Reserved on : 12.08.2026
Pronounced on : 04.11.2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 04TH DAY OF NOVEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE M.NAGAPRASANNA

WRIT PETITION NO. 964 OF 2026 (GM-RES)

C/W

WRIT PETITION NO. 966 OF 2026 (GM-RES)

WRIT PETITION NO. 3567 OF 2026 (GM-RES)

WRIT PETITION NO. 3821 OF 2026 (GM-RES)

WRIT PETITION NO. 3826 OF 2026 (GM-RES)

WRIT PETITION NO. 3827 OF 2026 (GM-RES)

WRIT PETITION NO. 3828 OF 2026 (GM-RES)

IN WP No. 964/2026

BETWEEN:

Digitally signed by PADMAVATHI B K
Location: High Court of Karnataka

PUPPYS TOURS AND TRAVELS LLP
A LIMITED LIABILITY PARTNERSHIP FIRM
REGISTERED UNDER THE LIMITED LIABILITY
PARTNERSHIP ACT, 2008
HAVING REGISTERED OFFICE AT:
NO.5/6/7, SARASWATI NILAYA
KING STREET, OLD TOWN,
CHALLAKERE

CHITRADURGA DISTRICT - 577 522.

…PETITIONER

(BY SRI MAYANK JAIN, SRI ARPIT GOEL
SRI RAJATH AARON THOMAS, ADVOCATES)

AND:

1. UNION OF INDIA
THROUGH THE SECRETARY
DEPARTMENT OF REVENUE
MINISTRY OF FINANCE
GOVERNMENT OF INDIA
ROOM NO.128A, NORTH BLOCK
NEW DELHI - 110 001.

2. DEPUTY DIRECTOR
NAMRATA AC SINGH
DIRECTORATE OF ENFORCEMENT
THIRD FLOOR, B-BLOCK BMTC
SHANTHI NAGAR
BENGALURU - 560 027.

…RESPONDENTS

(BY SRI K.ARVIND KAMATH, ASG;
SRI ZOHEB HOSSAIN, SR.ADVOCATE AND
SRI MADHU N.RAO, SPL.COUNSEL)

THIS WRIT PETITION IS FILED UNDER ARTICLE 226 OF THE CONSTITUTION OF INDIA READ WITH SECTION 528 OF BNSS., PRAYING TO DECLARING THAT THE SEARCH, SEIZURE, FREEZING, RETENTION CONDUCTED BY RESPONDENT NO.2/ED AGAINST THE PETITIONER IN ECIR/BGZO/19/2025 IS ILLEGAL AND BAD IN LAW AND ISSUE A WRIT OF CERTIORARI OR ANY OTHER WRIT,

DIRECTION OR ORDER QUASHING O.A.NO.279/2025 DATED 20.09.2025 ANNEXURE-G FILED BY RESPONDENT NO.2 FOR RETENTION OF PROPERTY AND RECORDS, BEFORE THE LD.ADJUDICATING AUTHORITY, PMLA ALONG WITH ALL PROCEEDINGS EMANATING THEREFROM AND DIRECTING FORTHWITH RELEASE OF PROPERTIES AND RECORDS BY RESPONDENT NO.2; AND ISSUE A WRIT OF CERTIORARI OR ANY OTHER WRIT, DIRECTION OR ORDER QUASHING SHOW CAUSE NOTICE U/S 8(1) OF PMLA DATED 29.09.2025 ANNEXURE-H ALONG WITH REASONS TO BELIEVE, ISSUED BY LD. ADJUDICATING AUTHORITY, PMLA, IN ECIR/BGZO/19/2025 ALONG WITH ALL PROCEEDINGS EMANATING THEREFFROM; ISSUE A WRIT OF PROHIBITION OR ANY OTHER WRIT, DIRECTION OR ORDER PROHIBITING RESPONDENT NO.2 FROM RETAINING THE PROPERTIES AND DOCUMENTS SEIZED DURING SEARCH AND SEIZURE OPERATIONS QUA THE PETITIONER IN ECIR/BGZO/19/2025 AND FORTHWITH RELEASE OF PROPERTIES AND RECORDS, BY RESPONDENT NO.2.

IN WP NO. 966/2026

BETWEEN:

1. KC NAGARAJA
   S/O KONDIAHALLI
   AGED ABOUT 38 YEARS
   CHANNABASAPPA,
   R/O NO.5/6/7
   SARASWATI NILAYA

KING STREET
OLD TOWN, CHALLAKERE
CHITRADURGA DISTRICT - 577 522.

...PETITIONER

(BY SRI MAYANK JAIN; SRI ARPIT GOEL;
SRI RAJATH AND SRI AARON THOMAS, ADVOCATES)

AND:

1. UNION OF INDIA
THROUGH THE SECRETARY
DEPARTMENT OF REVENUE
MINISTRY OF FINANCE
GOVERNMENT OF INDIA
ROOM NO.128A, NORTH BLOCK
NEW DELHI - 110 001.

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NAMRATA A C SINGH
DIRECTORATE OF ENFORCEMENT
THIRD FLOOR, B- BLOCK, BMTC
SHANTHI NAGAR
BENGALURU - 560 027.

...RESPONDENTS

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AND BAD IN LAW; AND ISSUE A WRIT OF CERTIORARI OR ANY OTHER WRIT, DIRECTION OR ORDER QUASHING O.A.NO.279/2025 DATED 20.09.2025 FILED BY RESPONDENT NO.2 FOR RETENTION OF PROPERTY AND RECORDS, BEFORE THE LD. ADJUDICATING AUTHORITY, PMLA ALONG WITH ALL PROCEEDINGS EMANATING THEREFROM AND DIRECTING FORTHWITH RELEASE OF PROPERTIES AND RECORDS INCLUDING DEFREEZING OF LOCKER FREEZED BY RESPONDENT NO.2; AND ISSUE WRIT OF CERTIORARI OR ANY OTHER WRIT, DIRECTION OR ORDER QUASHING SHOW CAUSE NOTICE U/S 8(1) OF PMLA DATED 29.09.2025 ALONG WITH REASONS TO BELIEVE, ISSUED BY LD. ADJUDICATING AUTHORITY, PMLA, IN ECIR/BGZO/19/2025 ALONG WITH ALL PROCEEDINGS EMANATING THEREFFROM; ISSUE A WRIT OF PROHIBITION OR ANY OTHER WRIT, DIRECTION OR ORDER PROHIBITING R2 FROM RETAINING THE PROPERTIES AND DOCUMENTS SEIZED/FREEZED DURING SEARCH AND SEIZURE OPERATIONS QUA THE PETITIONER IN ECIR/BGZO/19/2025 AND FORTHWITH RELEASE OF PROPERTIES AND RECORDS INCLUDING DEFREEZING OF LOCKER FREEZED BY R2.

IN WP NO. 3567/2026

BETWEEN:

1. THIPPESWAMY KONDLAHALLI CHANNABASAPPA
   AGED ABOUT 53 YEARS,
   S/O KONDIAHALLI CHANNABASAPPA,
   R/O KC HOUSE, OLD TOWN,
   NEAR VEERABHADRA SWAMY TEMPLE,
   CHALLAKERE,
   CHITRADURGA DISTRICT - 577 522.

...PETITIONER

(BY SRI MAYANK JAIN; SRI ARPIT GOEL;

SRI RAJATH AND SRI AARON THOMAS, ADVOCATES)

AND:

1. UNION OF INDIA
THROUGH THE SECRETARY
DEPARTMENT OF REVENUE
MINISTRY OF FINANCE
GOVERNMENT OF INDIA
ROOM NO.128A, NORTH BLOCK,
NEW DELHI - 110 001.

2. DEPUTY DIRECTOR,
DIRECTORATE OF ENFORCEMENT,
THIRD FLOOR, B- BLOCK,
BMTC, SHANTHI NAGAR,
BENGALURU - 560 027.

...RESPONDENTS

(BY SRI K.ARVIND KAMATH, ASG
SRI ZOHEB HOSSAIN, SR.ADVOCATE AND
SRI MADHU N.RAO, SPL.COUNSEL)

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FORTHWITH RELEASE OF PROPERTIES AND RECORDS INCLUDING DEFREEZING OF ACCOUNTS BY RESPONDENT NO. 2; AND ISSUE A WRIT OF CERTIORARI OR ANY OTHER WRIT, DIRECTION OR ORDER QUASHING SHOW CAUSE NOTICE U/S 8(1) OF PMLA DATED 29.09.2025 ALONG WITH REASONS TO BELIEVE (ANNEXURE H), ISSUED BY LD. ADJUDICATING AUTHORITY, PMLA, IN ECIR/BGZO/19/2025 ALONG WITH ALL PROCEEDINGS EMANATING THEREFROM, AND ISSUE A WRIT OF PROHIBITION OR ANY OTHER WRIT, DIRECTION OR ORDER PROHIBITING RESPONDENT NO. 2 FROM RETAINING THE PROPERTIES AND DOCUMENTS SEIZED/FREEZED DURING SEARCH AND SEIZURE OPERATIONS QUA THE PETITIONER IN ECIR/BGZO/19/2025 AND FORTHWITH RELEASE OF PROPERTIES AND RECORDS INCLUDING DEFREEZING OF ACCOUNTS FREEZED BY RESPONDENT NO.2.

IN WP NO. 3821/2026

BETWEEN:

1. PANDURANGA R.,
   S/O RANGASWAMY,
   AGED ABOUT 42 YEARS
   RESIDING AT
   KARIYANNANAHALLY,
   BEERENAHALLI,
   BEERANAHALLY,
   CHITRADURGA - 577 599.

...PETITIONER

(BY SRI MAYANK JAIN; SRI ARPIT GOEL;
SRI RAJATH AND SRI AARON THOMAS, ADVOCATES)

AND:

1. UNION OF INDIA
   THROUGH THE SECRETARY
   DEPARTMENT OF REVENUE
   MINISTRY OF FINANCE
   GOVERNMENT OF INDIA
   ROOM NO.128A, NORTH BLOCK,
   NEW DELHI - 110 001.

2. DEPUTY DIRECTOR,
   NAMRATA AC SINGH,
   DIRECTORATE OF ENFORCEMENT,
   THIRD FLOOR, B-BLOCK,
   BMTC SHANTHI NAGAR,
   BENGALURU - 560 027.

...RESPONDENTS

(BY SRI K.ARVIND KAMATH, ASG
SRI ZOHEB HOSSAIN, SR.ADVOCATE AND
SRI MADHU N.RAO, SPL.COUNSEL)

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8(1) OF PMLA DATED 29/09/2025 ALONG WITH REASONS TO BELIEVE VIDE (ANNEXURE-H) ISSUED BY LD. ADJUDICATING AUTHORITY, PMLA, IN ECIR/BGZO/19/2025 ALONG WITH ALL PROCEEDINGS EMANTING THEREFROM; AND DIRECTION OR ORDER PROHIBITING R2 FROM RETAINING THE PROPERTY SEIZED DURING SEARCH AND SEIZURE OPERATIONS QUA THE PETITIONER IN ECIR/BGZO/19/2025 DATED 22/07/2025 VIDE (ANNEXURE A) AND FORTHWITH RELEASE OF PROPERTY BY R2.

IN WP NO. 3826/2026

BETWEEN:

1. VIJAYA D.,
   W/O NAGARAJAPPA M.T.,
   AGED ABOUT 60 YEARS
   RESIDING AT MANNEKOTE
   CHITRADURGA
   KARNATAKA - 577 543.

...PETITIONER

(BY SRI MAYANK JAIN; SRI ARPIT GOEL;
SRI RAJATH AND SRI AARON THOMAS, ADVOCATES)

AND:

1. UNION OF INDIA
   THROUGH THE SECRETARY
   DEPARTMENT OF REVENUE
   MINISTRY OF FINANCE
   GOVERNMENT OF INDIA
   ROOM NO. 128A, NORTH BLOCK
   NEW DELHI - 110 001.

2. DEPUTY DIRECTOR
   NAMRATA AC SINGH

DIRECTORATE OF ENFORCEMENT
THIRD FLOOR, B-BLOCK,
BMTC SHANTHI NAGAR
BENGALURU - 560 027.

...RESPONDENTS

(BY SRI K.ARVIND KAMATH, ASG
SRI ZOHEB HOSSAIN, SR.ADVOCATE AND
SRI MADHU N.RAO, SPL.COUNSEL)

THIS WRIT PETITION IS FILED UNDER ARTICLE 226 OF THE CONSTITUTION OF INDIA READ WITH SECTION 528 OF BNSS., PRAYING TO DECLARING THAT THE SEARCH, SEIZURE AND RETENTION CONDUCTED BY RESPONDENT NO.2/ED AGAINST THE PETITIONER IN ECIR/BGZO/19/2025 DATED IS ILLEGAL AND BAD IN LAW; AND QUASH O.A. NO. 302/2025 DATED 03.10.2025 (ANNEXURE-G) FILED BY RESPONDENT NO. 2 FOR RETENTION OF PROPERTY, BEFORE THE LD. ADJUDICATING AUTHORITY, PMLA ALONG WITH ALL PROCEEDINGS EMANATING THEREFROM AND DIRECTING FORTHWITH RELEASE OF PROPERTY OF THE PETITIONER, BY RESPONDENT NO.2; AND QUASH SHOW CAUSE NOTICE U/S 8(1) OF PMLA DATED 09.10.2025 (ANNEXURE -H) ALONG WITH REASONS TO BELIEVE, ISSUED BY LD. ADJUDICATING AUTHORITY, PMLA, IN ECIR/BGZO/19/2025 DATED 22.07.2025 (ANNEXURE-A) ALONG WITH ALL PROCEEDINGS EMANATING THEREFROM; AND ISSUE A WRIT OF PROHIBITION OR ANY OTHER WRIT, DIRECTION OR ORDER PROHIBITING RESPONDENT NO. 2 FROM RETAINING THE PROPERTY SEIZED DURING SEARCH AND SEIZURE OPERATIONS QUA THE PETITIONER IN ECIR/BGZO/19/2025 DATED 22.07.2025 (ANNEXURE-A) AND FORTHWITH RELEASE OF PROPERTY BY RESPONDENT NO.2.

IN WP NO. 3827/2026

BETWEEN:

1. ABH INFRASTRUCTURES
REPRESENTED BY
AUTHORIZED SIGNATORY,
SUCHITRA S.,
AGED ABOUT 42 YEARS
OFFICE AT NO. 1546,
80 FT ROAD, 2ND STAGE,
CHANDRA LAYOUT,
BENGALURU - 560 040.

...PETITIONER

(BY SRI MAYANK JAIN; SRI ARPIT GOEL;
SRI RAJATH AND SRI AARON THOMAS, ADVOCATES)

AND:

1. UNION OF INDIA
THROUGH THE SECRETARY
DEPARTMENT OF REVENUE
MINISTRY OF FINANCE
GOVERNMENT OF INDIA
ROOM NO.128A, NORTH BLOCK,
NEW DELHI - 110 001.

2. DEPUTY DIRECTOR,
NAMRATA AC SINGH,
DIRECTORATE OF ENFORCEMENT,
THIRD FLOOR, B- BLOCK,
BMTC SHANTHI NAGAR,

BENGALURU - 560 027.

...RESPONDENTS

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IN WP NO. 3828/2026

BETWEEN:

1. SRIDHAR K
   S/O D C KRISHNAIAH
   AGED ABOUT 36 YEARS
   RESIDING AT NO.16.
   2ND CROSS, NEAR K T G COLLEGE,
   SRIGANGHA NAGAR, SUNKADAKATTE,
   BENGALURU NORTH
   BENGALURU - 560 091.

...PETITIONER

(BY SRI MAYANK JAIN; SRI ARPIT GOEL;
SRI RAJATH AND SRI AARON THOMAS, ADVOCATES)

AND:

1. UNION OF INDIA
   THROUGH THE SECRETARY
   DEPARTMENT OF REVENUE
   MINISTRY OF FINANCE
   GOVERNMENT OF INDIA
   ROOM NO.128A, NORTH BLOCK,
   NEW DELHI - 110 001.

2. DEPUTY DIRECTOR,
   NAMRATA AC SINGH,
   DIRECTORATE OF ENFORCEMENT,
   THIRD FLOOR, B- BLOCK,
   BMTC SHANTHI NAGAR,
   BENGALURU - 560 027.

...RESPONDENTS

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SRI ZOHEB HOSSAIN, SR.ADVOCATE AND
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THESE WRIT PETITIONS HAVING BEEN HEARD AND RESERVED FOR ORDERS ON 12.08.2026, COMING ON FOR PRONOUNCEMENT THIS DAY, THE COURT MADE THE FOLLOWING:-

CORAM: **HON'BLE MR. JUSTICE M.NAGAPRASANNA**

CAV ORDER

Petitioners in all these petitions call in question an order of seizure and retention passed by the Adjudicating Authority under Section 17 of the Prevention of Money Laundering Act, 2002 (hereinafter referred to as 'the Act' for short), in Enforcement Case Information Report bearing No.ECIR/BGZO/19/2025 (hereinafter referred to as 'the ECIR' for short).

2. Heard Sri Rajath, Sri Mayank Jain, Sri Arpit Goel and Sri Aaron Thomas, learned counsel for the petitioners, Sri K. Arvind Kamath, learned Additional Solicitor General of India along with Sri Zoheb Hossain, learned senior counsel and Sri Madhu N. Rao, learned Special Counsel for the respondents.

3. Facts obtaining in each of the petitions and the prayers set therein are all similar. Therefore, these petitions are taken up together and the facts obtaining in the main petition – W.P.No.964/2026 would be narrated, for the sake of convenience.

4. Facts, in brief, germane are as follows:

On 22.07.2025, respondent No.2 – Directorate of Enforcement (hereinafter referred to as 'the E.D.' for short) registers a case in No.ECIR/BGZO/19/2025. The ECIR comes to be registered on account of registration of certain predicate offences relating to the allegations of betting and gambling activities. There are 4 predicate offences registered in different crime numbers against the petitioners, they are as follows:

Sl.No.	Crime Number	Police Station	Offences under Sections and Act
a.	64 of 2011	Challakere PS, Chitradurga District	Punishable under Section 420 of the IPC, Section 66 of the Information Technology Act, 2000 (IT Act) and Sections 79 and 80 of the Karnataka Police Act, 1963 (KP Act)
b.	60 of 2015	Challakere PS, Chitradurga District	Punishable under Section 420 of the IPC, Section 66 of IT Act and Sections 78(3), 79 and 80 of KP Act
c.	435 of 2016	Challakere PS, Chitradurga District	Punishable under Section 420 of the IPC and Section 78(3) of the KP Act
d.	215 of 2022	Davanagere Extension Police Station, Davanagere District	Punishable under Section 420, 506 and 34 of the IPC and Section 78(A)(vi) of the KP Act.

On the registration of the predicate offences as quoted hereinabove, the ECIR comes to be registered and an addendum to the ECIR is carried out. It is the case of the petitioners that the crimes indicated in the ECIR and its addendum are already closed and today there are no crimes against the petitioners. Pursuant to the registration of the ECIR and the addendum, search is conducted in the premises of the petitioners and others and the search yields to certain seizure and retention of property under Section 17 of the Act. Properties such as vehicles, jewellery, gold, digital devices *inter alia* were the subject matter of seizure and also a direction is issued to freeze several bank accounts. Respondent No.2 then files an application in O.A.No.279/2025 before the Adjudicating Authority seeking retention of the records and properties until the conclusion of the investigation. The Adjudicating Authority then issues a show cause notice under Section 8(1) of the Act on 29.09.2025, along with Reasons to Believe by the Adjudicating Authority seeking reply as to why the order of retention should not be passed. Later, on 18.10.2025, the E.D. files the complaint for the offence punishable under Section 4 of the Act. It is then the

petitioners have knocked at the doors of this Court in the subject petitions.

5. Learned counsel appearing for the petitioners in all these cases would vehemently make two submissions. The first submission is that, the ECIR can exist only if there are predicate offences. The E.D. does not have power to add or club any predicate offences in one investigation conducted by the E.D. by way of an addendum to the existing ECIR. The impugned search proceedings are therefore illegal, since there are no Reasons to Believe or any material in possession of respondent No.2 – E.D. to demonstrate that the material / objects are proceeds of crime. He would contend that non-furnishing of Reasons to Believe for the property retention amounts to violation of principles of natural justice. The second submission projected is, the Adjudicating Authority is *coram non judice* as the constitution is not in accordance with Section 6 of the Act, which mandates that the Adjudicating Authority having one Chairperson and two others as its members, each of them having experience in the field of law, administration, finance or accountancy. The learned counsel would

submit that the show cause notice under Section 8 of the Act is issued by one member who is not even a legal member. In the light of the admitted fact that there is only one member, the learned counsel for the petitioners would project that the proceedings before the Adjudicating Authority is *coram non judice* and therefore, the proceedings are *void ab initio*. The allegations of betting and gambling are not scheduled offences under the Act for the Adjudicating Authority to pass orders of attachment, seizure or direct freezing of bank accounts.

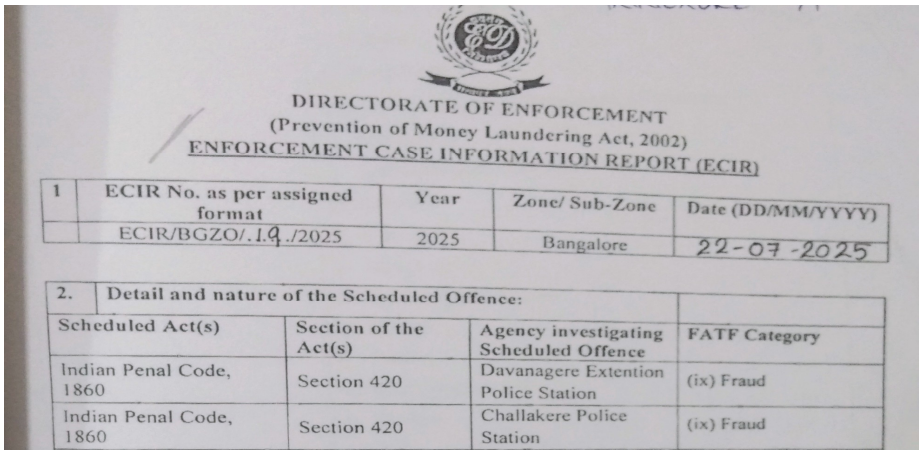
6. *Per contra*, learned Additional Solicitor General of India and learned senior counsel representing respondent No.2 - E.D. would contend that the Act is a complete code in itself. The E.D. has the authority to make addendum to the existing ECIR and would submit that it is also recognised by several High Courts. He would contend that provisional attachment and seizure is civil in nature and the order can be issued without any FIR registered for statutory compliance ordained in Section 17 of the Act and it is the same which is followed in the case at hand. They would contend that petitioners have not questioned the validity of the seizure on the

ground of breach of any statutory safeguard or violation of fundamental rights in the conduct of search. The petitioners have participated by submitting a reply to the show cause notice and have already made submissions before the Adjudicating Authority. Therefore, having submitted their replies and made submissions, imaginary allegations on the ground of *coram non judice,* cannot now turn around and challenge the proceedings invoking the writ jurisdiction of this Court.

7. I have given my anxious consideration to the submissions made by the respective learned counsel and have perused the materials on record.

8. The afore-narrated facts and link in the chain of events are not disputed. The submissions and the contra-submissions take this Court through the question, whether the writ petitions would warrant entertainment.

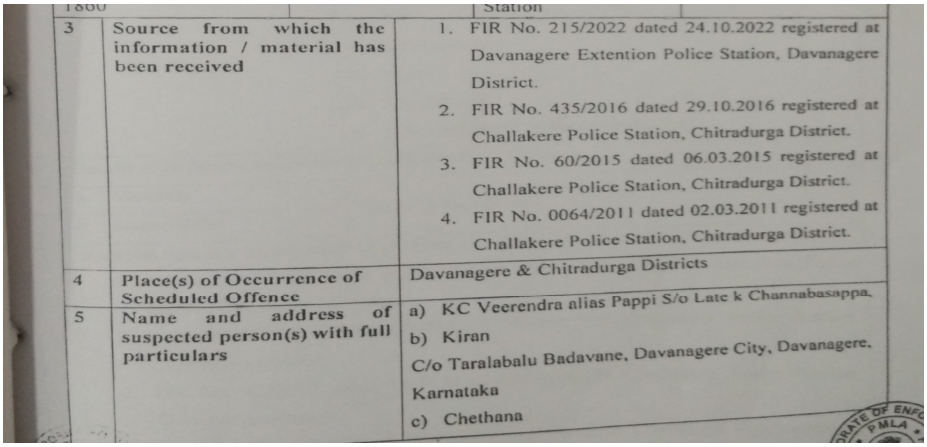
9. The E.D. – respondent No.2 files ECIR against the petitioners. It reads as follows:



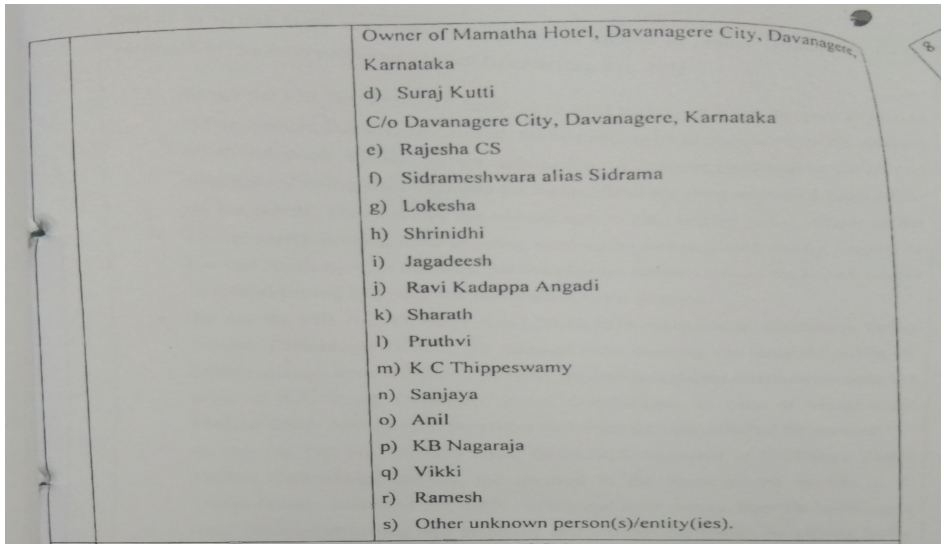
DIRECTORATE OF ENFORCEMENT
(Prevention of Money Laundering Act, 2002)
ENFORCEMENT CASE INFORMATION REPORT (ECIR)

1	ECIR No. as per assigned format	Year	Zone/ Sub-Zone	Date (DD/MM/YYYY)
	ECIR/BGZO/.19./2025	2025	Bangalore	22-07-2025

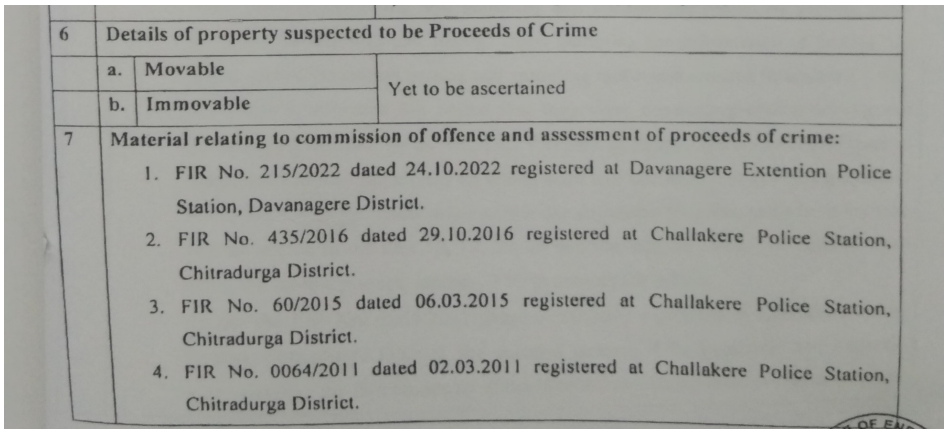
2.	Detail and nature of the Scheduled Offence:		
Scheduled Act(s)	Section of the Act(s)	Agency investigating Scheduled Offence	FATF Category
Indian Penal Code, 1860	Section 420	Davanagere Extention Police Station	(ix) Fraud
Indian Penal Code, 1860	Section 420	Challakere Police Station	(ix) Fraud



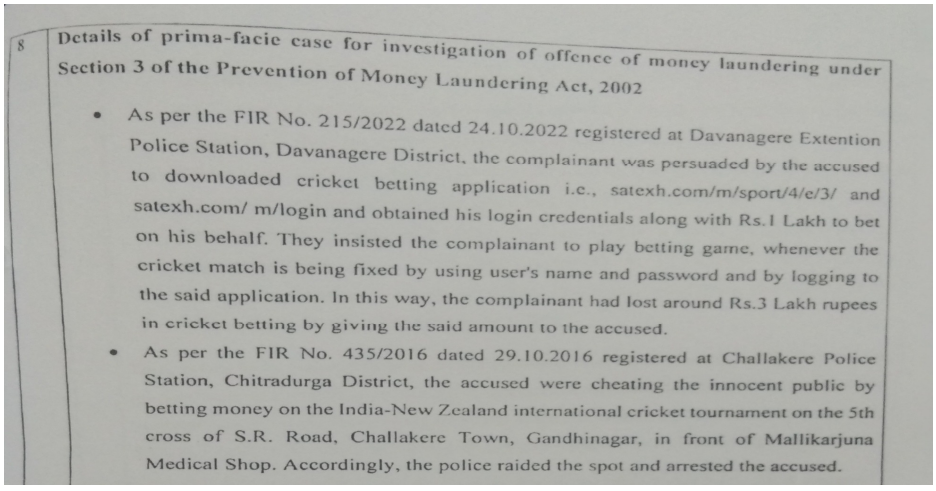
3	Source from which the information / material has been received	1. FIR No. 215/2022 dated 24.10.2022 registered at Davanagere Extention Police Station, Davanagere District. 2. FIR No. 435/2016 dated 29.10.2016 registered at Challakere Police Station, Chitradurga District. 3. FIR No. 60/2015 dated 06.03.2015 registered at Challakere Police Station, Chitradurga District. 4. FIR No. 0064/2011 dated 02.03.2011 registered at Challakere Police Station, Chitradurga District.
4	Place(s) of Occurrence of Scheduled Offence	Davanagere & Chitradurga Districts
5	Name and address of suspected person(s) with full particulars	a) KC Veerendra alias Pappi S/o Late k Channabasappa, b) Kiran C/o Taralabalu Badavane, Davanagere City, Davanagere, Karnataka c) Chethana



Owner of Mamatha Hotel, Davanagere City, Davanagere, Karnataka
d) Suraj Kutti
C/o Davanagere City, Davanagere, Karnataka
e) Rajesha CS
f) Sidrameshwara alias Sidrama
g) Lokesha
h) Shrinidhi
i) Jagadeesh
j) Ravi Kadappa Angadi
k) Sharath
l) Pruthvi
m) K C Thippeswamy
n) Sanjaya
o) Anil
p) KB Nagaraja
q) Vikki
r) Ramesh
s) Other unknown person(s)/entity(ies).

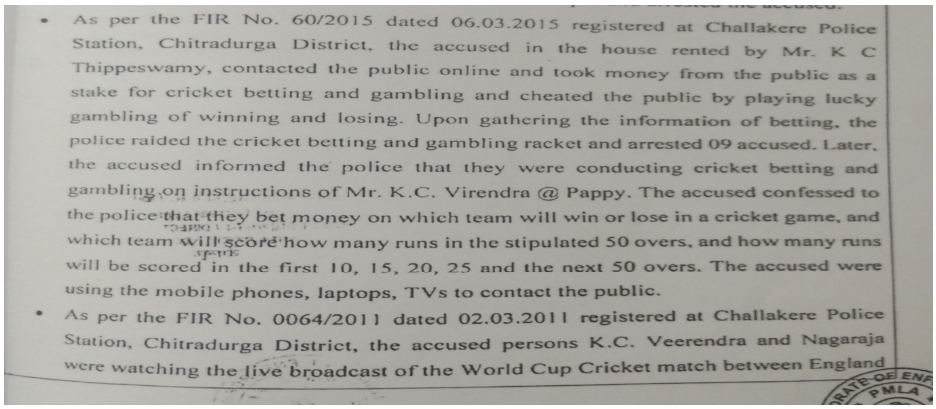


6	Details of property suspected to be Proceeds of Crime		
	a.	Movable	Yet to be ascertained
	b.	Immovable	
7	Material relating to commission of offence and assessment of proceeds of crime: 1. FIR No. 215/2022 dated 24.10.2022 registered at Davanagere Extention Police Station, Davanagere District. 2. FIR No. 435/2016 dated 29.10.2016 registered at Challakere Police Station, Chitradurga District. 3. FIR No. 60/2015 dated 06.03.2015 registered at Challakere Police Station, Chitradurga District. 4. FIR No. 0064/2011 dated 02.03.2011 registered at Challakere Police Station, Chitradurga District.		

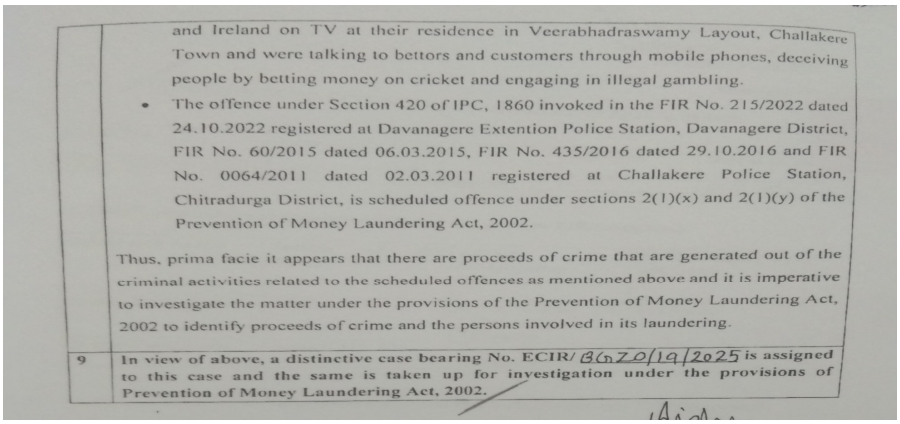


8 Details of prima-facie case for investigation of offence of money laundering under Section 3 of the Prevention of Money Laundering Act, 2002

- As per the FIR No. 215/2022 dated 24.10.2022 registered at Davanagere Extention Police Station, Davanagere District, the complainant was persuaded by the accused to downloaded cricket betting application i.e., satexh.com/m/sport/4/e/3/ and satexh.com/ m/login and obtained his login credentials along with Rs.1 Lakh to bet on his behalf. They insisted the complainant to play betting game, whenever the cricket match is being fixed by using user's name and password and by logging to the said application. In this way, the complainant had lost around Rs.3 Lakh rupees in cricket betting by giving the said amount to the accused.
- As per the FIR No. 435/2016 dated 29.10.2016 registered at Challakere Police Station, Chitradurga District, the accused were cheating the innocent public by betting money on the India-New Zealand international cricket tournament on the 5th cross of S.R. Road, Challakere Town, Gandhinagar, in front of Mallikarjuna Medical Shop. Accordingly, the police raided the spot and arrested the accused.



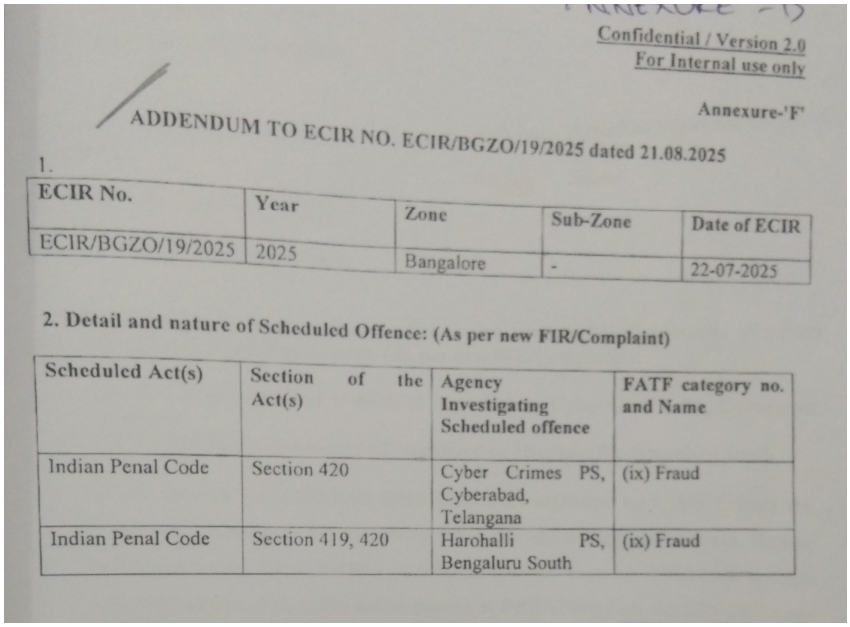
- As per the FIR No. 60/2015 dated 06.03.2015 registered at Challakere Police Station, Chitradurga District, the accused in the house rented by Mr. K C Thippeswamy, contacted the public online and took money from the public as a stake for cricket betting and gambling and cheated the public by playing lucky gambling of winning and losing. Upon gathering the information of betting, the police raided the cricket betting and gambling racket and arrested 09 accused. Later, the accused informed the police that they were conducting cricket betting and gambling on instructions of Mr. K.C. Virendra @ Pappy. The accused confessed to the police that they bet money on which team will win or lose in a cricket game, and which team will score how many runs in the stipulated 50 overs, and how many runs will be scored in the first 10, 15, 20, 25 and the next 50 overs. The accused were using the mobile phones, laptops, TVs to contact the public.
- As per the FIR No. 0064/2011 dated 02.03.2011 registered at Challakere Police Station, Chitradurga District, the accused persons K.C. Veerendra and Nagaraja were watching the live broadcast of the World Cup Cricket match between England



	and Ireland on TV at their residence in Veerabhadraswamy Layout, Challakere Town and were talking to bettors and customers through mobile phones, deceiving people by betting money on cricket and engaging in illegal gambling. • The offence under Section 420 of IPC, 1860 invoked in the FIR No. 215/2022 dated 24.10.2022 registered at Davanagere Extention Police Station, Davanagere District, FIR No. 60/2015 dated 06.03.2015, FIR No. 435/2016 dated 29.10.2016 and FIR No. 0064/2011 dated 02.03.2011 registered at Challakere Police Station, Chitradurga District, is scheduled offence under sections 2(1)(x) and 2(1)(y) of the Prevention of Money Laundering Act, 2002. Thus, prima facie it appears that there are proceeds of crime that are generated out of the criminal activities related to the scheduled offences as mentioned above and it is imperative to investigate the matter under the provisions of the Prevention of Money Laundering Act, 2002 to identify proceeds of crime and the persons involved in its laundering.
9	**In view of above, a distinctive case bearing No. ECIR/BGZO/19/2025 is assigned to this case and the same is taken up for investigation under the provisions of Prevention of Money Laundering Act, 2002.**

Sd/-

The addendum issued by the respondent - E.D. is as follows:



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Annexure-'F'

ADDENDUM TO ECIR NO. ECIR/BGZO/19/2025 dated 21.08.2025

1.

ECIR No.	Year	Zone	Sub-Zone	Date of ECIR
ECIR/BGZO/19/2025	2025	Bangalore	-	22-07-2025

2. Detail and nature of Scheduled Offence: (As per new FIR/Complaint)

Scheduled Act(s)	Section of the Act(s)	Agency Investigating Scheduled offence	FATF category no. and Name
Indian Penal Code	Section 420	Cyber Crimes PS, Cyberabad, Telangana	(ix) Fraud
Indian Penal Code	Section 419, 420	Harohalli PS, Bengaluru South	(ix) Fraud

3. Source from which information/material received: (As per new FIR/Complaint):

a) FIR No. 1592/2024 dated 19.03.2024 registered by Cyber Crimes PS, Cyberabad, Telangana
b) FIR No. 218/2022 dated 06.07.2022 registered by Harohalli PS, Bengaluru South

4. Place(s) of occurrence of scheduled offence: (As per new FIR/Complaint): Cyberabad, Telangana and Karnataka

5. Name and Address of person(s)/suspected persons with full particulars: (Attach separate sheet, if necessary)

a. FONEPAISA gateway, INDIA24bet.com and KING567.com
b. Fonepaisa Payment Solution Private Limited
c. Ram Pahwa
   Director of Fonepaisa Payment Solution Private Limited
d. Karan Singh
   Fonepaisa Payment Solution Private Limited
e. Ritesh Kumar
   Fonepaisa Payment Solution Private Limited

f. Betin Exchange company
g. Feb Fashionz company
h. Light Speed Webso company
i. Other individual(s)/entity(ies)

61

6. Details of property suspected to be Proceeds of Crime: (Attached separate sheet, if necessary)

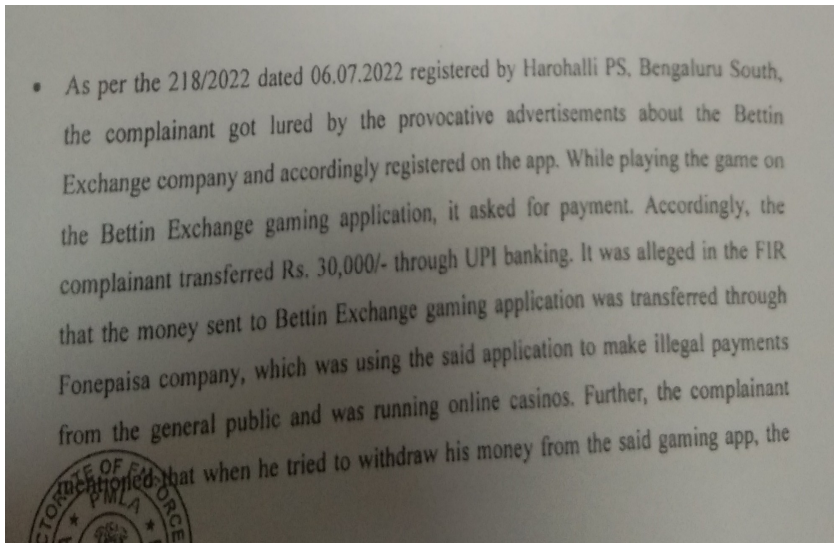
(c) Movable- Rs.11,50,000/-

(d) Immovable- Yet to be ascertained

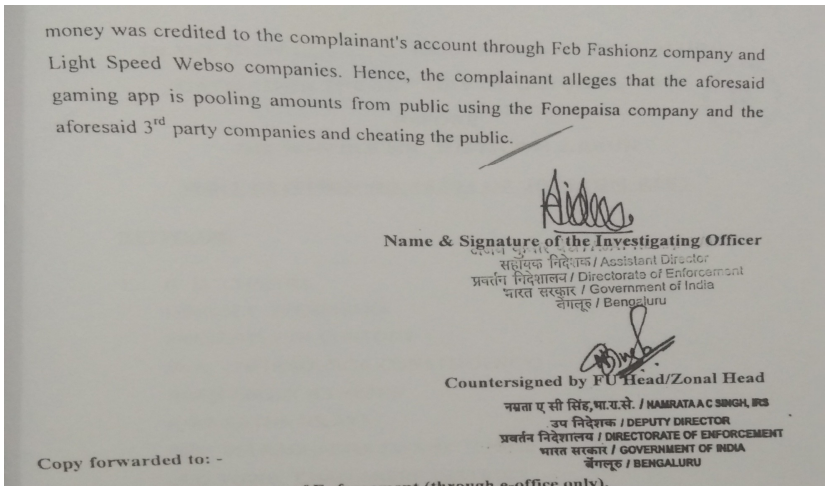
7. Material relating to commission of offence and assessment of proceeds of crime (Attached separate sheet, if necessary). (As per new FIR/Complaint):

a) FIR No. 1592/2024 dated 19.03.2024 registered by Cyber Crimes PS, Cyberabad, Telangana
b) FIR No. 218/2022 dated 06.07.2022 registered by Harohalli PS, Bengaluru South

- As per the FIR No. 1592/2024 dated 19.03.2024 registered by Cyber Crimes PS, Cyberabad, Telangana, the complainant Mr. Motupalli Damodar Naveen Kumar, transferred around Rs.11,50,000/- in different intervals from his ICICI bank account to FONEPAISA merchant for online gaming at INDIA24bet.com and KING567.com. He mentioned that he won few games and money was shown in his account in virtual, but when he requested for withdrawal, they have blocked him and didn't process his withdrawal requests. Further he realised that it is fraud and that he lost amount to FONEPAISA gateway, INDIA24bet.com and KING567.com sites.



- As per the 218/2022 dated 06.07.2022 registered by Harohalli PS, Bengaluru South, the complainant got lured by the provocative advertisements about the Bettin Exchange company and accordingly registered on the app. While playing the game on the Bettin Exchange gaming application, it asked for payment. Accordingly, the complainant transferred Rs. 30,000/- through UPI banking. It was alleged in the FIR that the money sent to Bettin Exchange gaming application was transferred through Fonepaisa company, which was using the said application to make illegal payments from the general public and was running online casinos. Further, the complainant mentioned that when he tried to withdraw his money from the said gaming app, the



money was credited to the complainant's account through Feb Fashionz company and Light Speed Webso companies. Hence, the complainant alleges that the aforesaid gaming app is pooling amounts from public using the Fonepaisa company and the aforesaid 3rd party companies and cheating the public.

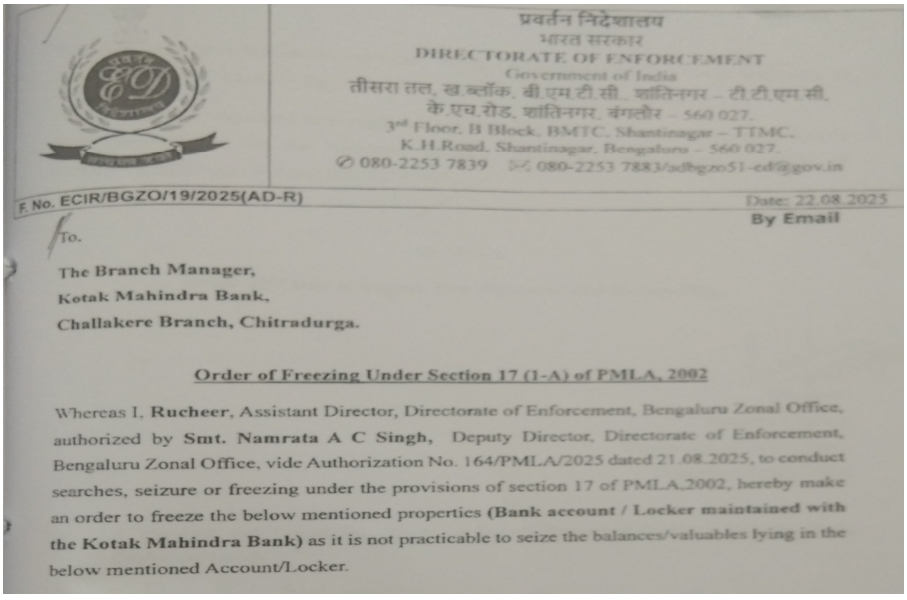
Name & Signature of the Investigating Officer
सहायक निदेशक / Assistant Director
प्रवर्तन निदेशालय / Directorate of Enforcement
भारत सरकार / Government of India
बेंगलूरु / Bengaluru

Countersigned by FU Head/Zonal Head
नम्रता ए सी सिंह,भा.रा.से. / NAMRATA A C SINGH, IRS
उप निदेशक / DEPUTY DIRECTOR
प्रवर्तन निदेशालय / DIRECTORATE OF ENFORCEMENT
भारत सरकार / GOVERNMENT OF INDIA
बेंगलूरु / BENGALURU

Copy forwarded to: -

10. These petitioners admittedly challenge only the validity of the search proceedings, subsequent application filed under Section 17(4) of the Act and the show cause notices issued under Section 8(1) of the Act. There is no challenge to the ECIR. It is the submission that ECIR would not survive in the teeth of the fact that

all the predicate offences have been closed. Search and seizure proceedings result in an order under Section 17(1-A) of the Act directing freezement of bank account. The order directing freezement of the bank accounts impugned in W.P.No.964/2026 reads as follows:



प्रवर्तन निदेशालय
भारत सरकार
DIRECTORATE OF ENFORCEMENT
Government of India
तीसरा तल, ख ब्लॉक, बी.एम.टी.सी., शांतिनगर – टी.टी.एम.सी.
के.एच.रोड, शांतिनगर, बंगलौर – 560 027.
3rd Floor, B Block, BMTC, Shantinagar – TTMC,
K.H.Road, Shantinagar, Bengaluru – 560 027.
✆ 080-2253 7839 ✉ 080-2253 7883/adbgzo51-ed@gov.in

F. No. ECIR/BGZO/19/2025(AD-R) Date: 22.08.2025

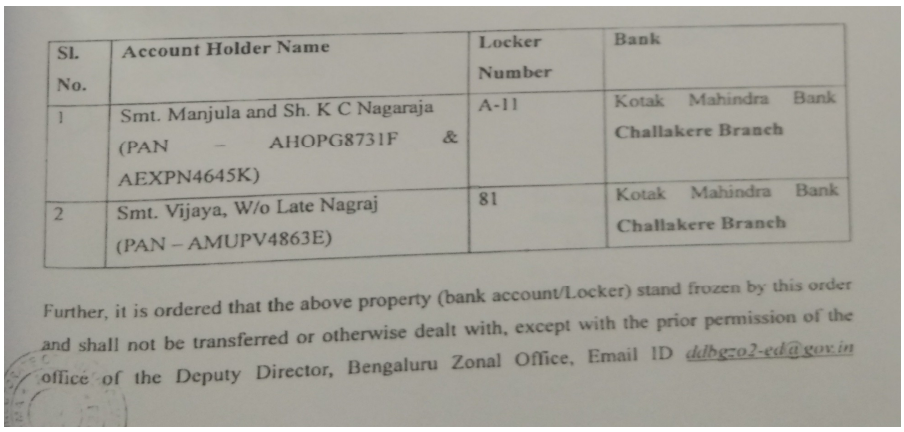
By Email

To,

The Branch Manager,
Kotak Mahindra Bank,
Challakere Branch, Chitradurga.

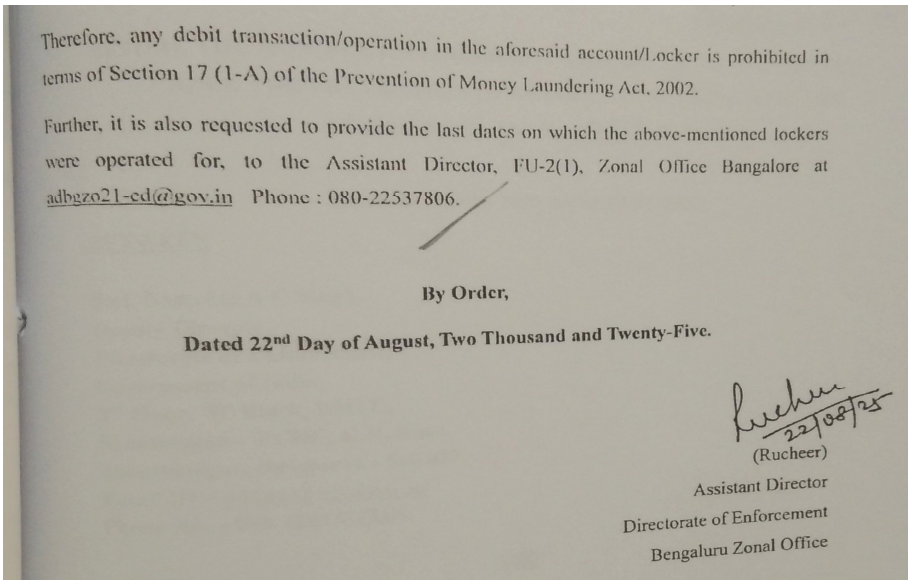
Order of Freezing Under Section 17 (1-A) of PMLA, 2002

Whereas I, **Rucheer**, Assistant Director, Directorate of Enforcement, Bengaluru Zonal Office, authorized by **Smt. Namrata A C Singh,** Deputy Director, Directorate of Enforcement, Bengaluru Zonal Office, vide Authorization No. 164/PMLA/2025 dated 21.08.2025, to conduct searches, seizure or freezing under the provisions of section 17 of PMLA,2002, hereby make an order to freeze the below mentioned properties **(Bank account / Locker maintained with the Kotak Mahindra Bank)** as it is not practicable to seize the balances/valuables lying in the below mentioned Account/Locker.



Sl. No.	Account Holder Name	Locker Number	Bank
1	Smt. Manjula and Sh. K C Nagaraja (PAN – AHOPG8731F & AEXPN4645K)	A-11	Kotak Mahindra Bank **Challakere Branch**
2	Smt. Vijaya, W/o Late Nagraj (PAN – AMUPV4863E)	81	Kotak Mahindra Bank **Challakere Branch**

Further, it is ordered that the above property (bank account/Locker) stand frozen by this order and shall not be transferred or otherwise dealt with, except with the prior permission of the office of the Deputy Director, Bengaluru Zonal Office, Email ID *ddbgzo2-ed@gov.in*



Therefore, any debit transaction/operation in the aforesaid account/Locker is prohibited in terms of Section 17 (1-A) of the Prevention of Money Laundering Act, 2002.

Further, it is also requested to provide the last dates on which the above-mentioned lockers were operated for, to the Assistant Director, FU-2(1), Zonal Office Bangalore at adbgzo21-ed@gov.in Phone : 080-22537806.

By Order,

Dated 22nd Day of August, Two Thousand and Twenty-Five.

22/08/25

(Rucheer)
Assistant Director
Directorate of Enforcement
Bengaluru Zonal Office

10.1. The E.D. then files an application before the Adjudicating Authority in O.A.No.279/2025 seeking retention of the property and records in terms of Section 17(4) of the Act. Section 17(4) of the Act reads as follows:

> **"17. Search and seizure.—**
>
> (1) XXX
> (2) XXX
> (3) XXX
>
> **(4) The authority seizing any record or property under sub-section (1) or freezing any record or property under sub-section (1A) shall, within a period of thirty days from such seizure or freezing, as the case may be, file**

> **an application, requesting for retention of such record or property seized under sub-section (1) or for continuation of the order of freezing served under sub-section (1A), before the Adjudicating Authority."**

The application is on the score that the material seized would demonstrate that the operations were designed to lure public with celebrity style branding *inter alia*. **After the application seeking retention under Section 17(4) of the Act is filed by the respondent - E.D., the impugned show cause notice comes to be issued to the petitioner under Section 8(1) of the Act, enclosing to it the Reasons to Believe.**

11. As observed hereinabove, the Act is a complete code unto itself. The Act provides a comprehensive and self-adjudicating mechanism. The issue in the *lis* need not detain this Court for long or delve deep into the matter. The Apex Court in the case of **JSW STEEL LIMITED VS. ENFORCEMENT DIRECTORATE[1],** considering the issue of attachment of the property, it is held as follows:

---

[1] **2025 SCC OnLine SC 2150**

"**33.** Having heard learned Counsel for both the parties and on perusal of the records, we note that the Appellants have already invoked their statutory remedy before the Appellate Tribunal under Section 26 of the PMLA, which remains pending.

34. It is important to note that the PMLA provides a comprehensive and self-contained adjudicatory mechanism. Section 5 enables Provisional Attachment, Section 8 contemplates confirmation by the Adjudicating Authority, and Section 26 provides an appellate remedy before the Appellate Tribunal. The appellants, in the present case, have already invoked their statutory remedy of Appeal, which remains pending.

35. This Court has consistently held that constitutional or appellate jurisdiction should ordinarily not be exercised where an efficacious alternate remedy is available and is actively being pursued. Reference may be made to *Union of India* v. *Guwahati Carbon Limited*[7], which cautions against bypassing statutory forums except in cases of patent illegality or jurisdictional error.

36. We further note that it is undisputed that the ECIR registered by the ED does not name the appellants as accused persons. The charge-sheet filed by the CBI under RC 18(A)/2011/CBI/ACB/BLR also does not array them as accused, having dropped them in the supplementary report after finding no material to proceed. The complaint filed by the ED is predicated not on any independent act of laundering but on the allegation that the appellants withdrew certain sums from the attached bank accounts in violation of the PAOs, thereby frustrating the recovery of INR 33.80 Crore, alleged to be "proceeds of crime."

37. The core issue before us is not whether the appellants' entire banking operations are tainted, but

> whether the specific sum of INR 33,80,87,617/- (Thirty-Three Crore Eighty Lakh Eighty-Seven Thousand Six Hundred Seventeen Rupees), representing unpaid consideration for iron ore supplied by AMC, can be treated as "proceeds of crime" and whether its withdrawal post-PAO constitutes an offence under Section 3 PMLA. The apprehension that the entire account balance constitutes proceeds of crime is misplaced, particularly when the admitted position is that payments were made and received through regular banking channels and are duly reflected in the books of account.
>
> **38.** Viewed thus, the appropriate course would be to permit the statutory process to run its route to reach its logical conclusion. **Interference at this stage would prejudge issues that are squarely within the domain of the Appellate Tribunal, including whether the attached property represents "proceeds of crime" within the meaning of Section 2(1)(u) PMLA and whether the withdrawals were in violation of law."**

11.1. The High Court of Calcutta in the case of **ENFORCEMENT DIRECTORATE AND ANOTHER VS. SUMAN CHATTOPADHYAY AND OTHERS[2],** has held as follows:

> "**33.** The Provisional Attachment Order dated March 29, 2022 under Section 5(1) of the PMLA, challenged before the Learned Single Judge, stands confirmed by the Adjudicating Authority vide order dated September 23, 2022 under Section 8(3). The respondents have availed statutory appellate remedies under Section 26 before the Appellate Tribunal (PMLA), New Delhi, where appeals (Nos. 5087/2022, 5088/2022, 5089/2022 and 5173/2022) remain pending adjudication.

[2] **2025 SCC OnLine SC 2150**

34. It is a settled principle of jurisprudence that Courts refrain from deciding academic or infructuous matters, particularly where a comprehensive statutory mechanism exists for redressal. In Chhabil Dass Agarwal (supra) the Hon'ble Supreme Court held that when a statutory forum is created by law for redressal of grievances, a writ petition should not be entertained ignoring the statutory dispensation. The High Court must not interfere if there is an adequate efficacious alternative remedy available unless exceptional circumstances warrant such interference.

35. The PMLA provides such a complete adjudicatory hierarchy such as, provisional attachment under Section 5, confirmation under Section 8, appeal under section 26 and Special Court trial. None of the recognized exceptions such as futile remedy, jurisdictional defect or natural justice violation are attracted herein.

36. This position is fortified under the PMLA regime by the Constitution Bench in Vijay Madanlal Choudhary (supra), which upheld the Act's constitutional validity and cautioned that writ courts must exercise utmost restraint against interfering with provisional attachments, interim measures to secure proceeds of crime. 'Reasons to believe' requires prima facie satisfaction only, conclusive proof awaits statutory adjudication.

37. The Adjudicating Authority's confirmation, despite awareness of writ pendency, underscores statutory primacy over premature writ intervention. Therefore, entertaining parallel writ proceedings post-adjudication would multiply litigation and frustrate public interest in protecting laundered assets. Exhaustion of statutory remedies remains the rule of judicial discipline."

11.2. The High Court of Chhattisgarh in the case of **MOKSHIT CORPORATION THROUGH PARTNER VS. DIRECTORATE OF ENFORCEMENT[3],** while interpreting Sections 8, 26 and 42 of the Act, which provides a complete and efficacious mechanism whereby the legality and propriety could be examined, holds as follows:

> **"8.** The principal question, which arises for consideration before this Court is:
>
> ***"Whether the present writ petition challenging the PAO dated 13-3-2026 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

[3] **2025 SCC OnLine SC 2150**

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 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-xxx*
>
> *xxx xxx* xxx *xxx*
>
> *(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*
>
> *xxx xxx xxx xxx xxx*

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 Criminal Procedure Code, 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 subsection (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 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*, 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 paras 9.40 and 9.46 of the show-cause notice.*
> >
> > ***29. It is well established by catena of decisions of the Supreme 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 : (2012) 4 SCC (Civ) 947. In fact, the Supreme Court in the case of* SPECIAL DIRECTOR *v.* MOHD. GHULAM GHOUSE, *(2004) 3 SCC 440 : 2004 SCC (Cri) 826 : (2004) 120 Comp Cas 467, 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* (WPC No. 621/2026 decided on 15-5-2026), after placing reliance on various decisions rendered by the 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 13-3-2026 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."

(Emphasis supplied at each instance)

In the light of the judgment of the Apex Court as afore-quoted and the judgments of the two different High Courts,

there is no warrant to interfere with the challenge to the order passed by the Adjudicating Authority. It is for the petitioners to avail such remedy as is available in law.

13. The second submission by the learned counsel for the petitioners in all the petitions is that, the Adjudicating Authority is *coram non judice,* on the ground that the Adjudicating Authority consists of a single non-legal member. However, the Apex Court in the case of **THE UNION OF INDIA VS. J. SEKAR** in **CIVIL APPEAL NO.1548/2024 AND CONNECTED CASES**, has reserved these cases concerning the issue regarding *coram non judice.* Therefore, as the issue is now projected before this Court, I deem it appropriate to hold my hands at this juncture and reserve the issue to be answered, once the Apex Court renders its verdict, in the aforesaid civil appeals.

14. For the aforesaid reasons, the following:

ORDER

a. The writ petitions are dismissed.

b. Petitioners are reserved liberty to avail such remedy as is available in law, in the light of the observations made in the course of the order.

Sd/-
(M.NAGAPRASANNA)
JUDGE

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