

Form No.J(2)

IN THE HIGH COURT AT CALCUTTA
Civil Appellate Jurisdiction
Appellate Side

Present : The Hon'ble Mr. Justice Sabyasachi Bhattacharyya

WPA 17513 of 2022

Shree Hanuman Cotton Mills Ltd. and Ors.
Vs.
Union of India and Ors.

For the petitioners : Mr. Jishnu Chowdhury, Ld. Snr. Adv.
Mr. Shuvasish Sengupta,
Mr. Abhidipto Tarafder,
Mr. Anurag Bagaria, Advs.

For the Enforcement
Directorate : Mr. Arijit Chakrabarti,
Mr. Debsoumya Basak,
Ms. Swati K. Singh, Advs.

For the added respondents : Mr. Debdut Mukherjee,
Mr. Kaushik Banerjee,
Ms. Rashmita Sen, Advs.

Heard on : December 5, 2025.

Judgment on : December 5, 2025.

Sabyasachi Bhattacharyya, J.:

1. The written notes of arguments filed by the Enforcement Directorate today be kept on record.

2. Heard learned counsels for the parties.
3. Learned Senior counsel appearing for the petitioners draws the attention of the court to the interim order dated September 26, 2022 where the facts and the law governing the matter were discussed at length and an order of injunction was passed to a limited extent insofar as the assets of the petitioner no. 1 company is concerned.
4. It is submitted that the petitioners seek the said order to be made absolute.
5. Learned counsel appearing for the Enforcement Directorate submits that the premise of the order of provisional attachment of the assets of the petitioner no. 1 company was never that the accused Mahesh and his family, the added respondents, were owners of the said assets. However, the said order and the connected show cause were necessitated since the Enforcement Directorate apprehends that the accused persons, that is, the said Mahesh and his family members hold a total of 1793 shares in the petitioner no. 1 company, any liquidation of the assets of the petitioner no. 1 would generate amounts of money to the said accused persons in proportion

to their said shares, which would be liable to be confiscated under the Prevention of Money Laundering Act (PMLA).

6. On such premise, it is argued that the provisional attachment order in respect of the assets of the company to the extent of the shares of the accused persons was justified.
7. It is further submitted that the petitioners may be directed to intimate to the Enforcement Directorate, in any event, if the company goes into liquidation, since such liquidation process may ultimately culminate in disbursal of the amount quantified in proportion of the accused persons' shares in their favour, despite the same being 'proceeds of crime' under the PMLA.
8. Learned counsel appearing for the added respondents submits that since the criminal allegations against the added respondents are now *sub judice*, no adverse remarks may be made conclusively against the added respondents by this court, since such comments might prejudice the added respondents / accused persons in the connected criminal and other ancillary proceedings.
9. Upon consideration of the facts of the case, it transpires that the petitioner no. 1 is a company which granted lease in respect of a land to the petitioner no. 2 and petitioner no. 3 is

the director of both the said companies. The petitioner no. 4, the son of the petitioner no. 3, is a director of the petitioner no. 2-company, whereas the petitioner no. 3, Ramesh has a brother by the name of Mahesh, who and whose family members, being the added respondents herein, are the accused persons in the PMLA and connected criminal proceedings.

10. Since it is settled law that the shareholders of a company are not the owners of the company in which they hold shares and/or the assets of the company, it is evident, by borrowing the logic as recorded in the interim order dated September 26, 2022 passed in this matter, that the show cause notice dated May 5, 2022 issued by the Adjudicating Authority and the provisional attachment order dated March 31, 2022 were bad in law inasmuch as the land belonging to the petitioner no. 1-company as mentioned therein is concerned. Even if the added respondents, who are the accused persons in the PMLA proceeding, are shareholders in respect of the petitioner no. 1-company, their rights are confined to the earnings from such shares and associated voting rights and do not extend to the company itself or its assets.

11. Accordingly, upon hearing learned counsel for the parties and in view of the submissions made, WPA 17513 of 2022 is disposed of without costs, by modifying the impugned order of provisional attachment dated March 31, 2022 and the impugned show cause notice dated May 5, 2022 to the extent that the portion of the same which concerns the land admeasuring 25.39 acres at Fuleswar in J.L. No. 108, R.S. No. 2277 of the petitioner no. 1- company (as mentioned in Serial No. 1 of Table 8 of the impugned order dated March 31, 2022) is set aside.
12. In the event any adjudication has been arrived at under Section 8 of the PMLA after filing of the writ petition, the said order is also consequentially set aside to the above extent.
13. However, it is made clear that insofar as the 1793 shares of the petitioner no. 1 company (1025 in the name of Mahesh Kumar Kejriwal and 768 in the name of Alka Kejriwal, his wife), as specifically stipulated in Table no. 7 of the impugned order dated March 31, 2022 under Section 5(1) of the PMLA are concerned, and the office room purportedly standing in the name of Mahesh Kumar Kejriwal is concerned, as mentioned in Serial No. 2 of Table 8 of the impugned order, being office

room no. 12 measuring about 612.49 sq. ft. (super built up) approximately and false ceiling on the fifth floor of the building situated at premises no. 12A, N.S. Road, Kolkata – 700001, nothing in this order shall prevent the respondents from acting in terms of and/or in pursuance of or in implementation of the impugned order and show cause notice and/or of any adjudication under Section 8 of the PMLA made consequent thereto, pertaining to such shares and immovable property.

14. The petitioner nos. 3 and 4 shall, in the event the petitioner no. 1 company undergoes any liquidation process, including any Corporate Insolvency Resolution Process, inform such fact immediately upon commencement of such proceedings to the Enforcement Directorate in writing.
15. It is hereby clarified that none of the above observations or the observations made in the orders passed in the writ petition shall be deemed to adversely affect the outcome of the criminal proceedings going on against the added respondents and/or be construed either in favour of or against the said added respondents insofar as the criminal allegations against the added respondents are concerned.

16. Needless to say, nothing in the above order shall prevent the Enforcement Directorate from initiating any further investigation against the accused persons in due process of law in the event the Enforcement Directorate is otherwise so entitled in law.
17. Since the ownership of the 1025 shares allegedly belonging to the accused Mahesh is in contention before an appropriate forum in a proceeding between the petitioner nos. 3 and 4 and the added respondents, it is made clear that it will be open to the petitioners, in the event the said shares are adjudicated ultimately to belong to the petitioners, to approach the Enforcement Directorate and/or the Adjudicating Authority or any other criminal or other competent forum for release of the said shares from the ambit of the criminal proceeding.
18. The parties shall act on the server copy of this order, duly downloaded from the official website of this court.

(Sabyasachi Bhattacharyya, J.)