

# ED not a drone to attack at will on any criminal activity: Madras HC

**T**he Madras High Court has observed that the ED was not a "drone" to attack at will, and nor was it a "super cop" to investigate anything and everything which comes to its notice.

A division bench of Justice M S Ramesh and Justice V Lakshminarayanan made the observations while hearing the plea by Chennai-based RKM Powergen Private Ltd challenging the Enforcement Directorate (ED) seizing Rs 901 crore of its fixed deposits in connection with a PMLA case.

The ED action had come on the basis of an FIR registered by the CBI in 2014 over the allocation of coal blocks for a power plant in Chhattisgarh earlier.

The agency filed a closure

report in 2017 saying it found no irregularities in the allocation of coal blocks.

The CBI court did not agree with the closure report and wanted further probe in some aspects.

In 2023, CBI filed a supplementary final report, which found that there were sufficient incriminating materials warranting prosecution under sections of IPC and Prevention of Corruption Act.

Later, the ED conducted searches in the premises of directors and holding companies associated with RKMP. On Jan 31, 2025 a freezing order was passed wherein the fixed deposit to the tune of Rs 901 crore was frozen by the ED.

The bench said that a careful perusal of Section 66(2) of

PMLA points out that if during the course of investigation, the ED comes across violations of other provisions of law, then it cannot assume the role of investigating those offences also.

It is to inform the appropriate agency, which is empowered by law to investigate that offence. If that agency, on the intimation from the ED, commences investigation and registers a complaint, then certainly the ED can investigate into those aspects also, provided there are "proceeds of crime".

There should be a "criminal activity" which attracts the schedule to PMLA, and on account of such criminal activity, there should have been proceeds of crime, it said. PTI