but



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also includes any property derived indirectly therefrom. It was observed that the usage of phrase “directly or indirectly” reflects the wider scope of the provision, covering subsequent layers, transformations, or transactions meant to give illicit gains a semblance of legitimacy.

40. Applying the aforesaid principles highlighted under the preceding Paragraph No. 34 to the facts of the present case, it is evident that the Super Master Login IDs obtained and distributed by the Petitioner falls well within the ambit of ‘property’ under Section 2(1)(v) of the PMLA. In particular, these IDs constitute intangible digital assets, conferring valuable and operative access rights to Betfair.com, enabling the ID holders to carry out betting operations.

41. With respect to the application of Section 2(1)(u) of the PMLA, it is pertinent to note that the scope of this provision is wide, encompassing not only immediate profits from a criminal act but also any advantage derived from the utilisation, transfer or subsequent exploitation of property obtained from a scheduled offence. It is also important to note that, even if a downstream activity, such as conducting betting, is not a scheduled offence, profits generated from such activity remain traceable to the original tainted property, especially when the said downstream activity is a final manifestation of a chain of criminality, intricately interwoven with multiple preceding criminal acts, any profit derived therefrom clearly constituting “proceeds of crime” within the contours of the PMLA.

42. In the present case, the act of the Petitioner to procure and distribute these IDs, without any KYC verification or lawful

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documentation amounts to forgery, cheating, identity fraud and criminal conspiracy, all of which constitute as a scheduled offence. Moreover, the conduct of the Petitioner was not merely incidental; rather, it was a deliberate act undertaken in furtherance of a larger criminal conspiracy aimed at facilitating the running of an illegal betting racket. Therefore, any benefit indirectly derived by the usage of Super Master Login IDs, would constitute proceeds of crime.

43. To put it succinctly, even if cricket betting is not a separate predicate offence, non-availability of the Super Master IDs, which was a culmination of a series of criminal activities related to a scheduled offence, would have made the Int'l Cricket Betting Racket non-functional. For instance, if a person acquires any immovable property through acts of forgery, cheating and criminal conspiracy and thereafter utilises such property for a downstream activity, such as conducting an unlicensed real-estate business which is not a scheduled offence, the proceeds generated from the latter activity nonetheless constitute 'proceeds of crime' under Section 2(1)(u) of the PMLA. This is because the taint attached to the property at its very inception, originated from a criminal activity relatable to a scheduled offence, persists throughout its subsequent use. Pithily put, "Fruit of a poisoned tree".

44. In the present case, MA, through utilisation and continuous use of the Super Master Login IDs, generated approximately Rs. 2400 crores as proceeds of crime, from the Int'l Cricket Betting Racket. Out of the said amount, Rs. 60 Crores were transferred to the Petitioner, as such the active role of the Petitioner in procuring and distributing



Super Master IDs, which were an indispensable requirement for continuation of the Int'l Cricket Betting Racket, clearly amounts to participation in the generation of proceeds of crime arising from scheduled offences.

D. Section 6 of the PMLA: Whether the AA was *coram non judice*?

45. Since the present issue concerning the validity of the SCN has been argued on two distinct limbs, this Court deems it appropriate to bifurcate the contentions under distinct heads and deal with them separately, the issues are as follows:

- i. Whether the SCN issued by AA is valid in view of the AA allegedly acting *coram non judice* under Section 6 of the PMLA; and
- ii. Whether an SCN can be issued even in the absence of prior attachment of properties by the Directorate.

(i) Whether the SCN issued by AA is valid in view of the AA allegedly acting *coram non judice* under Section 6 of the PMLA?

46. Section 6 (2) of the PMLA provides that AA shall comprise of a Chairperson and two other members; whereas, Section 6(5)(b) authorizes the Chairperson to constitute Benches with either one or two members, as deemed necessary, thereby enabling functional flexibility of the AA. Section 6(7) of the PMLA, also enables the Chairperson to formulate a two-member Bench, wherein she/he is of a view that the matter is of such a nature which needs to be heard by a Bench consisting of two members. These three provisions when read



in harmony, reveal that although the statute provides a prescription for the composition of AA, nevertheless, the usage of word ‘shall’ under Section 6(2) cannot be considered in isolation so as to suggest that a three-member composition is a compulsory and only acceptable composition, enabling the AA to exercise the power vested in it by the statute. It further reveals that the statute provides a threefold legislative design, permitting the AA to function in three distinct configurations, either as a three-member authority or for purposes of functional expediency, as a two-member Bench or even as a single-member Bench, depending on the nature of the matter before it.

47. The aforesaid interpretation of the provision also aligns with the fundamental principle of statutory interpretation, *ut res magis valeat quam pereat*, which mandates that every statutory provision must be given effect and shall not be rendered as ineffectual, inoperative or redundant. In view of the aforesaid, if the argument advanced by the learned counsel for the Petitioner is accepted and the provisions of Section 6 of the PMLA are interpreted in a manner that it prohibits the existence or constitution of AA as a single-member Bench, such interpretation would nullify the effects and intention behind adding Section 6(5)(b) and Section 6(7) of the PMLA, which is impermissible under the recognised principles of statutory provisions. A similar view has also been taken by the Division of Bench of Telangana High Court in ***Enforcement Directorate v. Karvy India Reality Limited and Others***⁹,

⁹ 2024 SCC OnLine TS 18



48. The Court in *Karvy India* (*supra*) further clarified that although AA performs quasi-judicial functions, it is neither a tribunal within the meaning of Articles 323A or 323B of the COI, nor has it been vested with any adjudicatory function transferred from traditional courts. Additionally, it was also noted that the powers under Section 8 of the PMLA may validly be exercised by a single-member bench, even in absence of a judicial officer. While elaborating further, it was observed by the Court that under PMLA there exist sufficient checks and balances, since the order of the AA is subject to challenge before the AT under Section 26 of the PMLA, which is presided over by a retired Chief Justice.

49. To conclude, applying the aforesaid principles to the present case, this Court is of the view that the SCN issued by a Bench, comprising of a technical member, was valid. Consequently, the contention that the AA was acting *coram non judice* is founded on a misinterpretation or ignorance of the statutory framework. Thus, in the view of this Court, the issuance of the SCN is well within the contours of the PMLA, and as such, the first limb of argument advanced by the Petitioners, in furtherance of validity of SCN, is devoid of merit.

(ii) Whether an SCN can be issued even in the absence of prior attachment of properties by the Directorate.

50. Section 8(1) of the PMLA, enables the AA to issue a SCN to a concerned person “if” the AA, on receipt of a complaint under Section 5(5) of the PMLA or application made under Sections 17(4) or Section 18(10) of the PMLA, has a reason to believe that such person



is either in possession of proceeds of crime or has committed an offence of money laundering. A plain reading of the said provision, reveals that jurisdiction of the AA to issue such notice, is only triggered by any one of three ingredients provided therein, the usage of the word 'or' between these triggers makes it abundantly clear that these three preconditions are in the alternative and not cumulative or contemporaneous in nature.

51. In this regard, it also becomes important to note that issuance of SCN is merely a first step in furtherance of the quasi-judicial functions conferred upon the AA, which enables the affected party to be heard in accordance with the principle of *audi alteram partem*. The quasi-judicial functions exercised by AA must not be conflated with the attachment order passed under Section 5(1) of the PMLA, which is a precautionary and emergent measure undertaken by the Directorate to prevent dissipation or concealment of proceeds of crime. While the SCN initiates the adjudicatory process, attachment under Section 5(1) of the PMLA is provisional in nature and is aimed at safeguarding the assets pending determination, reflecting the deliberate legislative distinction between protective measures and the procedural onset of adjudication.

52. Accordingly, the absence of attachment under Section 5 of the PMLA cannot invalidate the SCN, since it is not a jurisdictional pre-requisite, absence of which will disable the AA to issue such notice in contravention of the provisions of the Act. Even otherwise, the property of the Petitioners in W.P. (C) 68/2015 and W.P. (C) 12274/2015 have, in fact, already been attached by the impugned



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PAO. Accordingly, in view of the aforesaid, the second limb of the argument advanced by the Petitioner also fails.

CONCLUSION:

53. Keeping in view the above position of law, as well as the facts and circumstances of the present case, this Court finds no merit in the present Petitions.

54. Accordingly, the present Petitions, along with the pending applications, are dismissed.

55. The foregoing discussion was only for the purpose of adjudication of *lis* raised in the present Petitions and the same shall not be treated as a final expression on the submissions of respective parties and shall also not affect the future adjudication emanating before any other forum in accordance with law.

ANIL KSHETARPAL, J.

HARISH VAIDYANATHAN SHANKAR, J.

NOVEMBER 24, 2025

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