



2026:CGHC:23371



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NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

WPC No. 621 of 2026

Order reserved on 28/02/2026

Order delivered on 15/05/2026

Govind Kumar Kedia S/o Late Ramanand Kedia, Aged About 47 Years R/o Block A5, Flat No. 10d, 98, Christopher Road, Brindavan Garden, Topsia, Gobinda Khatick Road, S.O. Kolkata, West Bengal- 70006

... Petitioner

versus

1 - Union Of India Through Secretary, Department Of Revenue, Ministry Of Finance, Room No. 128-A, North Block, New Delhi- 110001

2 - Directorate Of Enforcement Represented By Its Deputy Director, Raipur Zonal Office, 2nd Floor, Netaji Subhan Stadium, Moti Bag, District Raipur- 492001 C.G.

... Respondents

(Cause title taken from Case Information System)

For Petitioner	:	Mr. S. Rajeshwara Rao and Mr. Mohit Kumar, Advocates
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For Respondent No.2/ED	:	Dr. Saurabh Kumar Pande, Advocate
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Hon'ble Shri Justice Ravindra Kumar Agrawal

C.A.V. Order

1. The petitioner has filed the present writ petition under Article 226 of the Constitution of India, claiming the following reliefs:-



“10.1 That this Hon'ble Court may kindly be pleased to issue writ in the nature of certiorari and quash the impugned Provisional Attachment Order no. 4 of 2026 dated 29.1.2026.

10.2 That, this Hon'ble Court may kindly be pleased to issue writ in the nature of mandamus directing Respondents to return the illegally detained gold bar, coins and jewelries weighing 10.250 Kgs not proposed for retention vide O.A No. 1012 of 2023 and retained violating provisions of sec. 20 of the PMLA, 2002.

10.3 That this Hon'ble Court may kindly be pleased to grant stay on the effect and operation of the impugned order till disposal of present petition.

10.4 Any other relief which the Hon'ble Court deems fit and proper under the facts and circumstances may also be provided to the petitioner.”

2. Brief facts of the case are that the petitioner is engaged in trading in shares and securities through M/s Kedia Fintrade Private Limited and through their association with Motilal Oswal Financial Services Limited. According to the petitioner, they have been carrying on business for several years and have regularly complied with statutory requirements under various enactments. The petitioner has pleaded that substantial taxable income earned by them from the financial years 2016-17 to 2022-23 was duly disclosed before the Income Tax Department and taxes amounting to several crores of rupees were paid thereon. They contend that the assets held by them, including gold, jewellery and investments, originate from disclosed sources of



income and form part of their accounted wealth. Even before the year 2016, they were in possession of gold bars, coins and jewellery weighing approximately 4.260 kilograms, which, according to them, stood reflected in their books of accounts and stock registers. It is also their case that under the Income Declaration Scheme, 2016, they voluntarily declared an additional quantity of gold weighing 10.250 kilograms before the Income Tax Department and paid the requisite taxes thereon. Relying upon such disclosures, the petitioner contend that the gold so declared acquired a lawful and accounted status and that the authorities themselves have never disputed the factum of such declaration before the Income Tax authorities. It is also pleaded that the petitioner has also invested his own funds in share market and have a business associate agreement through their company with Motilal Oswal Finance Services Ltd., as on 31.03.2017, the cumulative capital of the petitioner was approximately 42 crores.

3. It is the further case of the petitioner that on 08.09.2023, officers of the Enforcement Directorate (hereinafter called as "ED") conducted searches at their residential and business premises at Kolkata, under Section 17 of the Prevention of Money Laundering Act, 2002 (hereinafter called as "PMLA-2002"). During the course of the search, inquiries were allegedly made regarding certain persons connected with the investigation relating to the Mahadev App case and also regarding the gold and jewellery found at the premises. According to the petitioner, he furnished explanations regarding the source of acquisition of the gold and jewellery and produced material showing that a substantial quantity of the gold had already been disclosed



under the Income Declaration Scheme, 2016, while the remaining jewellery constituted ancestral and family jewellery received over several decades. The petitioner has pleaded that during the search conducted on 08/09.09.2023, the officers of the ED found gold bars, coins, jewellery and diamonds at their residential premises and sought an explanation regarding their source. According to the petitioner, it was explained that a substantial quantity of the gold had already been declared before the Income Tax Department under the Income Declaration Scheme, 2016, while the remaining jewellery represented family and matrimonial gifts received over the years. The petitioner contend that although the entire gold weighing approximately 14.51 kilograms was taken into custody after valuation, no formal seizure was effected in respect of the gold weighing 10.250 kilograms.

4. The pleadings further disclose that thereafter, the ED instituted Original Application No. 1012 of 2023 before the Adjudicating Authority seeking retention of 4.260 kilograms of Gold and 293.15 carats of Diamonds, under Section 17(4) of the PMLA-2002. A show-cause notice was issued to the petitioner on 13.10.2023, and they filed a detailed reply on 06.11.2023, along with supporting documents to establish the lawful acquisition of the assets. According to the petitioner, even in the rejoinder filed on 30.01.2024, before the Adjudicating Authority, the ED acknowledged that gold weighing 10.250 kilograms had been disclosed by the petitioner under the Income Declaration Scheme, 2016 and that the investigation was essentially confined to the excess quantity of gold. The petitioner, therefore, contend that there existed no basis for the continued



detention of the gold weighing 10.250 kilograms, which stood admitted to be covered by prior disclosures made before the Income Tax authorities.

5. It is also the case of the petitioner that after hearing the parties, by order dated 15.02.2024, the Adjudicating Authority allowed the application only to the extent of retention of approximately 4.250 kilograms of gold and 8.22 carats of diamonds. According to the petitioner, the said order neither authorized nor dealt with the continued retention of the remaining 10.250 kilograms of gold. The petitioner has filed an appeal No. 651 of 2024 against the order dated 15.02.2024, emphasising that the order of retention has been challenged before the Appellate Tribunal, which remains pending; the subject matter of such appeal is confined to the assets covered by the order dated 15.02.2024. Thus, according to them, the question concerning the release of the remaining 10.250 kilograms of gold stands outside the scope of the proceedings pending before the Tribunal. As per Section 20 of PMLA-2002, the respondent authorities cannot retained any assets, which are not forming part of proceeds of crime.
6. The petitioner has further pleaded that after the passing of the order dated 15.02.2024, several representations were submitted before the ED seeking release of the gold weighing 10.250 kilograms on the ground that no order of retention had been obtained in respect thereof; however, no decision was communicated by the authorities despite the lapse of considerable time. It is in these circumstances



that the petitioner has approached this Court, contending that the continued detention of the gold weighing 10.250 kilograms, without any order authorizing its retention and despite its admitted disclosure before the Income Tax Department, is arbitrary, without authority of law and violative of their constitutional and statutory rights.

7. The respondent No. 2/ED, in its detailed reply, pleaded that the ED registered ECIR No. RPZO/10/2022 under the provisions of the PMLA-2002 on the basis of Charge Sheet/Final Report No. 157/2022 dated 29.07.2022 submitted by Police Station Mohan Nagar, District Durg, Chhattisgarh, against Alok Singh Rajpoot, Rampravesh Sahu, Kharag alias Raja Singh and others for offences punishable under Sections 120-B and 420 of the IPC. As per the charge-sheet, the accused persons were allegedly engaged in illegal online betting activities through the “Mahadev Online Book” platform relating to cricket matches, football, casino games, horse racing, greyhound racing, kabaddi and other events. During a raid conducted by the local police, laptops, mobile phones, bank passbooks, debit and credit cards, SIM cards, cheque books and cash were seized. The investigation further revealed that the accused persons had allegedly created online IDs, collected money from punters through banking channels and facilitated betting transactions through the Mahadev Book platform. On the basis of the said scheduled offences, the ED commenced an investigation under the PMLA. During the course of the investigation, the ED gathered information regarding several FIRs registered across the country in connection with illegal betting operations conducted through Mahadev Book and allied platforms.



Particular reliance was placed upon FIR No. 206/2023 dated 02.06.2023 registered by the Cyber Crime Police Station, Visakhapatnam, Andhra Pradesh, for the offence under Sections 419, 420, 467, 468, 471, 120-B read with Section 34 of the IPC, Sections 66-C and 66-D of the Information Technology Act, 2000, and Sections 3, 4 of the Andhra Pradesh Gaming Act, 1974 (as amended from 25.09.2020) wherein it was alleged that a network of 21 persons was operating call centres for the collection of betting money and placing bets through various online platforms.

8. The investigation disclosed that bets were being placed on various online platforms including Tiger Exchange, Gold365, Laser247, Cricketbuzz.com, Play247, Skyexchange.com and Cricketbet9.com, and the funds generated through such activities were layered through multiple bank accounts before allegedly reaching one Sourabh Chandrakar, a native of Chhattisgarh, stated to be residing in Dubai. The material further indicated that Chandrakar, along with Ravi Uppal, Kapil Chellani and Satish Kumar, was allegedly operating several offshore betting websites including Lotus365, FairPlay, Reddy Anna, Laser Book, Tiger Exchange, BetBook247 and Gold365. The investigation also revealed that betting operations through Mahadev Book were being conducted across the country on a massive scale, involving transactions running into thousands of crores of rupees. Memorandum statements of arrested accused persons recorded by the Andhra Pradesh Police allegedly detailed the manner in which bank accounts and betting panels associated with Mahadev Online Book were operated. During further investigation, various FIRs



relating to the misuse of bank accounts for betting transactions were collected through the CCTNS portal, including FIR No. 336/2023 dated 10.08.2023 registered at Police Station Gudhiyari, Raipur; FIR No. 37/2023 dated 17.03.2023 registered at Police Station Bhilai Bhatti, District Durg; and FIR No. 685/2023 dated 11.08.2023 registered at Police Station Khamtarai, Raipur. These FIRs disclosed allegations that bank accounts had either been opened fraudulently by misusing identity documents such as PAN and Aadhaar cards, or had been operated without the knowledge and consent of the account holders for routing transactions connected with Mahadev Book. Since the aforesaid FIRs disclosed scheduled offences under the Prevention of Money Laundering Act, 2002, an addendum dated 02.09.2023 was issued incorporating the same into ECIR No. RPZO/10/2022. Subsequently, further predicate offences connected with the betting syndicate were also brought on record, including FIR No. 06/2024 dated 04.03.2024 registered by the Economic Offences Wing, Raipur under Sections 34, 120-B, 420, 467, 468 and 471 of the IPC and Sections 7 and 11 of the Prevention of Corruption Act against Sourabh Chandrakar, Ravi Uppal, Shubham Soni, Hari Shankar Tibrewal and others in relation to betting operations through Mahadev Online Book, Skyexchange and allied betting applications, as well as FIR No. 206/2020 dated 24.09.2020 registered at Burtolla Police Station, Kolkata under Sections 120-B and 420 of the IPC and Sections 3 and 4 of the West Bengal Prize Chits and Money Circulation Schemes Act against Hari Shankar Tibrewal, Suraj Chokhani and others for their alleged involvement in online betting activities. These materials



formed part of the investigation conducted by the ED in relation to the offences under the PMLA-2002.

9. The case of the ED, in substance, is that Mahadev Online Book was allegedly operating as a large-scale international online betting syndicate facilitating illegal betting on various sporting events, card games and other activities through multiple online platforms and websites. According to the investigation, the syndicate was promoted by Sourabh Chandrakar and Ravi Uppal from Dubai through a franchise-based panel system, wherein betting proceeds collected through numerous benami bank accounts were systematically layered, routed through banking channels, remitted abroad by hawala and projected as legitimate funds. During the course of investigation, the Directorate claims to have unearthed a complex network involving several entities and individuals, including Hari Shankar Tibrewal, who allegedly operated the betting platform "Skyexchange" and invested proceeds of crime in the Indian stock market through Foreign Portfolio Investment (FPI) entities and various companies controlled by his associates. It is further alleged that large amounts of proceeds of crime generated from the illegal betting operations were introduced into the financial system through accommodation entries, layered through corporate entities and ultimately invested in the Indian securities market so as to project the same as untainted property, thereby constituting the offence of money-laundering under the provisions of the Prevention of Money Laundering Act, 2002.



10. The petitioner was not merely investor in the stock market but was active participant in the illegal betting operations conducted through the online platform "Skyexchange", allegedly promoted by Hari Shankar Tibrewal, an associate of the promoters of the Mahadev Online Book syndicate. According to the Directorate, the investigation, including analysis of digital data recovered from the petitioner's laptop, statements recorded under Section 50 of the Prevention of Money Laundering Act, 2002, and other corroborative material, revealed that the petitioner acted as a panel operator and distributor for "Skyexchange" and facilitated illegal betting transactions. It is alleged that substantial cash generated from illegal betting activities was received by him and thereafter introduced into the formal banking system through accommodation entries obtained from various entry operators. The Directorate further alleges that the petitioner, either directly or through his associates and controlled entities, invested such funds in the Indian stock market by operating several DEMAT and trading accounts, thereby layering the proceeds of crime and projecting them as untainted property. The petitioner exercised effective control over several trading accounts maintained in the names of their associates, family members and business entities, while retaining client credentials and operating such accounts for investment of the proceeds of crime. It is also alleged that the petitioner earned profits from such investments and knowingly assisted other accused persons associated with Mahadev Online Book and Skyexchange in concealing, possessing, using and projecting proceeds of crime as legitimate assets. According to the



Directorate, the petitioner failed to furnish any satisfactory explanation regarding the source of substantial investments, cash deposits, and gold declared by them under the Income Declaration Scheme, 2016, and the investigation revealed that such assets were also connected with the proceeds generated from illegal betting operations. On the basis of the material collected during investigation, including statements of witnesses, digital evidence, financial records and bank transactions, the ED has arraigned the petitioner as an accused in the Fourth Supplementary Prosecution Complaint dated 03.02.2025, alleging commission of offences under Sections 3 and 4 of the PMLA-2002, and has asserted that the offence of money-laundering is a continuing offence in terms of the Explanation to Section 3 of the Act.

11. Learned counsel for the respondent No. 2/ED also raised a preliminary objection regarding the maintainability of the present writ petition on the ground of the availability of an efficacious statutory remedy under the Prevention of Money Laundering Act, 2002. It is pleaded that on 29.01.2026, the Provisional Attachment Order No. 04/2026 has been passed in exercise of powers under Section 5(1) of the PMLA-2002, and that the statutory scheme provides a complete adjudicatory mechanism, whereby the Adjudicating Authority under Section 8 is empowered to examine the legality of the attachment after affording an opportunity of hearing to the affected party, with a further statutory appeal under Section 26 before the Appellate Tribunal and a subsequent appeal under Section 42 before the High Court. It was contended that the petitioner has an adequate and efficacious alternative remedy before the competent statutory forum



and, therefore, the extraordinary jurisdiction of this Court under Article 226 of the Constitution ought not to be invoked at this stage. In support of the said objection, reliance has been placed upon **Parina Swarup v. Union of India**, (2008) 14 SCC 107, **Rai Foundation v. Directorate of Enforcement**, 2015 SCC OnLine Del 7626, **Rose Valley Hotels & Entertainments Ltd. v. Secretary, Department of Revenue**, 2015 SCC OnLine Del 10111, **Special Director v. Mohd. Ghulam Ghouse**, AIR 2004 SC 1467, **RBL Bank Ltd. v. Directorate of Enforcement** (LPA 381/2023), **Gold Croft Properties Pvt. Ltd. v. Directorate of Enforcement** (LPA 167/2023), and **Krrish Realtech Pvt. Ltd. v. Union of India** (W.P.(C) 4399/2025), to contend that the High Courts have consistently declined to entertain writ petitions challenging provisional attachment orders under the PMLA in view of the comprehensive statutory remedies provided under the Act.

12. The respondent No. 2/ED denied the grounds urged by the petitioner and submitted that the search, seizure and subsequent attachment of the subject gold bars, coins and jewellery weighing 10.250 kilograms were undertaken strictly in accordance with the provisions of the PMLA-2002. The subject assets were initially seized under Section 17 of the Act during the course of investigation and, upon collection of further material establishing their nexus with the alleged proceeds of crime, were provisionally attached under Section 5 of the Act by Provisional Attachment Order No. 04/2026 dated 29.01.2026 after due application of mind. The respondent No.2 further submitted that the proceedings for retention of seized property under Sections 17 and 20 of the Act are distinct from attachment proceedings under Section 5,



and, therefore, the earlier retention proceedings or the filing of the Original Application before the Adjudicating Authority cannot be construed as recognition of the lawful source of the remaining gold. It was also pleaded that the petitioner's disclosure of assets under the Income Declaration Scheme, 2016, does not confer immunity from proceedings under the PMLA-2002 nor establish the lawful source of acquisition of the assets. According to the respondent No.2, the investigation revealed that the petitioner had no legitimate source capable of explaining the substantial cash deposits made during the relevant period and that the material collected during the investigation disclosed a nexus between the subject gold and the proceeds generated from illegal betting activities. Reliance was placed upon the decision of the Hon'ble Supreme Court in **Rohit Tandon v. Directorate of Enforcement**, (2018) 11 SCC 46, to aver that declaration of assets under the Income-tax laws does not preclude proceedings under the PMLA-2002 where the property is otherwise found to be derived from criminal activity. It was, therefore, submitted that the provisional attachment has been made strictly in accordance with Sections 5 and 8 of the PMLA on the basis of recorded reasons and cogent material, and that the petitioner cannot claim release of the attached property merely on the ground of expiry of the retention period or prior declaration under the Income Declaration Scheme, 2016, and prayed for dismissal of the writ petition.

13. Learned counsel appearing for the petitioner would submit that the impugned Provisional Attachment Order No. 04/2026 dated 29.01.2026 is wholly arbitrary, illegal and contrary to the



scheme of the Prevention of Money Laundering Act, 2002. It is contended that during the search conducted on 08/09.09.2023 under Section 17 of the Act, the petitioner had fully cooperated with the investigating agency and had furnished complete particulars regarding the source of the gold bars, coins and jewellery found at their premises. According to the petitioner, gold weighing 10.250 kilograms had already been voluntarily disclosed under the Income Declaration Scheme, 2016, and the requisite taxes had been duly paid thereon, whereas the remaining quantity represented ancestral and family jewellery duly reflected in the books of account and stock registers. Learned counsel further submits that the ED itself, while filing Original Application No.1012 of 2023 before the Adjudicating Authority under Section 17(4) of the PMLA, sought retention only of approximately 4.260 kilograms of gold and diamonds, and even in its rejoinder before the Adjudicating Authority acknowledged that the gold weighing 10.250 kilograms stood disclosed under the Income Declaration Scheme, 2016. It is, therefore, argued that once no order of retention was either sought or granted in respect of the said quantity of gold, its continued detention and subsequent attachment after a considerable lapse of time is wholly dehors the statutory provisions and amounts to an arbitrary exercise of power. Learned counsel also submits that the statutory safeguards contained in Sections 17 and 20 of the PMLA cannot be circumvented by subsequently resorting to attachment under Section 5 without there being any fresh tangible material establishing the existence of "proceeds of crime".



14. He would further submit that the jurisdiction under Section 5 of the PMLA-2002 can be exercised only upon the competent authority recording a bona fide "reason to believe", founded on tangible material, that the property sought to be attached constitutes "proceeds of crime" and is likely to be concealed, transferred or dealt with in a manner that may frustrate eventual confiscation. According to the petitioner, neither the Provisional Attachment Order nor the material relied upon by the respondent No.2 discloses any live nexus between the subject gold and the alleged scheduled offences or establishes that the petitioner acquired or possessed the said assets from criminal activity. It is argued that mere declaration under the Income Declaration Scheme, 2016, may not by itself create immunity under the PMLA; nevertheless, such declaration, coupled with payment of taxes and the respondent No.2's own acknowledgement of the disclosure during the earlier retention proceedings, constitutes a highly relevant circumstance which could not have been ignored while forming the statutory satisfaction under Section 5. Learned counsel further submits that the power of attachment under the PMLA is preventive and preservative in nature and cannot be exercised on mere suspicion or conjecture without satisfying the jurisdictional requirements prescribed by the statute. It is urged that the respondent No.2 has failed to demonstrate any fresh incriminating material discovered after the conclusion of the retention proceedings so as to justify the subsequent attachment of the very same gold. The impugned action, therefore, is alleged to be violative of Articles 14 and 300A of the Constitution of India, being an arbitrary deprivation of



property without due authority of law. On these submissions, it is prayed that the provisional attachment order dated 29.01.2026 be quashed and the respondent No.2 be directed to release the subject gold, or pass such other appropriate orders as the Court may deem fit in the interests of justice.

15. Learned counsel appearing for Respondent No. 2/ED vehemently opposed the writ petition and submitted that the same is wholly misconceived, premature and not maintainable either on facts or in law. It was contended that the provisional attachment of the subject gold bars, coins and jewellery weighing 10.250 kilograms has been made strictly in exercise of powers conferred under Section 5 of the Prevention of Money Laundering Act, 2002, after recording the statutory "reason to believe", on the basis of tangible material collected during investigation establishing a prima facie nexus between the said properties and the proceeds of crime. It was argued that the attachment was preceded by a lawful search and seizure under Section 17 of the PMLA and that the Directorate, after detailed investigation, found that the petitioner had deposited approximately Rs.38 crores in cash in the bank accounts of himself and his wife despite having no legitimate source of income capable of generating such enormous wealth. According to the respondent No.2, the investigation further disclosed that the petitioner had been associated with illegal betting operations and that the cash generated from such unlawful activities was layered and ultimately converted into gold and other valuable assets. It was, therefore, submitted that the impugned Provisional Attachment Order No.04/2026 dated



29.01.2026 has been passed strictly in accordance with the statutory requirements and that the attached assets squarely fall within the definition of "proceeds of crime" under Section 2(1)(u) of the Act.

16. Learned counsel further submitted that the principal contention of the petitioner that the gold had already been disclosed under the Income Declaration Scheme, 2016 (IDS) is legally untenable. It was argued that declaration of an asset under the Income Tax laws or payment of tax thereon neither establishes the lawful source of acquisition nor creates any immunity from proceedings under the PMLA. The offence of money-laundering is an independent offence, distinct from proceedings under the Income Tax Act, and once investigation reveals that the property has been derived or obtained from criminal activity relating to a scheduled offence, the same becomes liable for attachment and eventual confiscation under the PMLA irrespective of any disclosure made under taxation statutes. In support of the aforesaid submission, reliance was placed upon the judgment of the Supreme Court in **Rohit Tandon v. Directorate of Enforcement**, (2018) 11 SCC 46, particularly paragraph 33, wherein it has been categorically held that declaration in income-tax returns or payment of taxes does not absolve the person concerned from disclosing the lawful source of the property nor confer immunity against prosecution for the offence of money-laundering. It was thus contended that the petitioner's reliance upon the Income Declaration Scheme is wholly misplaced and cannot invalidate the attachment proceedings initiated under the PMLA.



17. Learned counsel also submitted that the present writ petition deserves to be dismissed at the threshold on the ground of availability of an effective and efficacious alternative statutory remedy. It was argued that the PMLA provides a complete code for adjudication of disputes arising from attachment proceedings. Under Section 5(5) of the Act, every provisional attachment is required to be placed before the Adjudicating Authority, which, after issuing notice under Section 8(1) and granting opportunity of hearing under Section 8(2), independently determines whether the attached property is involved in money-laundering. Against the order of the Adjudicating Authority, a statutory appeal lies before the Appellate Tribunal under Section 26, followed by a further appeal before the jurisdictional High Court under Section 42 on substantial questions of law. It was submitted that since the petitioner has an adequate statutory remedy before specialized forums constituted under the Act, this Court ought not to entertain the present petition under Article 226 of the Constitution. Reliance was placed upon **Pareena Swarup v. Union of India**, (2008) 14 SCC 107, wherein the Supreme Court recognized the Adjudicating Authority as an expert body entrusted with determining the legality of attachment proceedings. Reliance was also placed upon **Rai Foundation v. Directorate of Enforcement**, 2015 SCC OnLine Del 7626; **Rose Valley Hotels & Entertainment Ltd. v. Secretary, Department of Revenue**, 2015 SCC OnLine Del 10111; **Special Director v. Mohd. Ghulam Ghouse**, AIR 2004 SC 1467; **RBL Bank Ltd. v. Directorate of Enforcement and Others**, 2023 SCC Online Del 8610; **Gold Croft Properties Pvt. Ltd. v.**



Directorate of Enforcement, 2023 SCC Online Del 5900; and **Krrish Realtech Pvt. Ltd. v. Union of India**, 2025 SCC Online Del 8279, to contend that writ jurisdiction ought not to be exercised where the statute provides a complete and efficacious adjudicatory mechanism.

18. Lastly, it was argued that the issues sought to be raised by the petitioner involve serious disputed questions of fact, including the source of acquisition of the gold, its nexus with the proceeds of crime, appreciation of documentary evidence, banking transactions and findings emerging from the investigation, which cannot appropriately be adjudicated in proceedings under Article 226 of the Constitution. It was submitted that the validity of the attachment, the existence of "reason to believe", the nature of the attached assets and their eventual confiscation are all matters statutorily entrusted to the Adjudicating Authority and the Special Court under the PMLA. The respondent No. 2 contended that interference by this Court at the present stage would frustrate the statutory scheme enacted by Parliament and impede the ongoing proceedings under the Act. It was, therefore, prayed that the writ petition, being devoid of merit and barred by the availability of alternative statutory remedies, deserves to be dismissed with costs.
19. I have heard learned counsel for the parties at length and considered their rival submissions, and gone through the record of the writ petition.
20. The principal questions which arise for determination are: (i) whether the present writ petition challenging the Provisional Attachment Order



dated 29.01.2026 is maintainable in the exercise of jurisdiction under Article 226 of the Constitution despite the statutory mechanism provided under the Prevention of Money Laundering Act, 2002; and (ii) whether the impugned provisional attachment suffers from such patent lack of jurisdiction, violation of statutory provisions or manifest arbitrariness as would warrant interference by this Court at the threshold.

21. At the outset, this Court finds considerable force in the preliminary objection raised on behalf of the respondent-ED regarding the maintainability of the present writ petition. The Prevention of Money Laundering Act, 2002, is a self-contained enactment providing a complete adjudicatory mechanism against an order of provisional attachment. Section 5(5) of the PMLA-2002 mandates filing of a complaint before the Adjudicating Authority, which is empowered under Section 8 of the PMLA-2002 to independently examine whether the attached property is involved in money-laundering after issuing notice and affording full opportunity of hearing to the affected person. Against the order of the Adjudicating Authority, an appeal lies before the Appellate Tribunal under Section 26 of the PMLA-2002, and thereafter before the jurisdictional High Court under Section 42 of the PMLA-2002 on substantial questions of law. The Hon'ble Supreme Court in the case of **Pareena Swarup** (supra) has recognized the Adjudicating Authority as an expert statutory forum constituted to determine the legality of attachment proceedings and observed that its functions are civil in nature in relation to confirmation of provisional attachment.



22. It is necessary to notice here the relevant provisions of Sections 8, 26 and 42 of the PMLA-2002, which are as under:-

“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 1[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 sub-section (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.”

23. In the case of **Special Director and Another v. Mohd. Ghulam Ghouse and Another**, 2004(3) SCC 440, the Hon'ble 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.”

24. 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.”

25. In the case of **Krrish Realtech Pvt. Ltd.** (supra), the Delhi High Court has held that:-

“44. It is a well-settled legal principle that where a statute provides a selfcontained appellate mechanism, recourse to the extraordinary jurisdiction of this Court under Article 226 is ordinarily not maintainable.

45. The respondent had rightly placed reliance on *Gold Croft Properties Pvt. Ltd. v. Directorate of*



Enforcement, 2023 SCC OnLine Del 5900, wherein the Court has observed as under -

"16. In fact, it has rightly been noted by the learned Single Judge that the application itself was not maintainable. Further, the judgment of the learned Single Judge discloses that the matter was ready for final hearing before the Adjudicating Authority, and therefore, this Court is of the opinion that no interference is required at this juncture.

17. Section 26 of the PMLA provides for an appeal before the Appellate Tribunal against any Order passed by the Adjudicating Authority. There was a fully functional Appellate Tribunal at the time when the Order dated 25.01.2023 was passed by the Adjudicating Authority, and therefore, the writ petition was not maintainable before the learned Single Judge.

18. The Apex Court in Commissioner of Income Tax v. Chhabil Dasss Agarwal, (2014) 1 SCC 603 : (2013) 357 ITR 357 has observed as under:

"13. In Nivedita Sharma v. Cellular Operators Assn. of India [(2011) 14 SCC 337 : (2012) 4 SCC (Civ) 947], this Court has held that where hierarchy of appeals is provided by the statute, the party must exhaust the statutory remedies before resorting to writ jurisdiction for relief and



observed as follows: (SCC pp. 343-45, paras 12-14)

"12. In *Thansingh Nathmal v. Supt. of Taxes* [1964 SCC OnLine SC 13 : AIR 1964 SC 1419] this Court adverted to the rule of self-imposed restraint that the writ petition will not be entertained if an effective remedy is available to the aggrieved person and observed: (AIR p. 1423, para 7)

'7. ... The High Court does not therefore act as a court of appeal against the decision of a court or tribunal, to correct errors of fact, and does not by assuming jurisdiction under Article 226 trench upon an alternative remedy provided by the statute for obtaining relief. Where it is open to the aggrieved petitioner to move another tribunal, or even itself in another jurisdiction for obtaining redress in the manner provided by a statute, the High Court normally will not permit by entertaining a petition under Article 226 of the Constitution the machinery created under the statute to be bypassed, and will leave the party applying to it to seek resort to the machinery so set up.'

13. In *Titaghur Paper Mills Co. Ltd. v. State of Orissa* [Titaghur Paper Mills Co. Ltd. v. State of Orissa, (1983) 2 SCC 433 : 1983 SCC (Tax) 131 : (1983) 53 STC 315 : (1983) 142 ITR 663] this Court observed: (SCC pp. 440-41, para 11)



'11. ... It is now well recognised that where a right or liability is created by a statute which gives a special remedy for enforcing it, the remedy provided by that statute only must be availed of. This rule was stated with great clarity by Willes, J. in *Wolverhampton New Waterworks Co. v. Hawkesford* [(1859) 6 CBNS 336 : 141 ER 486] in the following passage: (ER p. 495)

"... There are three classes of cases in which a liability may be established founded upon a statute. ... But there is a third class viz. where a liability not existing at common law is created by a statute which at the same time gives a special and particular remedy for enforcing it. ... The remedy provided by the statute must be followed, and it is not competent to the party to pursue the course applicable to cases of the second class. The form given by the statute must be adopted and adhered to."

The rule laid down in this passage was approved by the House of Lords in *Neville v. London Express Newspaper Ltd.* [[1919] A.C. 368 : [1918-19] All ER 61 (HL)] and has been reaffirmed by the Privy Council in *Attorney General of Trinidad and Tobago v. Gordon Grant and Co. Ltd.* [[1935] A.C. 532 (PC)] and *Secy. of State v. Mask and Co.* [1940 SCC OnLine PC 10 : (1939-40) 67 IA 222 : (1940) 52 LW 1 : AIR 1940 PC 105] It has also been held to be equally applicable to enforcement of rights, and has been



followed by this Court throughout. The High Court was therefore justified in dismissing the writ petitions in limine.'

14. In *Mafatlal Industries Ltd. v. Union of India* [(1997) 5 SCC 536 : (1998) 111 STC 467] B.P. Jeevan Reddy, J. (speaking for the majority of the larger Bench) observed: (SCC p. 607, para 77) '77. ... So far as the jurisdiction of the High Court under Article 226—or for that matter, the jurisdiction of this Court under Article 32—is concerned, it is obvious that the provisions of the Act cannot bar and curtail these remedies. It is, however, equally obvious that while exercising the power under Article 226/Article 32, the Court would certainly take note of the legislative intent manifested in the provisions of the Act and would exercise their jurisdiction consistent with the provisions of the enactment.'"

(See *G. Veerappa Pillai v. Raman & Raman Ltd.*, [(1952) 1 SCC 334 : AIR 1952 SC 192], *CCE v. Dunlop India Ltd.*, [(1985) 1 SCC 260 : 1985 SCC (Tax) 75 : (1985) 58 Comp Cas 145 : (1985) 154 ITR 172], *Ramendra Kishore Biswas v. State of Tripura* [(1999) 1 SCC 472 : 1999 SCC (L&S) 295], *Shivgonda Anna Patil v. State of Maharashtra* [(1999) 3 SCC 5], *C.A. Abraham v. ITO* [(1961) 41 ITR 425 : 1960 SCC OnLine SC 128 : AIR 1961 SC 609 : (1961) 2 SCR 765], *Titaghur Paper Mills Co. Ltd. v. State of Orissa* [Titaghur Paper Mills Co. Ltd. v. State of Orissa, (1983) 2



SCC 433 : 1983 SCC (Tax) 131 : (1983) 53
STC 315 : (1983) 142 ITR 663], Excise and
Taxation Officer-cum-Assessing Authority v.
Gopi Nath and Sons [1992 Supp (2) SCC
312 : (1990) 77 STC 1], Whirlpool Corpn. v.
Registrar of Trade Marks [(1998) 8 SCC 1],
Tin Plate Co. of India Ltd. v. State of Bihar
[(1998) 8 SCC 272 : (1999) 112 STC 543],
Sheela Devi v. Jaspal Singh [(1999) 1 SCC
209] and Punjab National Bank v. O.C.
Krishnan [(2001) 6 SCC 569 : (2001) 107
Comp Cas 20].)"

14. In Union of India v. Guwahati Carbon
Ltd. [(2012) 11 SCC 651 : (2013) 19 GSTR
506] this Court has reiterated the aforesaid
principle and observed: (SCC p. 653, para
8)

"8. Before we discuss the correctness of
the impugned order, we intend to remind
ourselves the observations made by this
Court in Munshi Ram v. Municipal
Committee, Chheharta [(1979) 3 SCC 83 :
1979 SCC (Tax) 205 : (1979) 118 ITR 488].
In the said decision, this Court was pleased
to observe that: (SCC p. 88, para 23)

'23. ... [when] a revenue statute provides
for a person aggrieved by an assessment
thereunder, a particular remedy to be
sought in a particular forum, in a particular
way, it must be sought in that forum and in
that manner, and all the other forums and
modes of seeking [remedy] are excluded."



15. Thus, while it can be said that this Court has recognised some exceptions to the rule of alternative remedy i.e. where the statutory authority has not acted in accordance with the provisions of the enactment in question, or in defiance of the fundamental principles of judicial procedure, or has resorted to invoke the provisions which are repealed, or when an order has been passed in total violation of the principles of natural justice, the proposition laid down in Thansingh Nathmal case [1964 SCC OnLine SC 13 : AIR 1964 SC 1419], Titaghur Paper Mills case [Titaghur Paper Mills Co. Ltd. v. State of Orissa, (1983) 2 SCC 433 : 1983 SCC (Tax) 131 : (1983) 53 STC 315 : (1983) 142 ITR 663] similar judgments that the 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 grievance still holds the field. Therefore, when a statutory forum is created by law for redressal of grievances, a writ petition should not be entertained ignoring the statutory dispensation.

16. In the instant case, the Act provides complete machinery for the assessment/reassessment of tax, imposition of penalty and for obtaining relief in respect of any improper orders passed by the Revenue Authorities, and the



assessee could not be permitted to abandon that machinery and to invoke the jurisdiction of the High Court under Article 226 of the Constitution when he had adequate remedy open to him by an appeal to the Commissioner of Income Tax (Appeals). The remedy under the statute, however, must be effective and not a mere formality with no substantial relief. In *Ram and Shyam Co. v. State of Haryana* [(1985) 3 SCC 267] this Court has noticed that if an appeal is from "Caesar to Caesar's wife" the existence of alternative remedy would be a mirage and an exercise in futility.

19. In view of the above, the writ petition before the learned Single Judge was itself not maintainable."

46. In *Dr. U.S. Awasthi v. Adjudicating Authority PMLA*, 2023 SCC OnLine Del 401, the Court has observed as under -

"21. However, the question here is whether a writ petition is to be entertained against such an order. While there can be no doubt that in case of violation of principles of natural justice or jurisdictional errors, a writ petition can be entertained, as per the settled legal position in *Whirlpool Corporation* (supra). However, the entertaining of a writ petition while an Appellate Tribunal is fully functional, in the opinion of this Court ought not to be done in each and every case.



23. Dealing with the issue raised by Id. Sr. Counsel as to the interpretation of the expression 'an order under this Act', this Court is of the opinion that when the Appellate Tribunal can entertain an appeal against the final order passed by the Adjudicating Authority, any interim orders or procedural orders passed as part of the process of adjudication would, thus, be 'orders under this Act'. It is not to say that against each such order an appeal would be liable to be entertained. It is for the Appellate Tribunal to decide as to whether an appeal ought to be entertained at all. Construing Rule 2 of the Prevention of Money Laundering (Appeal) Rules, 2005 to the contrary would, in fact, mean that parallel proceedings would continue in writ petitions against procedural orders and before the Appellate Tribunal, once the final order is passed. This could lead to conflicting orders and lack of uniformity and consistency in dealing with the procedures to be followed by the Adjudicating Authority and other authorities under the PMLA."

47. Further, in *Adventure Island Limited v. Directorate Of Enforcement*, W.P.(C) 16769/2024, a Coordinate Bench of this Court has made the following observations -

"3. In light of the foregoing, in the opinion of the Court, the Court is not inclined to entertain the instant petition as there is an alternative statutory remedy available against the impugned orders. All the



grounds urged in the present petitions can be raised before the Appellate Tribunal. Accordingly, without going into the merits of the case, the present petitions are disposed of with liberty to Petitioners to take recourse to the appellate remedy under Section 26 of the Act.

4. Counsel for Petitioners states that they shall file the appeal within the statutory period prescribed. In the event such an appeal is filed, the Appellate Tribunal is requested to consider and decide the appeal, as expeditiously as possible, preferably within four months from today. In case Petitioners do not succeed in appeal proceedings, they shall be at liberty to take recourse to further remedies, in accordance with law."

48. Similarly, reliance may also be placed on *Rose Valley Hotels and Entertainments Limited v. Secretary, Department of Revenue*, 2015 SCC OnLine Del 10111, *Rai Foundation v. Directorate of Enforcement*, 2015 SCC OnLine Del 7626, *Farida Begum Biswas v. Union of India*, W.P.(C) 8266/2015 and *State Bank of Travancore v. Mathew K.C.*, (2018) 3 SCC 85 : (2018) 2 SCC (Civ) 41 : (2018) 2 Comp Cas-OL 131.

49. The petitioners are not precluded from availing prescribed statutory/appellate remedy in the first instance. In the given factual conspectus, the same would not be inefficacious.

50. Section 26 of the PMLA specifically provides that any person aggrieved by an order of the



Adjudicating Authority may prefer an appeal to the Appellate Tribunal. Accordingly, the statutory scheme itself envisages that all questions relating to the validity, scope, and effect of an attachment order must first be adjudicated within the framework of the Act.

51. As regards the contention of the petitioners that the attachment of their properties is in violation of the orders of the Supreme Court dated 19.05.2022 and 11.01.2023 in SLP (C) No. 6013 of 2022, whereby status quo was directed to be maintained in respect of possession of the plots pending adjudication before the Punjab and Haryana High Court, this Court is of the view that such an argument can also be appropriately raised before the Appellate Tribunal.

52. In Rohit Mahendru v. Directorate of Enforcement, W.P.(C) 12188/2022 (order dated 27.09.2024), the Court dealt with a similar plea concerning a status quo order regarding plots attached in connection with proceedings involving M/s Krrish Realtech Pvt. Ltd. and passed the following order dated 27.09.2024 -

"4. Mr. Siddharth Aggarwal, Senior Counsel for Respondent No. 3, states that Respondent No. 3 is not responsible for the Petitioners as the Petitioners are a part of Krrish's Allocation within the said Project and the onus in respect of the plots within Krrish Allocation is on Respondent No. 4. Nonetheless, he apprises this Court that several proceedings have been initiated by the Petitioners including under the Real Estate (Regulation and Development) Act,



2016, the Consumer Protection Act, 1986 and 2019 and the Haryana Development and Regulation of Urban Areas Act, 1975. He further states that writ petitions are otherwise pending before the High Court of Punjab and Haryana in W.P. (C) 2926/2022 wherein in an appeal [SLP(C) No. 6013 of 2022] against nongrant of interim orders by the High Court, the Supreme Court had granted status quo orders regarding the possession of the plots in question. Additionally, he points out that the impugned orders have been already assailed before the Appellate Authority under the PMLA Act. A confiscation order dated 31st May, 2022 of properties lying in Brahma City Private Limited has also been passed by the Special Court, Panchkula, Haryana.

5. In light of the aforementioned facts, the Court suggested the counsel for Petitioners that the Petitioners could avail the remedy of appeal before the Appellate Authority, which is better equipped to deal with the contentions of parties.

6. On this issue, counsel for the Petitioners, on last date of hearing sought time to take instructions. On receiving some instructions, counsel for the Petitioners states that the Petitioners are agreeable to invoke their remedies as provided under the PMLA Act either before the Appellate Tribunal or before the appropriate forum, in accordance with law. He further submits



that in the event, such an action is taken, the Petitioners may not face hurdle of the proceedings being debarred by limitation.

7. Section 26 of the PMLA Act allows any person aggrieved by an order of the Adjudicating Authority to seek remedy through an appeal before the Appellate Authority. The concept of "any person aggrieved by an order", as outlined under Section 26(1) of the PMLA Act, has also been discussed by this Court in Sanjay Jain (in JC) v. Directorate of Enforcement.

8. In light of the said decision considering the fact that counsel for Petitioners is agreeable to withdraw the present petition with liberty to approach the concerned tribunal, the Court is inclined to accede to their request.

9. In view of the above, the present writ petition is dismissed as withdrawn. The Petitioners shall be at liberty to assail the impugned order and all the contentions urged in the present petition before the Appellate Authority or the appropriate forum provided under the PMLA Act, if so advised."

53. All pleas of the petitioner, inter-alia, as regards jurisdiction/coram non judice would also necessarily be considered by the Appellate Tribunal."

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.

27. Even otherwise, on merits also, this Court does not find any jurisdictional error apparent on the face of the record warranting exercise of extraordinary jurisdiction. The material placed before this Court indicates that the investigation undertaken by the ED pertains to a large-scale money-laundering operation arising out of the alleged Mahadev Online Book betting syndicate involving generation, layering and projection of proceeds of crime through complex financial transactions. The investigation further reveals allegations that the petitioner was not merely a passive investor in the securities market but was actively associated with illegal betting operations through "Skyexchange", had received substantial cash generated from such



activities, introduced the same into the banking system through accommodation entries and thereafter invested the funds in securities and other assets including gold. The petitioner has already been arrayed as an accused in the Fourth Supplementary Prosecution Complaint filed under Sections 3 and 4 of the PMLA-2002. Whether such allegations ultimately stand proved or not is a matter for adjudication before the competent statutory forum and the Special Court; however, at the stage of provisional attachment, the authority is only required to form a prima facie "reason to believe" on the basis of material available before it. This Court, in exercise of writ jurisdiction, cannot undertake a roving enquiry into the sufficiency or adequacy of such material.

28. The submission advanced on behalf of the petitioner that the gold weighing 10.250 kilograms had already been disclosed under the Income Declaration Scheme, 2016, and therefore, could not subsequently be attached under the PMLA-2002, and also does not merit acceptance. Mere disclosure of an asset before the Income Tax authorities or payment of taxes thereon cannot, by itself, establish the lawful source of acquisition or confer immunity against proceedings under the Prevention of Money Laundering Act. The offence of money-laundering is an independent offence, and if the property is ultimately found to have been derived or obtained from criminal activity relating to a scheduled offence, such property would answer the definition of "proceeds of crime" under Section 2(1)(u) of the Act, notwithstanding its disclosure before the tax authorities.



29. In **Rohit Tandon v. Directorate of Enforcement**, 2018 (11) SCC 46, the Hon'ble Supreme Court categorically held that declaration in income tax returns or payment of taxes does not absolve a person from explaining the lawful source of the property, nor does it grant immunity from prosecution for the offence of money-laundering. In para 33, it has been held that:-

“33. We fail to understand as to how this argument can be countenanced. The fact that no limit for deposit was specified, would not extricate the appellant from explaining the source from where such huge amount has been acquired, possessed or used by him. The volume of demonetised currency recovered from the office and residential premises of the appellant, including the bank drafts in favour of fictitious persons and also the new currency notes for huge amount, leave no manner of doubt that it was the outcome of some process or activity connected with the proceeds of crime projecting the property as untainted property. No explanation has been offered by the appellant to dispel the legal presumption of the property being proceeds of crime. Similarly, the fact that the appellant has made declaration in the income tax returns and paid tax as per law does not extricate the appellant from disclosing the source of its receipt. No provision in the taxation laws has been brought to our notice which grants immunity to the appellant from prosecution for an offence of money laundering. In other words, the property derived or obtained by the appellant was the



result of criminal activity relating to a scheduled offence.”

30. Therefore, the petitioner cannot derive any indefeasible right merely because the subject property, i.e. the gold, had earlier been declared under the Income Declaration Scheme, 2016.
31. Equally untenable is the contention that since earlier proceedings under Sections 17 and 20 of the PMLA-2002 related only to the retention of approximately 4.260 kilograms of gold, the respondent was thereafter precluded from exercising powers under Section 5 in respect of the remaining quantity. The statutory scheme itself distinguishes proceedings relating to search and seizure, retention of seized property and provisional attachment. The proceedings under Sections 17 and 20 of the PMLA-2002 are intended to regulate retention of seized property during investigation, whereas the power under Section 5 of the PMLA-2002 is an independent statutory power exercisable whenever the competent authority, on the basis of material subsequently collected, records reasons to believe that the property constitutes proceeds of crime and is likely to be dealt with in a manner frustrating confiscation. Consequently, the earlier retention proceedings cannot operate as res judicata, nor can they amount to an adjudication regarding the lawful source of the remaining assets. Whether fresh material existed to justify the attachment and whether the statutory satisfaction recorded under Section 5 of the PMLA-2002 is ultimately sustainable are matters that fall squarely within the jurisdiction of the Adjudicating Authority under Section 8 of the PMLA-2002.



32. It is also well settled that the power of judicial review under Article 226 is directed against the decision-making process and not against the merits of the decision itself. In the present case, disputed questions relating to the source of acquisition of the gold, the existence of proceeds of crime, appreciation of financial records, digital evidence, statements recorded under Section 50 of the PMLA-2002, bank transactions, and the alleged nexus between the attached property and the scheduled offences require a detailed examination of evidence, which cannot appropriately be undertaken in writ proceedings. Such issues are statutorily entrusted by Parliament to the Adjudicating Authority constituted under the PMLA-2002 and thereafter to the appellate forums created under the Act. In the absence of any patent lack of jurisdiction, violation of principles of natural justice or manifest illegality apparent on the face of the record, this Court finds no justification to bypass the statutory mechanism.
33. In view of the foregoing discussion, this Court is of the considered opinion that the petitioner has failed to make out any exceptional circumstance warranting interference under Article 226 of the Constitution. The impugned Provisional Attachment Order No. 04/2026 dated 29.01.2026 cannot be said, at this stage, to be *ex facie* without jurisdiction or contrary to the provisions of the PMLA-2002. Since the petitioner has an adequate and efficacious statutory remedy before the Adjudicating Authority under Section 8 of the PMLA-2002, followed by appellate remedies under Sections 26 and 42 of the PMLA-2002, this Court declines to exercise its extraordinary writ jurisdiction.



34. Accordingly, the writ petition is liable to be and hereby **dismissed**.
35. The petitioner is at liberty to raise all factual and legal contentions before the competent statutory forum, which shall consider the same independently and in accordance with law, without being influenced by any observation made herein, which is confined only to the adjudication of the present writ petition.
36. No order as to cost(s).

Sd/-
(Ravindra Kumar Agrawal)
Judge

ved