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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **W.P.(C) 4982/2026**

HARSH RAJESH SHAH

.....Petitioner

Through: Mr. Ritu Raj, Mr. Sunny Punamiya,
Advocates.

versus

DIRECORATE OF ENFORCEMENT

.....Respondent

Through: Mr. Counsel (*appearance not given*)

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

ORDER

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15.04.2026

1. The petition is for the following reliefs:

"A) This Hon'ble Court may be pleased to read into and / or read down and/or interpret the Second Proviso to Section 5(1) of the PMLA to hold that:-

i. The requirement of recording 'reasons to believe' under the 2nd Proviso to Section 5(1), in view of the expression 'immediately' employed therein, constitutes a distinct and more stringent condition, requiring the Authority under PMLA to demonstrate a higher degree of urgency and proximity, beyond that contemplated under Section 5(1) simpliciter;

ii. The Authority under PMLA, while recording 'reasons to believe' for issuance of a Provisional Attachment Order under the said 2nd proviso, must specifically disclose, on the basis of material in possession, the existence of an immediate and compelling necessity warranting such provisional attachment;

B. This Hon'ble Court be pleased to hold that any unexplained delay between the availability of material in possession, formation of belief, and issuance of the Provisional Attachment Order is inconsistent with the requirement of 'immediacy' under the 2nd Proviso and renders the



invocation and/or provisional attachment thereof invalid;

C. This Hon'ble Court be pleased to pass appropriate Order(s), Writ(s) or Direction(s) to :- to frame appropriate guidelines and/or interpret the expression 'immediately' occurring in the 2nd Proviso of Section 5(1) of the PMLA, by providing a proximate and/or reasonable timeframe within which 2nd Proviso ought and/or may be invoked by the Authorities under PMLA;

Section 8 of PMLA

D. The Hon'ble Court be pleased to pass appropriate Order(s), Writ(s) or Direction(s) to provide a specific time-line within which the Ld. Adjudicating Authority is required to issue a Show-Cause Notice under sub-section (1) of section 8 of Prevention of Money Laundering Act, 2002;

E. This Hon'ble Court be pleased to pass appropriate Order(s) and/or Direction(s) to quash and/or set aside the Provisional Attachment Order dated 6th February 2025 being No. 11 of 2026;

F. Pending the hearing and disposal of the present Petition, this Hon'ble Court be pleased to stay the effect, operation of the Provisional Attachment Order dated 06.02.2026 P.A.O. No. 11/2026;

G. Pending the hearing and disposal of the present Petition, this Hon'ble Court be pleased to pass appropriate direction(s) and/or order(s) to stay further proceedings consequential to the Provisional Attachment Order dated 06.02.2026 P.A.O. No. 11/2026"

2. The facts of the case would indicate that a Provisional Attachment Order dated 06.02.2026 has been issued by the respondent under Section 5(1) of the Prevention of Money Laundering Act, 2002 attaching the petitioner's demat account to the extent of ₹1,11,59,000.

3. The said action arises from FIR dated 23.12.2024 registered at Sion Police Station, Mumbai in relation to alleged front-running activities involving certain named accused persons.

4. It is the case of the petitioner that he was not named under the aforesaid FIR. The petitioner submits that during investigation, various trading accounts were examined on the premise of their possible linkage with the proceeds of crime and on such basis, the petitioner's account has been treated as holding value, equivalent to proceeds of crime. Subsequently, the petitioner's account was attached.



5. During the course of arguments the petitioner further submits that the constitutional validity of Second Proviso to Section 5(1) of the Prevention of Money Laundering Act, 2002, itself is under challenge. Alternatively, he argues that the said provisions will have to be read down.

6. In view of the aforementioned, this Court finds that unless the petitioner specifically challenges the Constitutional validity of the relevant provisions, the alternate prayer would not be amenable to be considered as standalone relief.

7. The petitioner, thus, prays for withdrawal of the petition with liberty to file a properly constituted petition.

8. Accordingly, the instant petition stands dismissed with liberty in favour of the petitioner to file a fresh petition.

PURUSHAINDR KUMAR KAURAV, J

APRIL 15, 2026

Aks/ss