IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 20.04.2026

CORAM :

THE HONOURABLE MR.SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE
AND
THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

W.P.(Crl.)No.862 of 2026

R.Girirajan,
S/o.Late C.Radhakrishnan,
No.367, Anna Arivalayam,
369, Anna Salai, Teynampet,
Chennai - 600 018. .. Petitioner(s)

Vs

1.The State of Tamil Nadu,
Rep. by its, Secretary to Government,
Home Department, Secretariat,
Chennai - 600 009.

2.The Director,
Directorate of Vigilance and Anti-Corruption (DVAC),
No.293, MKN Road, Ramapuram,
Collectors Nagar, Alandur,
Chennai - 600 016.

3.The Director General of Police,
Tamil Nadu Police, Chennai - 600 004.

4.Director of Enforcement,
Rep. by its Assistant Director,
Shastri Bhavan, 3rd Floor, 3rd Block,
B-Wing, No.26, Haddows Road,
Chennai - 600 006.

5.R.Elangovan,
Former President of Salem District
Central Co-operative Bank, Salem
and the Chairman of Tamil Nadu
State Apex Co-operative Bank, Chennai.
Residing at D.No.42, Muslim Street,
Puthiragoundampalayam.
Pethanaickknpalayam Taluk,
Salem District. .. Respondent(s)

PRAYER: Petition filed under Article 226 of the Constitution of India seeking issuance of a writ of mandamus directing the 4th respondent to register an Enforcement Case Information Report (ECIR) under the Prevention of Money Laundering Act, 2002 against the 5th respondent and conduct a thorough investigation into the proceeds of crime generated through acts of corruption, bribery and accumulation of disproportionate assets, and to take appropriate action in accordance with law.

For Petitioner(s) : Mr.N.R.Elango
Senior Counsel
for Mr.G.Prabhakaran

For Respondent(s) : Mrs.E.Ranganayaki
Additional Government Pleader for R1

Mr.E.Raj Thilak
Additional Public Prosecutor for R2 & R3

Mr.N.Ramesh
Special Public Prosecutor (ED) for R4

ORDER

(Order of the Court was made by G.ARUL MURUGAN, J.)

The writ petition is filed seeking for a direction, to direct the 4th respondent/Enforcement Directorate to register an Enforcement Case Information Report [ECIR] under the Prevention of Money Laundering Act, 2002 [hereinafter referred to as "the PML Act"] against the 5th respondent.

2. The petitioner is a practising advocate and a sitting member of the Parliament (Rajya Sabha) from the ruling party of the State. The 5th respondent was a former President of Salem District Central Co-operative Bank.

3. According to the petitioner, the 5th respondent, during his tenure as public servant, by abusing his official position, had indulged in corruption and committed serious irregularities in the concerned department. Based on a complaint that the 5th respondent accumulated assets disproportionate to his known source of income, an FIR was registered by the 2nd respondent/Directorate of Vigilance and Anti-Corruption in Crime No.17/AC/2021, for offences under

Section 13(2) r/w 13(1)(e), Section12 and 13(1)(b) of the Prevention of Corruption Act, 1988 and Section 109 of IPC.

4. It is further stated that since the illegal gains generated through the aforesaid offences primarily constitute proceeds of crime as defined under Section 2(1)(u) of the PML Act and as the case has been registered for the scheduled offence under the PML Act, the Enforcement Directorate [ED] is empowered to register an ECIR and investigate the case. However, the failure on the part of the ED to register the ECIR purely on political consideration is unjustified and hence, the petitioner had preferred this writ petition seeking for a direction to register the ECIR by the ED.

5. Mr.N.R.Elango, learned Senior Counsel appearing for the petitioner, mainly by placing reliance on a decision of the Hon'ble Supreme Court in the case of ***Balaji v. Karthik Desari*** reported in ***(2024) 19 SCC 625***, contended that once illegal gratification is acquired by a public servant, it would represent proceeds of crime, generated through a criminal activity in respect of a scheduled offence, which is an act of money laundering and no fishing expedition is required and the ED ought to have registered the ECIR.

6. Learned Senior Counsel further submitted that when the predicate offence has been registered for scheduled offences, particularly under the Prevention of Corruption Act as against the 5th respondent, the ED had not registered the ECIR and proceeded with the investigation, thereby failing to discharge their lawful duties. The ED cannot choose to register the case based on political considerations and the 4th respondent is bound to register the ECIR and proceed with the investigation to unearth the proceeds of crime.

7. Per contra, Mr.N.Ramesh, learned Special Public Prosecutor (ED) taking notice for the 4th respondent, contended that it is a politically motivated case. He further submitted that the petitioner is a third party, who is neither a complainant nor in any way connected with the scheduled offence, and he has no *locus standi* to file the present writ petition. The writ petition is also not a public interest litigation and the petitioner had not even made any representation in this regard and therefore only in view of the ensuing election, the petition is filed for political mileage.

8. The learned counsel further submitted that, as per the decision of the Hon’ble Supreme Court in the case of ***Vijay Madanlal Choudhary v. Union of India*** reported in ***(2023) 12 SCC 1***, ECIR is an internal document and even in respect of any proceedings undertaken by the ED, it cannot be disclosed as it would impinge on the privacy of the person concerned. He further submitted that in fact in one of the cases filed by the petitioner, the ED sought for copies from the Special Court, but however, the State had opposed for the copies to be furnished and that being the position, the relief sought for cannot be sustained. Learned counsel further submitted that the writ petition seeking for a direction to the ED to register an ECIR is not maintainable in view of the decision of the Hon’ble Supreme Court in the case of ***R.Madhavan Pillai v. Rajendran Unnithan.S*** reported in **MANU/SCOR/24144/2025**.

9. The learned Senior Counsel appearing for the petitioner, in reply, repelled the submissions regarding locus by placing reliance on a decision of the Hon’ble Supreme Court in the case of ***K.Anbazhagan v. Superintendent of Police*** reported in ***(2004) 3 SCC 767***, and contended that even a politically motivated case is not a bar and the case could be considered on merits. The learned Senior Counsel also

sought to distinguish the decision in the case of ***R.Madhavan Pillai*** (supra) by contending that, as the direction was issued by the High Court to register ECIR against the persons in the absence of them being arrayed as accused in the predicate case, the order was set aside by the Hon'ble Supreme Court, but however in the present case, the 5th respondent is already an accused in the scheduled offence.

10. Heard the rival submissions and considered the materials available on record.

11. The petitioner, a Member of the Parliament in Rajya Sabha, seeks for a direction to the ED to register an ECIR under the PML Act as against the 5th respondent, on the ground that a predicate case in Crime No.17/AC/2021, for offences under Section 13(2) r/w 13(1)(e), Section12 and 13(1)(b) of the Prevention of Corruption Act, 1988 and Section 109 of IPC has been registered against him by the Directorate of Vigilance and Anti-Corruption/2nd respondent, which are scheduled offences.

12. The issue that arises for consideration is as to whether the ED could be directed to register ECIR under the PML Act.

13. The Prevention of Money Laundering Act is a Special Act enacted to prevent money laundering and to provide for the confiscation of property derived from or involved in money laundering. Section 3 of the PML Act deals with the offence of money laundering, which reads as follows;

> *"**3. Offence of money laundering**.-Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming it as untainted property shall be guilty of offence of money-laundering.*
>
> *Explanation.--For the removal of doubts, it is hereby clarified that,--*
>
> *(i) a person shall be guilty of offence of money-laundering if such person is found to have directly or indirectly attempted to indulge or knowingly assisted or knowingly is a party or is actually involved in one or*

more of the following processes or activities connected with proceeds of crime, namely:--

(a) concealment; or

(b) possession; or

(c) acquisition; or

(d) use; or

(e) projecting as untainted property; or

(f) claiming as untainted property,

in any manner whatsoever;

(ii) the process or activity connected with proceeds of crime is a continuing activity and continues till such time a person is directly or indirectly enjoying the proceeds of crime by its concealment or possession or acquisition or use or projecting it as untainted property or claiming it as untainted property in any manner whatsoever."

14. Section 4 deals with the punishment for money laundering. As per the scheme of the PML Act, when a case is registered for the scheduled offences, which are contained in the schedule as defined under Section 2(1)(y) of the Act, the authorised officer can register an ECIR based on the predicate offence and conduct an investigation. The procedures and powers for survey, search, seizure and arrest are prescribed in Chapter-V of the Act. Under every Section authorising for

survey, search, seizure, or arrest, authorised officer on the basis of materials in his possession, based on the reasons to believe, which is recorded in writing, that an offence has been committed under Section 3, would proceed under various Sections in this Chapter.

15. Further, as per Section 5 under Chapter-III, the authorised officer can attach the property involved in money laundering based on the reasons to believe recorded in writing on the basis of materials in his possession and file necessary application before the adjudicating authority for retention of the seized property and for confirming the attachment.

16. The Hon'ble Supreme Court in the case of ***Vijay Madanlal Choudhary*** (supra) held that the ECIR is an internal document. ECIR is registered, based on existence of predicate case for scheduled offences and the prima facie satisfaction of the authorised officer from materials in his possession. The authorised officer would then be entitled to proceed further under the PML Act. However at every stage, the authorised officer has to record the reasons to believe in writing, based on the materials in his possession to take appropriate further proceedings.

17. Sections 62 and 63 under Chapter-X deal with the punishment for conducting vexatious search and punishment for false information or failure to give information, etc.

18. As per Section 44 of the PML Act, only a Special Court shall be competent to take cognizance of the offence under Section 3, based upon a complaint made by the authorised officer under the PML Act.

19. The Act does not contemplate that wherever the case is registered invoking scheduled offences, the ED is mandated to register an ECIR under the Act. It is only based on the satisfaction of the authorised officer that there are proceeds of crime, the authority would proceed further under the Act.

20. It is the vehement contention of the learned Senior Counsel that in view of the decision of the Hon'ble Supreme Court in the case of ***Balaji*** (supra), the ED is bound to register the case. The decision in ***Balaji's*** case arose challenging various decisions of this Court, one of which put on hold an investigation by the ED. In that case, already

based on the predicate offence, the ED had registered an ECIR where the Hon'ble Supreme Court held that once an information relating to the acquisition of huge amount of illegal gratification has come into public domain, it is the duty of the ED to register an Information Report. It does not require a fishing expedition to say that the receipt of bribe money is an act of money laundering. In the aforesaid decision, the Hon'ble Supreme Court has not directed the ED to register an ECIR but only upheld the ECIR registered by the ED and held that the authorised officer was right in registering the case based on the predicate offence.

21. In the instant case, the petitioner seeks to register an ECIR by the ED based on the predicate offence. As per the provisions and scheme of the PML Act, the authorised officer, based on the predicate case for scheduled offences, can resort to proceedings under the PML Act based on his satisfaction of the involvement of proceeds of crime and every stage is to be proceeded based on the reasons to believe recorded in writing from the materials in his possession.

22. In this regard, it is useful to refer to the decision of the Hon'ble Supreme Court in the case of ***R.Madhavan Pillai*** (supra),

where the Hon'ble Supreme Court set aside the order of the High Court, which directed the ED to register an ECIR, where the High Court *prima facie* came to the conclusion that there exists a predicate offence. The relevant portion is reproduced hereunder;

> *"5. According to us, the High Court had no reason to pass a drastic order of directing the Enforcement Directorate to register an ECIR only because the High Court prima facie came to a conclusion that a predicate offence exists. Therefore, we set aside that part of the impugned judgment by which a direction is issued to the Enforcement Directorate to register an ECIR. Therefore, the ECIR registered on the basis of the impugned judgment is hereby quashed and set aside. We leave it to the Enforcement Directorate to take a call on the question of initiating proceedings under the Prevention of Money-laundering Act, 2002."*

23. In view of the aforesaid decision of the Hon'ble Supreme Court, this Court cannot direct the ED to register the ECIR merely on the finding that there exists a predicate offence.

24. The learned Senior Counsel for the petitioner only sought to distinguish the judgment in ***R.Madhavan Pillai*** (supra) contending that based on the predicate offence already an ECIR was registered against the Secretary of that society, but since the ECIR was not registered against the other persons involved, which was found to be

an irregularity, the High Court had therefore directed registration of ECIR. However, since no predicate offence was registered against those persons, the Hon'ble Supreme Court had intervened and set aside the order, as the ECIR cannot be registered without a predicate offence.

25. However, we are unable to accept such a contention, since after setting aside the order impugned, the Hon'ble Supreme Court had ultimately left it to the ED to take a call on the question of initiating proceedings under the PML Act, which gives no room of doubt that the order of the High Court was set aside only for the reason that the High Court ought not to have directed the ED to register an ECIR merely because of the existence of a predicate offence, as it is within the realm of the ED to register an ECIR based on their satisfaction.

26. The registration of FIR in a predicate offence does not ipso facto mandate the ED to register an ECIR, but it is only based on the satisfaction of the authorised officer from the predicate case and the materials available. This Court cannot substitute the satisfaction of ED, which is to be arrived at from the materials available, in accordance with the PML Act.

27. In view of the above deliberations, the relief as sought for in the writ petition cannot be granted. Accordingly, the writ petition stands dismissed. However, we make it clear that it is for the ED to decide in respect of initiating any proceedings under the PML Act on the basis of materials available and we express no opinion. There shall be no order as to costs.

(SUSHRUT ARVIND DHARMADHIKARI, CJ) (G.ARUL MURUGAN, J)
20.04.2026

Index : Yes/No
Neutral Citation : Yes/No
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