



\$~J

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

% *Judgment pronounced on: 03.11.2025*

+ **W.P.(C) 895/2025 & CM APPL. 4399/2025**

MS KRRISH REALTECH PVT LTD THROUGH ITS
AUTHORISED REPRESENTATIVE Petitioner

versus

UNION OF INDIA THROUGH SECERATARY MINISTRY OF
FINANCE & ANR. Respondents

+ **W.P.(C) 1260/2025 & CM APPL. 6205/2025**

MS KRRISH REALTECH PVT LTD THROUGH ITS
AUTHORISED REPRESENTATIVE Petitioner

versus

UNION OF INDIA THROUGH SECERATARY MINISTRY OF
FINANCE & ANR. Respondents

+ **W.P.(C) 1791/2025 & CM APPL. 8600/2025**

AMIT KATYAL Petitioner

versus

UNION OF INDIA THROUGH SECERATARY MINISTRY OF
FINANCE & ANR. Respondents

Presence:- Mr. Kapil Sibal, Sr. Advocate along with Mr. Vikas Pahwa, Sr. Advocate, Ms. Bina Gupta, Ms. Sheena Taqvi, Ms. Akansha Saini, Mr. Shiv Vinayak Gupta, Ms. Sumedha Sarkar and Ms. Nancy Shamim, Advocates for Petitioner in W.P.(C) 895/2025, W.P.(C) 1260/2025 and W.P.(C) 1791/2025.

Mr. Ripudaman Bhardwaj, CGSC along with Mr. Kushagra Kumar, Mr. Abhinav Bhardwaj and Mr. Amit Kumar Rana, Advocates for UOI in W.P.(C) 895/2025 and W.P.(C) 1260/2025.

Ms. Nidhi Raman, CGSC along with Mr. Arnav Mittal and Mr. Akash Mishra, Advocates for R-1 in W.P.(C) 1791/2025.



Mr. Anubhav Gupta, Panel Counsel (Civil-GNCTD) for R-2 in W.P.(C) 1791/2025.

Mr. Zoheb Hossain, Special Counsel (ED) along with Mr. Manish Jain, Special Counsel (ED), Mr. Vivek Gurnani, Panel Counsel (ED), Mr. Azeez Mushtaque and Mr. Pranjal Tripathi, Advocates for ED in W.P.(C) 895/2025, W.P.(C) 1260/2025 and W.P.(C) 1791/2025.

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

JUDGMENT

1. The present petitions have been filed by the petitioners, *inter alia*, challenging the Provisional Attachment Orders issued under Section 5 of the Prevention of Money Laundering Act, 2002 (PMLA), bearing nos. PAO No. 06/2024 dated 06.08.2024, PAO No. 11/2024 dated 17.10.2024, and PAO No. 02/2025 dated 15.01.2025, which are the subject matter of W.P.(C) 895/2025, W.P.(C) 1260/2025, and W.P.(C) 1791/2025, respectively.
2. In W.P.(C) 895/2025 and W.P.(C) 1260/2025, the petitioner is M/s Krrish Realtech Pvt. Ltd., while in W.P.(C) 1791/2025, the petitioner is Mr. Amit Katyal (owns Krrish group companies, as mentioned in the petition).
3. The case of the petitioner is that it had initially approached the Supreme Court by filing Special Leave Petition (Civil) No. 6013 of 2022, assailing the order dated 11.03.2022 passed by the High Court of Punjab and Haryana in CWP No. 2926 of 2022, wherein no stay was granted in favour of the petitioner.
4. In the aforesaid writ petition before the High Court of Punjab and Haryana, the petitioner had challenged an *ex parte* order dated 10.02.2022 passed by the Director, Town and Country Planning, Haryana (DTCP).



5. The factual matrix which culminated in the passing of the aforesaid order by the DTCP has been duly recorded by DTCP as under -

ORDERS

Whereas, licence no. 64 of 2010 dated 21.08.2010 was granted in favour of individual land owners and associate companies in collaboration with Krrish Buildtech Pvt Ltd (copy of the licence is annex as Annexure -A) to develop the residential plotted colony over an area measuring 151.569 acres in Sector 60,61,62,63,65 Gurugram. After perusing the office record, it has been revealed that Sh. Amit Katyal and Smt. Deepali Katyal were share holders in the licensee company at the time of submitting application for grant of licence, but at the time of grant of licence on 21.08.2010, the said share holding pattern was changed and Brahma Opportunities A Ltd. Was introduced as main shareholder. Now, Brahma Opportunities A Ltd., Sh. Amit Katyal and Krrish Infrastructure Pvt. Ltd. Were shareholders in the company. The name of the company was also changed from Krrish Buildtech Pvt. Ltd. To Brahma Krrish Buildtech Pvt. Ltd.

2. The name of the licence company again changed from Brahma Krrish Buildtech Pvt Ltd to Brahma City Pvt. Ltd on 17.02.2011. The share holding pattern was also changed and as per latest share holding pattern, the Brahma Opportunities A Ltd. (hereinafter referred as BOL) has 74% Class 'A' shares, whereas Krrish Infrastructure Pvt. Ltd. And Sh. Amit Katyal (hereinafter referred as Krrish) have 26% Class 'B' shares (there is little difference between class-A and Class-B shares. The share holder of class-B share has no voting rights).

3. And whereas, on account of disputes between BOL and Krrish, a settlement agreement was executed on 06.08.2012 in respect of allocation of developments and developable area in the project as well as other issues. As per clause 3.1.8. of the settlement agreement, all the development Works in the colony are to be undertaken by BOL as the lead developer and developable plots in the licenced land shall be divided between Krrish and the BOL in the ratio of 49.99% and 50.01% respectively.

4. As per the settlement agreement, allocation for residential plots measuring 206727sq.yds. along with 7951sq.yds. of EWS plots was agreed to be in favour of BOL, called as 'Brahma Allocation', whereas allocation of 206346sq. yd. residential plots along with 7947 sq.yds. EWS plots were made in favour of Krrish, called as 'Krrish Allocation'. It was also agreed to distribute the commercial portion as well as institutional development in the ratio of 74 (BOL):26(Krrish). Further, it was also provided that both the shareholders shall be free to dispose off licenced land from its allocation except an area measuring 30000sq. yds. from each

part, which shall be kept as escrow account for payment of statutory charges and other payments

5. The area of the licence was revised in the year 2015 and revised schedule for the area measuring 141.66875 acres was issued vide memo 2.12.2015 along with provisional revised layout-cum-demarcation plan for this much area, which was finalised later on vide orders dated 02.11.2016 after considering objections received from the existing allottees/general public. (One of the objectors M/s MVN infrastructure Pvt. Ltd approached the Hon'ble High Court in CWP No. 16157 of 2014 and it was undertaken in the Hon'ble Court to hear the petitioner before revision in the layout plan is finalized).

6. A number of complaints against KRPL and Sh. Amit Katyal have been received for playing fraud in allotment of residential plots/licenced land. Some FIRs in the Economic Offences Wing, New Delhi have also been lodged on account of said fraud by the KRPL in the licensed area. Further, M/s MVN Infrastructure Pvt. Ltd. filed an appeal i.e. appeal no. 18 of 2017 before PSTCP challenging the revision of the layout plan, which was decided vide order dated 11.11.2021 and following orders were passed:-

"the request of the appellant appears to be genuine in view of the facts given in the appeal and application submitted today and it would be appropriate that respondent no. 1 i.e. Director, Town & Country Planning, Haryana is directed to proceed against respondent no. 2 & 3 strictly as per provisions of the Act, 1975, specially as contained in the Sector 8 & 10 of the Act, 1975."



6. Having taken into consideration the above facts and circumstances, the DTCP observed as under :

7. Although, the grievances of the complaints are genuine but related to Krrish Group and not to Brahma City Pvt. Ltd. The settlement agreement dated 06.08.2012 also endorsed the same. Moreover, the agreed allottees also have the remedy to approach HRERA regarding their grievances under RERA Act, 2016. Therefore, in the interest of allottees and to enable to overall development of the colony, it would not be appropriate to cancel the licence as per the provisions of Section 8 of Act of 1975, as it would further affect the allottees themselves.

8. Accordingly, in pursuance of the order dated 11.11.2021, passed by PSTCP in appeal no. 18 of 2017, after going through all the facts, especially settlement agreement dated 06.08.2012, it has been revealed that the Krish Realtech Pvt. Ltd. (KRPL), who has collected booking amount, from the third parties/ allottees is neither a shareholder nor a developer company in the present licence rather they have collected the said amount illegally. Moreover, it also appears that in the settlement agreement dated 06.08.2012, some of the terms have been used as per their comfort e.g. KRPL has nowhere been defined, but has frequently been mentioned along with Krrish. Since the said agreement was submitted before Company Law Board for deciding the disputes between the shareholder companies, therefore Department is also bound to consider the same for resolving various issues.

9. As per the settlement agreement, the layout plan of the colony indicating allocation for residential plots of both the companies in different colours is enclosed as Annexure 'B. Since,

the BOL is main leading company, responsible to fulfil all terms & conditions of the licence and also complied with the same in letter and spirit till date, therefore, prima facie, it appears no lapse on their part rather all the complaints have been received against Krrish or KRPL, who is neither a shareholder nor a developer in the present case. Hence, after taking into account the bifurcation of licenced land for the purpose of sale as per settlement agreement dated 06.08.2012, it is hereby directed:

"i. That no third-party rights on the licensed land allocated to Krrish shall be created. Further, no part of commercial and community sites situated in the licensed colony shall also be not alienated or transferred in favor of any third party till further orders.

ii. That District Town Planner (Enf.) Gurugram shall take necessary action as per the provisions of Section 10 of Act 8 of 1975 against Krish Realtech Pvt. Ltd. for illegal collection of booking amount."

iii. that benefit under the policy dated 18.2.2015 shall be availed by the developer company/ BOL as the shareholding pattern has been changed more than 25% later on without approval of the Department within a period of 30 days.

A copy of the these orders be forwarded to Registrar and Sub Registrar concerned for necessary compliance.

Place: Chandigarh

(sign)

(K. Makrand Pandurang, IAS)

Director Town and Country Planning

Haryana, Chandigarh

Dated: 10.2.2022.

dated 10.2.2022

7. As mentioned above, aggrieved by the same, the petitioner filed CWP



No. 2926 of 2022 before the Punjab & Haryana High Court. Vide order dated 11.03.2022, notice was issued, however, it is submitted that no stay was granted.

8. The petitioner thereafter filed SLP (C) No. 6013 of 2022, wherein the Supreme Court, by order dated 19.05.2022, directed:

“status quo, as on today, with regard to the possession of the plots in question shall be maintained in the meanwhile.”

9. Subsequently, by order dated 06.09.2022, the Apex Court appointed Ms. Justice Gita Mittal, Former Chief Justice of J&K High Court, as Special Referee to examine claims and counterclaims of all parties including plot buyers. The relevant portion of the order dated 06.09.2022 is reproduced as under –

“By consent of all the parties, we appoint Hon'ble Ms. Justice Gita Mittal, Former Chief Justice, High Court of Jammu & Kashmir, as a Special Referee to look into the claims and counter claims of the respective parties, in respect of the plots purchased/agreed to be purchased by them and to submit a report to this court.”

10. Ms. Justice Gita Mittal, Former Chief Justice of J&K High Court furnished the final report dated 24.11.2022. The relevant portion of the report is reproduced as under –

(19) In view of the above, the undersigned humbly and most respectfully requests that this Hon'ble Court may consider the following:

- i. Direct handing over of possession of the plots to the allottees mentioned in the said Lists B and C, regarding which there is no dispute.
- ii. Direct execution of documents of conveyance deeds in favour of the allottees mentioned in the said List B and List C, regarding which there is no dispute.
- iii. Consider appointment of a Committee in terms of Para 18 above to hear individual or multiple parties including those mentioned in Lists D and List E and also any other party claiming entitlement to allotment of a plot.



- iv. Directions be made to M/s Krrish Realtech Pvt. Ltd. and M/s Brahma City Pvt. Ltd. to produce all records before the Committee appointed as at Sr. No. (iii) above;
- v. Permit Krrish and Brahma Home Buyers' Association to assist the Committee as at Sr. No. (iii) above;
- vi. Permit the Committee as at Sr. No. (iii) above to appoint and take appropriate legal assistance;
- vii. Any other/further order(s)/ direction(s) as may be deemed fit and proper may also be passed.

Date: 24.11.2022


Justice Gita Mittal (Retd.)
Special Referee

11. Thereafter, the Supreme Court, vide order dated 11.01.2023, remanded the matter back to the High Court of Punjab and Haryana with a direction for expeditious hearing. In the same order, the Apex Court reaffirmed its earlier direction of maintaining status quo with respect to the possession of the plots. The relevant portion of the order dated 11.01.2023 is reproduced as under –

“In that light, having taken note that the grievance in this petition is that the order dated 10.02.2022 which was passed by the Directorate of Town and Country Planning, Haryana assailed before the High Court is not sustainable and stay sought had not been granted, as already noticed above, this Court vide order dated 19.05.2022 has ordered status quo. Hence, it is needless to mention that if any further actions with regard to the formation of the lay out or allotment of sites, if done contrary to the orders, the same would be bound by the principle of lis pendens and the Court would be entitled to rectify the situation at an appropriate stage. Therefore, without expressing any opinion on merits, we maintain the order of status quo granted by this Court on 19.05.2022 and allow the High Court to dispose of the petition on its own merits and in accordance with law.”

12. The case of the petitioner is that despite the subsistence of the aforesaid orders passed by the Supreme Court, the Respondent Directorate of Enforcement registered an Enforcement Case Information Report (ECIR)



bearing No. GNZO/04/2023 dated 03.03.2023, purportedly on the basis of certain predicate offences arising from eight FIRs filed by some of the home-buyers, primarily alleging delay in delivery of possession of their plots or apartments. It is submitted that at the time of registration of the said ECIR, five of the eight FIRs had already been closed or quashed by competent courts of jurisdiction.

13. The petitioner initially challenged the said ECIR before the Punjab and Haryana High Court but later the same was withdrawn and filed before this Court.

14. Subsequently, the respondent issued impugned Provisional Attachment Orders (PAOs) under Section 5(1) read with proviso (ii) to Section 5(1) of the PMLA, bearing PAO No. 6 of 2024 dated 06.08.2024, PAO No. 11 of 2024 dated 17.10.2024 and PAO No. 02 of 2025 dated 15.01.2025.

15. The present writ petitions have, therefore, been filed to, *inter alia*, challenge the above three impugned PAOs.

16. It is submitted that the present petition is maintainable under Article 226 of the Constitution of India in view of the violation of the petitioner's fundamental rights guaranteed under Articles 14, 19(1)(e) and 21. It is pointed that the respondent's action of attaching the petitioner's properties is in direct contravention of the binding orders of the Supreme Court dated 19.05.2022 and 11.01.2023, which directed status quo regarding the possession of the plots.

17. It is also submitted that the impugned attachments violate the fundamental rights of the home-buyers, guaranteed under Article 300A, *i.e.*, *no person shall be deprived of his property save by authority of law*. Further, it



is pointed that the respondent has suppressed the existence of the Supreme Court's orders concerning the status quo and the application of the doctrine of lis pendens.

18. It is submitted that the existence of an alternate remedy does not bar the writ jurisdiction of this Court in cases involving infringement of fundamental rights. Reliance has been placed on *Prakash Industries Ltd. v. Directorate of Enforcement*, 2022 SCC OnLine Del 2087.

19. Further it is submitted that under Section 5(1) of the PMLA, it is the duty of the Director to pass the order "on the basis of material in his possession". However, it is averred that in the impugned PAOs, there is gross concealment regarding the status of the scheduled offence.

20. It is emphasised that the impugned PAOs have been issued on the premise of 8 FIRs alleging predicate offences for invoking the PML Act. However, it is submitted that there has been a gross concealment of material fact that 5 out of the 8 FIRs had been closed /quashed by the competent courts much prior to the filing of the ECIR.

21. It is submitted that the issuance of the impugned PAOs is, therefore, in complete violation of Section 5(1) of the PMLA for three reasons -

- a. Firstly, the respondent no.2 has passed the impugned PAOs by concealing the material in their possession regarding the scheduled offence.
- b. Secondly, the impugned PAOs are issued without any reasons to believe as mandated under Section 5(1)(b) of the Act.
- c. Thirdly, respondents have attached the properties which were already safeguarded by the orders of the Supreme Court of India.



22. It is further pointed that Section 8(2) of the Act mandates that the Adjudicating Authority must pass its order after taking into account all relevant materials placed on record. However, it is submitted that the Adjudicating Authority confirmed the impugned PAOs without dealing with any of the contentions of the petitioner (specially the contention as regards the status quo order passed by the Supreme Court).

23. It is also submitted that the respondent's reliance on *Vijay Madanlal Choudhary & Ors. v. Union of India & Ors.*, (2023) 12 SCC 1 (which deals with a situation wherein no scheduled offence is registered) is misconceived, in view of the peculiar facts of the present case wherein there were already 8 FIRs registered and 5 FIRs were quashed at the time when impugned PAOs were passed.

24. It is pointed that as on date, only FIR No. 30 of 2019 survives, and even in that case, this Court in W.P. (CRL) No. 2267/2024 (quashing petition) has restrained the State from filing any additional chargesheet without leave of Court and has directed that no coercive steps be taken.

25. It is submitted that the respondent knowing very well that it has no case to stand upon, has got another new FIR, that is, FIR No. 439 of 2024 registered against the petitioner under section 66 of the PMLA, by the EOW, Gurugram on the same set of facts.

26. It further averred that the respondent's allegation that the petitioner generated proceeds of crime amounting to ₹503 crores by collecting money from home-buyers and allegedly diverting the same is factually baseless and legally untenable. The alleged transactions merely relate to contractual obligations arising out of builder-buyer agreements and cannot, by any stretch, constitute proceeds of crime within the meaning of Section 2(1)(u)



of the PMLA. Furthermore, the respondent has attached not only the entire lands which are licensed (plots) and sold but also the sale proceeds, fixed deposits, jewellery, cars etc. and private properties of the family members and other sister companies.

27. It is also the case of the petitioner that the Adjudicating Authority under the PMLA is required, by virtue of Section 6 of the PMLA, to comprise three members including the Chairperson. In the present case, however, the Confirmation Order dated 29.01.2025 has been passed by a single Financial Member, rendering the proceedings coram non judice and void ab initio.

28. It is submitted that the petitioner had raised this specific contention before the Adjudicating Authority, pointing out that the composition of the Authority was legally defective. However, the Authority dismissed this objection by relying on the judgment in *J. Sekar v. Union of India*, 2018 SCC OnLine Del 6523, which held that proceedings by a single member were valid.

29. It is submitted that the said judgment in *J. Sekar v. Union of India* (supra) has been stayed by the Supreme Court vide order dated 04.07.2018 in SLP (C) No. 12865 of 2018.

30. *Vide* additional written submissions dated 10.06.2025, it has further been pointed that at the time of filing of the present petitions, only one FIR No. 30/2019 survived. It is submitted that the said FIR was stayed vide Order dated 17.05.2025 passed in Cr. Rev. 308/2025 passed by ASJ, Saket Court.

31. Subsequently, the petitioner filed an application dated 14.12.2025 seeking permission to place on record facts and documents to highlight the



subsequent factual developments. The same was allowed vide order dated 17.10.2025.

32. It is pointed that, two significant developments took place after the conclusion of arguments. The first event occurred on 04.06.2025, when the learned Additional Sessions Judge, Saket, in CrI. Revision No. 308 of 2025, partly set aside the Order of Cognizance dated 06.05.2025 passed by the learned CJM, South-East District, New Delhi in Criminal Case No. 4713 of 2021. The Revisional Court directed the Trial Court to proceed with the trial of the Petitioner only under Section 406 IPC read with Section 120-B IPC, while quashing the cognizance taken under Sections 409 IPC read with Section 120-B IPC and 420 IPC read with Section 120-B IPC.

33. In consequence of the above, it is submitted that in FIR No. 30 of 2019, the petitioner now stands to be tried only under Section 406 IPC read with Section 120-B IPC. Therefore, no Scheduled Offence, as defined under the Prevention of Money Laundering Act, 2002 (PMLA), survives against the petitioner as on date.

34. The second event took place on 10.10.2025, when the petitioner, for the first time, received a copy of ECIR/GNZO/04/2023 dated 03.03.2023, almost two years and seven months after its registration, when respondent no. 2 filed the Prosecution Complaint before the competent authority.

35. It is submitted that a bare perusal of the said ECIR reveals that there is no reference whatsoever to FIR No. 30 of 2019, which forms the very foundation of the investigation and the impugned attachment proceedings now under challenge before this Court. Consequently, the impugned Provisional Attachment Orders (PAOs) are without any basis, arbitrary, and illegal, having been issued in complete absence of a valid predicate offence.



36. It is urged that since the ECIR is not founded on FIR No. 30/2019, the Enforcement Directorate lacked jurisdiction to issue the impugned Provisional Attachment Orders dated 06.08.2024, 17.10.2024, and 15.01.2025. Accordingly, the present writ petitions deserve to be allowed on this ground alone.

37. It is submitted that as on date, all eight FIRs that were earlier forming the basis of PMLA proceedings stand closed, quashed, or the accused discharged, rendering the ongoing proceedings under the PMLA wholly without jurisdiction.

38. It is emphasised that, in an apparent attempt to retrospectively justify their previous illegal actions, the ED malafidely registered FIR No. 439 of 2024 in December 2024, which is virtually identical to FIR No. 30 of 2019. The said FIR has been challenged and is pending adjudication before this Court. In any case, the subsequent registration of FIR No. 439 of 2024 cannot retrospectively validate the earlier attachments or proceedings undertaken by the ED. It is further pointed that the complainant in FIR No. 439/2024 is the ED itself, which raises serious questions of propriety and legality.

39. On the other hand the learned counsel for the respondent has made the following submissions-

- i. It is submitted by the respondent that the present petitions arise out of multiple FIRs registered against M/s Brahma City Pvt. Ltd. (formerly known as M/s Krrish Buildtech Pvt. Ltd.), M/s Krrish Realtech Pvt. Ltd., M/s Angle Infrastructures Pvt. Ltd., and their directors and key executives, including Mr. Amit Katyal and Mr. Rajesh Katyal and others.



- ii. It is submitted that multiple FIRs have been registered by the Delhi Police (Economic Offences Wing, New Delhi) and Haryana Police (at Police Stations Gurgaon Sadar, Sector 55, and Sector 56, Gurugram) under Sections 34, 120-B, 406, 409, 420, 467, 468, and 471 IPC. It is stated that these FIRs are based on complaints filed by corporate and individual customers/investors in the real estate projects of the Krrish Group located in Sectors 60, 62, 63 and 65 of Gurugram, Haryana
- iii. It is pointed that the accused companies and their directors, under the guise of undertaking real estate development and on the basis of false representations and assurances regarding the delivery of plots, have orchestrated a systematic diversion and misappropriation of funds to the tune of Rs. 503.09 crore, which constitutes the identified proceeds of crime as on date. It is submitted that the said proceeds were routed through a network of shell companies and subsequently transferred to various destinations including Sri Lanka.
- iv. Based on the above predicate offences, it is submitted that the impugned attachment orders were passed.
- v. It is averred that the present petitions have been rendered infructuous owing to subsequent developments before the Learned Adjudicating Authority. Specifically, the Provisional Attachment Orders (PAOs) impugned in these petitions have since been confirmed by way of reasoned orders passed by the Adjudicating Authority.



- vi. It is submitted that PAO No. 06/2024 was confirmed vide order dated 29.01.2025, and PAO No. 11/2024 was confirmed vide order dated 27.03.2025. It is further emphasised that the petitioners have already filed statutory appeals against these confirmation orders before the Appellate Tribunal, in accordance with Section 26 of the PMLA. Consequently, W.P. (C) 895/2025 and W.P. (C) 1260/2025 have become infructuous, while in W.P. (C) 1791/2025, the proceedings before the Adjudicating Authority have been completed, and judgment was reserved on 03.06.2025.
- vii. It is averred that when a statutory appellate remedy is availed, a party cannot simultaneously pursue parallel proceedings before a constitutional court. Reliance is placed on *Jai Singh v. Union of India*, (1977) 1 SCC 1 and *Arunima Baruah v. Union of India*, (2007) 6 SCC 120.
- viii. Reliance has been placed on *Gold Croft Properties (P) Ltd. v. Enforcement Directorate*, 2023 SCC OnLine Del 5900; *Rose Valley Hotels and Entertainments Ltd. vs. The Secretary, Department of Revenue*, 2015 SCC OnLine Del 10111, *Rai Foundation vs. The Director, Directorate of Enforcement & Ors.* 2015 SCC OnLine Del 7626, *Authorized Officer, State Bank of Travancore & Anr. v. KC Mathew* (2018) 3 SCC 85, and *Smt. Ujjam Bai vs. State of Uttar Pradesh* AIR 1962 SC 16, in support of its contentions as regards availability of alternative efficacious statutory remedy.
- ix. Further, it is submitted that the orders dated 29.01.2025 and 27.03.2025 passed by the Ld. Adjudicating Authority confirming



PAO No. 06/2024 and PAO No. 11/2024 respectively, are not under challenge in the present batch of petitions and it is well settled that a relief not sought cannot be granted. Reliance has been placed on *Bharat Amratlal Kothari v. Dosukhan Samadkhan Sindhi*, (2010) 1 SCC 234

- x. It is further the case of the petitioner that two FIRs continue to subsist and remain under active investigation. Firstly, FIR No. 30/2019, dated 07.03.2019, was registered by the Economic Offences Wing, New Delhi, on the complaint of Mr. Atul Aggarwal under Sections 120-B, 409, and 420 IPC. The complainant alleged that the accused induced him to deposit substantial sums towards the purchase of a plot of land, but despite several years having elapsed, failed to deliver possession even after a lapse of six years. Secondly, FIR No. 439/2024, dated 21.12.2024, was registered by the Economic Offences Wing, Gurugram, under Sections 120-B, 406, 409, 411, 420, and 471 IPC, based on information provided by the ED. This FIR details a large-scale fraud involving 386 plot buyers, wherein ₹503.90 crore collected from investors was siphoned off to group companies and personal accounts. The funds were allegedly layered through shell companies and overseas investments routed through Mahadev Infratech Pvt. Ltd. to Sri Lanka.
- xi. It is also submitted that the FIRs or the ECIR are not the subject matter of the present proceedings, the same petitioner has raised this identical issue in W.P.(CrI)1510/2025, for seeking quashing of the



same ECIR, wherein the coordinate bench has not even issued notices and vide order 26.05.2025 has observed as under:

“2. Counsel for Petitioner states that the impugned ECIR is not sustainable as there is no predicate offence.

3. On the other hand, counsel for Respondent points out that there is a predicate offence in FIR No. 30/2019 registered at P.S. EOW, New Delhi under Sections 120B/409/420 of the Indian Penal Code, 1860 and FIR No. 439/2024 registered at P.S. EOW, Gurugram under Sections 120B/406/409/411/420/471 of the Indian Penal Code, 1860.

4. Counsel for Petitioner, in response, states that on 17th May, 2025 in Criminal Revision No. 308/2025, ASJ Court, South East District, Delhi has stayed the trial in the said case. On a pointed query of the Court as to how the stay of such proceedings of trial, would erase the entire predicate offence to render the impugned ECIR unsustainable, counsel for Petitioner states that there are three judgments to support this view. However, he is not able to cite even one.

5. In light of the above, at his request, proceedings are adjourned to 18th September, 2025.”

xii. It is further submitted that the learned Adjudicating Authority has already considered the issue regarding the quashing of the majority of the FIRs forming part of the alleged predicate offence and has rendered a specific finding on the same. Emphasis has been placed on the following findings of the Learned Adjudicating Authority –

“10.2. From the perusal of facts in the preceding para the following observation is made with regard to the submissions made by the Defendants & the Complainant:-

The Defendants argued that the issue is a civil matter, not criminal, citing court rulings against converting civil disputes into criminal ones. Five of the eight FIRs have been quashed or closed, and the remaining two involve delivery delays. The DTCP order and Supreme Court ruling prevent third-party rights, and the chargesheet contradicts claims of third-party allotments, suggesting the case is civil, supported by ongoing arbitration since 2015. The Complainant refuted the claim of the defendants and argued that a clear case of money laundering has been established,



with the accused, through their companies Brahma City Pvt. Ltd. and Krrish Realtech Pvt. Ltd., diverting funds from plot buyers into personal and company accounts, misappropriating investors' money. This forms the basis of a prima facie case for money laundering and criminal offenses under the IPC. The Ld. Special Judge, PMLA, reviewed FIR 178/2020 in a bail application decision and, in the order dated 14.11.2024, made explicit remarks about the accused misappropriating homebuyers' money."

xiii. It averred that having considered all submissions and documentary material, the Adjudicating Authority concluded that the provisional attachment was justified and confirmed the same under Section 8(3) of the PMLA. Therefore, if the petitioners are aggrieved by the findings, their appropriate recourse lies before the Appellate Tribunal under Section 26, and not in the exercise of writ jurisdiction.

xiv. It is further submitted that even assuming the Adjudicating Authority committed an error while adjudicating, such an error would not render the order as one without jurisdiction. It is submitted that where the learned Adjudicating Authority has jurisdiction to entertain and decide the matter, the exercise of such jurisdiction is not vitiated merely on the ground that it has arrived at an erroneous finding, whether in law or in fact. Reliance in this regard is placed upon the judgment on ***Ujjam Bai v. State of Uttar Pradesh***, 1962 SCC OnLine SC 8.

xv. It is further submitted that the registration of an FIR is not a sine qua non for initiating civil action of attachment under the



PMLA. Reliance had been placed on *Vijay Madanlal Choudhary v. Union of India*, 2022 SCC OnLine SC 929.

xvi. Lastly it is averred that the petitioners' contention that the Adjudicating Authority was not properly constituted is untenable. As per Section 6(5)(b) read with Section 6(13) of the PMLA, a bench of the learned Adjudicating Authority can be constituted with a single member as well. Reliance has been placed on *Gold Croft Properties Pvt. Ltd. v. Directorate of Enforcement*, 2023 SCC OnLine Del 1154; *J. Sekar v. Union of India*, 2018 SCC OnLine Del 6523; *Alaknanda Realtors Pvt. Ltd. v. Directorate of Enforcement*, W.P.(C) 12243/2022; *Dyani Anthony Paul v. Union of India*, 2020 SCC OnLine Kar 4995; and *G. Gopalakrishnan v. Deputy Director, ED*, W.P.(MD) No. 11454/2018, (Madras High Court Judgment).

40. Having heard learned counsel for the parties and perused the record, this Court finds merit in the submission of the respondents that the PMLA provides for a statutory mechanism for redressal of grievances through the Adjudicating Authority and the Appellate Tribunal constituted thereunder.

41. The present batch of petitions assails three distinct Provisional Attachment Orders issued under Section 5 of the PMLA. The status of these attachment orders is tabulated below –

Case No.	PAO Details	Status before Adjudicating Authority
W.P.(C) 1791/2025	PAO No. 02/2025 dated 15.01.2025	Arguments concluded and Judgment reserved by the Adjudicating Authority on 03.06.2025



W.P.(C) 895/2025	PAO No. 06/2024 dated 06.08.2024	Attachment has been confirmed by the Adjudicating Authority vide order dated 29.01.2025.
W.P.(C) 1260/2025	PAO No. 11/2024 dated 17.10.2024.	Attachment has been confirmed by the Adjudicating Authority vide order dated 27.03.2025

42. It is noted that in two of the matters, namely W.P.(C) 895/2025 and W.P.(C) 1260/2025, the respective Provisional Attachment Orders have already been confirmed by the learned Adjudicating Authority, and the petitioners (according to the respondent's written submissions) have preferred statutory appeals against the said confirmation orders before the learned Appellate Tribunal. In the third petition, W.P.(C) 1791/2025, proceedings before the learned Adjudicating Authority have been concluded and the judgment has been reserved on 03.06.2025.

43. In view of the above, and considering the existence of an alternative and efficacious remedy under Section 26 of the PMLA, this Court is of the opinion that the present petitions do not merit interference under Article 226 of the Constitution of India.

44. It is a well-settled legal principle that where a statute provides a self-contained 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 vs 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 Dass Agarwal, (2014) 1 SCC 603 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 [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] 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. [(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] 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], 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 [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], Excise and Taxation Officer-cum-Assessing Authority v. Gopi Nath and Sons [1992 Supp (2) SCC 312], 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], Sheela Devi v. Jaspal Singh [(1999) 1 SCC 209] and Punjab National Bank v. O.C. Krishnan [(2001) 6 SCC 569].)

14. In Union of India v. Guwahati Carbon Ltd. [(2012) 11 SCC 651] 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]. 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 [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] 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 and Another***, 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.

xxx

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 And Anr***, 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 vs. Secretary, Department of Revenue***, 2015 SCC OnLine Del 10111, ***Rai Foundation vs. 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.

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 non-grant 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.

54. It is further relevant to note that even the factual averments made in the present petitions have been disputed by the learned counsel for the directorate of enforcement. In its reply dated 03.03.2025 (filed in W.P.(C) No. 895 of 2025), the directorate of enforcement has categorically denied the assertions made by the petitioners and submitted as under:

“The contents of Paragraphs 8 to 10 are denied as being incorrect and misconceived. The facts stated therein are disputed, and in any case, a writ court cannot adjudicate upon contested questions of fact, which the petitioner is attempting to raise through the present petition.”

55. In light of the foregoing discussion and in the given facts and circumstances, this Court is not inclined to entertain the present petitions, as an alternative and efficacious statutory remedy is available to the petitioners.



2025:DHC:9653



All the grounds urged in these writ petitions may be raised before the Appellate Tribunal, which shall consider the same in accordance with law.

56. Accordingly, and without expressing any opinion on the merits of the case, the present petitions are disposed of.

57. Since, appeals against the confirmation orders dated 29.01.2025 and 27.03.2025, passed by the learned Adjudicating Authority, have already been filed, the Appellate Tribunal is requested to consider and decide the said appeals as expeditiously as possible, preferably within a period of six months from today.

58. As regards the third petition, *i.e.*, W.P.(C) 1791/2025, the proceedings before the learned Adjudicating Authority have already been concluded, and the judgment was reserved on 03.06.2025. In the event the petitioner is aggrieved by the said judgment, they shall be at liberty to prefer an appeal before the Appellate Authority, which shall consider and decide the same in accordance with law.

59. With the aforesaid directions, the present petitions, along with all pending applications, stand disposed of.

SACHIN DATTA, J

NOVEMBER 3, 2025/sv