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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 552/2026 and CM APPL. 2733/2026**

POONAM GUPTA

.....Petitioner

Through: Mr. Yash Varma, Mr. Raghav Bakshi,
and Ms Vani Gupta, Advocates.

versus

UNION OF INDIA & ORS.

.....Respondents

Through: Mr. Vivek Gurnani, Standing
Counsel, ED with Mr. Kanishk
Maurya and Mr. Ch Abhinandan
Patra, Advs.
Mr Vinay Kaushik, Government
Pleader.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

ORDER

% **06.02.2026**

1. The petition is for the following prayers:

- "a. Quash and set aside attachment of the property belonging to the Petitioner attached vide Provisional Attachment Order No. 30 of 2025 ("PAO") and all proceedings emanating therefrom;*
- b. Quash the Original Complaint No. 455 of 2025 filed by the Respondent in terms of Section 5(5) of the Prevention of Money Laundering Act, 2002 pending before the Adjudicating Authority pursuant to the impugned Provisional Attachment Order No. 30 of 2025;*
- c. Quash Show Cause Notice dated 14.11.2025, issued by the Adjudicating Authority under Section 8(1) of the Prevention of Money laundering Act, 2002 pursuant to filing of the OC No. 455 of 2025;*
- d. Issue and appropriate writ/order/direction in the nature of declaration that the attachment of properties belonging to the Petitioner is illegal and arbitrary and ultra-vires to the Provisions of the Prevention of Money Laundering Act, 2002;"*

2. The case of the petitioner is that the impugned Provisional Attachment Order was passed under Section 5(1) of the Prevention of Money Laundering Act, 2002 [**'PMLA'**] consequent to the registration of an F.I.R. against a company named 'Best Foods Limited' [**'the company'**] and



its officials- Mr. Mohinder Pal Jindal (the petitioner's father-in-law) and Mr. Dinesh Gupta (the petitioner's husband), along with unknown public servants under Sections 403, 420, 467, 468, 471 and 120B of the Indian Penal Code, 1860 and Section 13(2) of the Prevention of Corruption Act, 1988. The company and its officials are alleged to have defrauded its creditors and misappropriated funds.

3. It is highlighted that the petitioner is not an accused in the said F.I.R. and the property which has been provisionally attached was purchased by her prior to the period of the alleged offence.

4. Pursuant to the issuance of the impugned Provisional Attachment Order, Original Complaint dated 29.10.2025 has been filed by respondent no. 2-Directorate of Enforcement under Section 5(5) of the PMLA. Subsequent thereto, the adjudicating authority, has issued Show Cause Notice dated 14.11.2025 to the petitioner under the mandate of Section 8(1) calling upon her to indicate the sources of income by which the subject property has been acquired. Further, she has been directed to produce the relevant evidence, and to show cause as to why the impugned Provisional Attachment Order must not be confirmed.

5. The petitioner has challenged the impugned Show Cause Notice on the grounds that the reasons assigned for issuance of the same does not fulfil the mandate under Section 8 of the PMLA, and the composition of the adjudicating authority does not fulfil the mandate under Section 6(2) thereof. Further, reliance is placed on the decision of the Supreme Court in ***L. Chandra Kumar v. Union of India***,¹ to submit that the adjudicating authority, being comprised of a non-judicial member, would not be

¹ 1997 (3) SCC 261



competent under law to adjudicate the matter.

6. A Division Bench of this Court, **J. Sekar v. Union of India**,² had occasion to deal with identical objections to the composition of single-member-Benches of adjudicating authorities under the PMLA. Rejecting the same, the Court held that under Section 6(5) thereof, the jurisdiction of the adjudicating authority may be exercised by single-member Benches. Further, the Court held the requirement of judicial members in administrative tribunals, as laid down in **L. Chandra Kumar**, would not apply to the adjudicating authority under the PMLA as the nature of the functions of both the authorities were different. The Court noted that the power of administrative tribunals was to the exclusion of the High Courts, whereas, the function of adjudicating authorities under the PMLA was for internal judicial review of the orders passed under Section 5 thereof. The relevant portion of the decision is extracted below, for reference:

“Composition of the AA and AT

79. The Court next takes up the question of the composition of the AA on which extensive arguments were advanced by the learned counsel for the Petitioners. In this context, it must be noticed that under Section 6 PMLA, the AA is supposed to consist of the Chairperson and two other members – one of whom shall be a person having experience in the field of law. Section 6(3) further sets out what the qualifications for appointment as a member of an AA should be. One of those qualifications is that the person has to be qualified for appointment as a District Judge or a person in the field of law or a member of an Indian Legal Service. The other qualification is possession of a qualification in the field of finance, accountancy or administration as may be prescribed. It is, therefore, not the case that all the members of the AA should be judicial members.

80. It is seen that under Section 5 PMLA, the jurisdiction of the AA —may be exercised by the Benches thereof. Under Section 6(5)(b) PMLA, a Bench may be constituted by the Chairperson of the AA —with one or two members as the Chairperson may deem fit. Therefore, it is

² 2018:DHC:270-DB



possible to have single-member benches. The word 'bench' therefore does not connote plurality. There could, even under Section 6(5)(b) PMLA, be a single member bench'. When Section 6(6) PMLA states that a Chairperson can transfer a member from one bench to another bench, it has to be understood in the above context of there also being single-member benches.

81. The Court is unable to agree with the submission that since the Adjudicating Authority (Procedure) Regulations 2013 requires every ordersheet to have the signatures of the Chairperson and members constituting the bench, it necessarily means that every matter has to be heard by a bench comprising the Chairperson and members. This would be an erroneous interpretation which is contrary to the main provision of the PMLA itself, viz., Section 6(5)(b) PMLA. Likewise, under Rule 3 of the Prevention of Money-laundering (Appointment and Conditions of Service of Chairperson and Members of the Adjudicating Authorities) Rules 2007, although it states that the AA should have three members, that has to be read along with Section 6(5)(b) that there can be single-member benches. A contrary interpretation would actually frustrate the working of the AA. The Court, therefore, rejects the contention of the Petitioners that there cannot be any single-member benches of the AA.

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83. The reliance on **L. Chandrakumar v. Union of India** (supra) is misplaced. There the question was whether the ousting the jurisdiction of the High Court and vesting the powers of the High Court in a Tribunal is constitutionally valid. That is not what is sought to be done under Section 8 PMLA. It is only to provide an internal judicial review of the orders passed by the authorities under Section 5(1) PMLA. The AA under Section 8 PMLA cannot, therefore, be equated with an Administrative Tribunal under the Administrative Tribunals Act 1985 (ATA). The Central Administrative Tribunal under the ATA was vested with the powers originally with a High Court under Article 226 of the Constitution. Those were Tribunals under Article 323-B of the Constitution of India. The AA is not that kind of a Tribunal at all. The Court is, therefore, unable to agree with judgments of the learned Single Judges of the Sikkim and Gujarat High Courts in this context.

84. There are other reasons why the Court finds that the aforementioned decisions of the learned Single Judges of the Sikkim and Gujarat High Courts cannot be concurred with. They fail to notice that under Section 25 PMLA, an appeal is provided for from the order of the AA before the AT. Even so, such an AT is not the equivalent to the High Court since an appeal against the order of the AT is provided to the High Court itself. Thus, the hierarchy of judicial review authorities under the PMLA presents a very different scheme from what is found in other statutes, particularly the ATA.



85. Under the PMLA, however, we first have a decision by an authority under Section 5(1) PMLA. Then we have a review of that decision by the AA under Section 8 PMLA. Then we have an appeal against that decision to the AT under Section 25 PMLA. These authorities, i.e. the AA and the AT, need not be entirely manned only by JMs. They can be AMs as well.”

7. The said decision has been followed by another Division Bench of this Court in ***Gold Croft Properties Pvt. Ltd. v. Directorate of Enforcement***.³ Therefore, the said objections cannot be accepted.

8. It is seen that, in pursuance to the impugned Show Cause Notice, the petitioner has already filed her reply to the adjudicating authority and has taken various pleas challenging the impugned Provisional Attachment Order, which also form a part of the instant writ petition. There does not seem to be any reason as to why the grounds raised in the reply would not be appropriately considered by the adjudicating authority.

9. In any case, on determination by the adjudicating authority, if the petitioner has any grievance, the same is amenable to challenge under Section 26 before the tribunal and thereafter, under Section 42 before this Court.

10. Since there is an alternate mechanism, whereby, the grievance of the petitioner can be looked into, reserving that liberty in favour of the petitioner, the Court does not deem it appropriate to entertain the instant writ petition. The same is, accordingly, dismissed.

11. All other rights and contentions are left open.

PURUSHAINDR KUMAR KAURAV, J
FEBRUARY 6, 2026/P/AMG

³ 2023 SCC OnLine Del 5900