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WP NO. 22761/2026 (GM - RES)

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

**[M/S. WINZO US INC., AND ANOTHER VS. UNION OF INDIA,
AND OTHERS]**

09.10.2026

(VIDEO CONFERENCING / PHYSICAL HEARING)

CORAM: HON'BLE MR. JUSTICE C.M. POONACHA

ORAL ORDER

The present writ petition is filed, inter alia, impugning the show cause notice dated 04.04.2026 (Annexure S to the writ petition) and the Provisional Attachment Order¹ dated 17.02.2026 (Annexure - D to the writ petition). IA No.2/2026 is filed under Order VI Rule 17 r/w Section 151 of the Code of Civil Procedure, 1908 and Articles 226 and 227 of the Constitution of India seeking amendment of the Writ Petition, to inter alia, impugn the Confirmation Order dated 04.08.2026 (Annexure AF along with I.A.No. 2/2026).

¹ Hereinafter ferred to as 'PAO'

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2. Objections of the respondents to I.A.No.2/2026 as well as the main petition, if any to be filed before the next date of hearing.

ORDER ON I.A.No. 3/26

3. IA No.3/2026 is filed by the petitioner seeking the following reliefs:

"In the facts and circumstances stated above, it is most respectfully prayed that this Hon'ble Court may be pleased to:

a. Take on record the subsequent events set out in the present Application, including the communications issued by Silicon Valley Bank in relation to the closure of the SVB Accounts of Petitioner No. 1; and

b. Pass such suitable directions as this Hon'ble Court may deem fit and proper in relation to the SVB Accounts of Petitioner No. 1 and the funds lying therein, which are covered by Provisional Attachment Order No. 08/2026 dated 17.02.2026 and the Order dated 04.08.2026 passed by the Adjudicating Authority; and

c. Pass such other and further orders as this Hon'ble Court may deem fit in the facts and circumstances of the case, in the interest of justice."

4. In the said application, the petitioners have placed on record the communications received from the bankers of Petitioner No. 1, i.e., the Singapore Valley Bank,



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California, USA², whereunder the petitioner No.1 has been informed that the banking relationship of the Bank with petitioner No.1 would be terminated and accounts of the petitioner No.1 in the said bank would be closed effective on 01.09.2026. The various communications between petitioner No.1 and the Bank have been placed on record by the said application.

5. Before consideration of the said application on its merits, this Court had indicated that if the petitioner suggests a viable alternative to the respondents - Enforcement Directorate, the same could also be considered along with IA No.3/2026. Accordingly, the petitioner has filed a memo dated 28.09.2026 placing on record a communication dated 25.09.2026 made with the learned counsel for the respondents. The proposal made by the petitioner in the said communication is extracted hereunder for ready reference:

² Hereinafter referred to as "Bank"



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"(i) Petitioner No. 1 shall transfer the closure proceeds from its accounts with Silicon Valley Bank to account No. 2910615821 held by the Petitioner No. 1 with JPMorgan Chase Bank, N.A.

(ii) Such transfer shall not be treated as a violation of Provisional Attachment Order No. 08/2026 dated 17.02.2026 or of the order dated 04.08.2026 passed under Section 8(3) of the PMLA.

(iii) Petitioner No. 1 shall place the balance lying in its accounts with Silicon Valley Bank as on 17.02.2026 in a separate deposit or sub-account held with JPMorgan Chase Bank, N.A.

(iv) Petitioner No. 1 shall, within two weeks of the deposit being made, file an affidavit before the Hon'ble High Court disclosing the particulars of the deposit and confirming the transfer and the deposit, with a copy to Respondent No. 2.

(v) The said deposit shall be treated as the property attached under Provisional Attachment Order No. 08/2026 dated 17.02.2026 and the order dated 04.08.2026, and the references in those orders to the accounts of Petitioner No. 1 with Silicon Valley Bank shall be read as references to the said deposit.

(vi) The above is subject to such further orders as the Hon'ble Court may pass, and is without prejudice to the rights and contentions of the parties in the writ petition.

5. We shall be grateful if you could obtain instructions and let us know your response before the hearing on 28.09.2026. We remain available for any further details or clarification that may be required."

6. The respondents have filed their objections to IA No. 3, wherein they have also responded to the proposal

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made by the petitioner vide the communication dated 25.09.2026.

7. The factual matrix, in a nutshell, leading to the present petition is that various FIRs were filed against M/s. Winzo Private Limited (formerly M/s. Winzo Games Private Limited and M/s. Tictok Skill Games Private Limited). Petitioner Nos.1 and 2 are stated to be the wholly owned subsidiaries of M/s. Winzo Private Limited³. The respondents have initiated proceedings in ECIR No.ECIR/EG 0/25/2025 dated 06.11.2025, consequent to which a Search and Seizure was conducted by the respondents of the Parent Company.

8. The allegation against the Parent Company is that it hosts an app called the "Winzo App", which is an online real money gaming intermediary that provides users access through the platform to various games. It enables users to purchase and participate in the games of their choice, with the objective of winning monetary rewards.

³ Hereinafter referred to as Parent Company



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That upon selection of the game and the corresponding stakeholder by a user/player, Winzo Gaming Systems and Software initiates a matchmaking process to identify a player meeting similar criteria and once the players are matched, Winzo earns a commission depending on the nature of the game and the stakes involved.

9. It is the allegation of the respondents that various complaints/grievances were lodged alleging that the Parent Company was cheating gullible users by AI /Algorithm in real money games hosted through its mobile application. It is the allegation of the respondents that the Parent Company has incorporated the petitioners, which are the wholly owned subsidiaries of the Parent Company, with the petitioner No.1 being situated in the United States of America⁴ and the petitioner No.2 being situated in Singapore. It is further alleged that the Parent Company has transferred various amounts to petitioner Nos.1 and 2 as a foreign investment. Consequent to the search and seizure,

⁴ Hereinafter referred to as "USA"



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the PAO dated 17.02.2026 (Annexure D to the writ petition) was passed, which was issued in terms of Sub-section (1) of Section 5 of the Prevention of Money Laundering Act, 2002⁵. Vide the said PAO, the Bank Accounts of both the petitioners have been attached.

10. Since IA No.3/2026 pertains to the Bank Accounts of petitioner No.1 at USA the relevant details of the Bank Account of petitioner No.1, which were the subject matter of the PAO dated 17.02.2024 is extracted hereunder for ready reference:

Sl. No.	Foreign Subsidiary	Bank Name	Account Number	Amount (in USD)	Amount (INR) (1 USD=90.78, as on 17/02/2026)
1	M/s Winzo US Inc., Newar, USA	Silicon Valley Bank, 2625, Augustine drive, #301, Santa Clara, California 95054, USA	33303967082	250,000	2,26,95,000
2		Silicon Valley Bank, 2625, Augustine drive, #301, Santa Clara, California 95054, USA	33303967082	55,402,339	502,94,24,334

⁵ Hereinafter referred to as the "Act"



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3		Silicon Valley Bank, 2625, Augustine drive, #301, Santa Clara, California 95054, USA	3330396097	17,932	16,27,867
4		Aspire Bank, 158, Cecil St, #09-01, Singapore 069545	885215512736	21,190	19,23,628
		Total		55,691,461	505,56,70,829

11. Consequent to the issuance of the PAO, the final order dated 04.08.2026 (Annexure - AF filed along with IA No.2/2026) has been passed whereunder the PAO dated 17.02.2026 has been confirmed in terms of Section 8 of the Act. The correctness of, inter alia, the provisional order and the final order are the subject matter of consideration in the present writ petition.

12. The respondents have filed objections to IA No.3/2026 opposing the reliefs sought for in the application. It is the apprehension of the respondents that there is a real and immediate risk of dissipation of funds in the Bank Account of petitioner No.1. It is also alleged that in the PAO



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is on record that the Directors of the petitioners attempted to dissipate a sum of Rs.22.48 crores from the Bank Accounts during the judicial custody of the Director of the petitioner.

13. With regard to the proposal of the petitioner made vide the communication dated 25.09.2026, it is necessary to notice the reply of the respondents which is extracted hereunder for ready reference:

"(iv) Transfer of the attached amount to India

11. Petitioner No. 1 has itself informed SVB (email dated 14.09.2026, Annexure-F) that it cannot authorise any transfer, remittance, withdrawal or issuance of a cashier's cheque unless directions are issued by the competent court. The attached amount cannot be permitted to be dissipated. The only direction that will secure the attached funds is their transfer to India. Respondent No. 2 therefore suggests that the entire balance in the attached SVB accounts, with accrued interest, be remitted by wire transfer to the following PD Account:

Account Name: Joint Director, Directorate of Enforcement

Account No.: 50383179001

IFSC: IDIB000B008

Bank: Indian Bank

12. The amount will remain in a Government account subject to the outcome of the proceedings under the PMLA, including the Writ Petition. No prejudice will be caused to the Petitioners, as the amount will be available to them if



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they ultimately succeed. On the other hand, if the funds are released by way of a cheque to Petitioner No. 1, the attachment and the confiscation proceedings will be rendered infructuous."

14. Heard submissions of learned Senior Counsel on behalf of the petitioner and the learned counsel for the respondent on IA No.3/2026.

15. It is the vehement contention on behalf of the petitioner that the funds of petitioner No.1, which are in deposit in the Bank at USA will be transferred to another bank at USA, since petitioner No.1 has been intimated that the Bank Accounts of the petitioner would be closed. It is further contended that any movement of funds having regard to the PAO and the Confirmation Order, which is the subject matter of challenge in the present writ petition, should not be construed as a violation of the same, and accordingly IA No.3/2026 is filed for suitable reliefs. It is further contended that the funds in the Bank Account of petitioner No.1 having been transferred as a foreign investment, the situs of the said funds cannot be changed



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and ought to be moved to another Bank in the USA. It is also contended that even after the subsequent transfer of funds, the same would be the subject matter of attachment by the said PAO and the Confirmation Order, which would be the subject to the outcome of the present writ petition. It is also contended that although the proceedings have been initiated by the respondents - Enforcement Directorate and the Bank Accounts of petitioner No.1, which are in excess of Rs.500 cores have been attached, the predicate offence involves an alleged loss of Rs.42,00,000/- and the attachment with respect to the said amount is secured with the other attachments of the petitioners. It is further contended that the funds of petitioner No.1 are required to remain in the USA since petitioner No.1 is carrying on business in the said country and the amounts in the Banks are required for the said purpose.

16. The learned Senior Counsel has also referred to the various provisions of the Act as well as the judgment of the Supreme Court in the case of ***Vijay Madanlal***



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Choudhary and Others Vs. the Union of India⁶, as also a Co-ordinate Bench judgment of Odisha High Court in the case of ***M/s Deepak Steel and Power Ltd. V. Enforcement***⁷ to put forth contentions as to the effect of the Directorate, Government of India, PAO as also to the extent to which the respondents - Authorities having control the attached funds.

17. Learned counsel for the respondent vehemently opposing the relief sought for IA No.3/2026 contends that various complaints have been lodged against the Parent Company periodically. The investigation into the allegations made against the petitioner has not been completed. That having regard to the nature of crime that is alleged, it cannot be said that the predicate offence alleged against the petitioner is limited to Rs.42,00,000/-. It is further contended that under the guise of an overseas direct investment, the Parent Company has siphoned off funds of

⁶ 2023 12 SCC 1

⁷ In CrL.MC No.506/2025, order dt.22.09.2025



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approximately Rs.447,86,53,725/- crores to the petitioner Nos. 1 and 2, which are the wholly owned subsidiaries of the Parent Company. It is further contended that the petitioner No.1 has no regular employees and its management and foreign Bank Accounts are handled from India by the Directors of the Parent Company. Hence, it is contended that any permission granted to the petitioner No.1 to move the funds from one bank to another as is sought to be done vide IA No.3/2026 would have the effect of diluting the orders of Provisional attachment and Confirmation which are the subject matter of challenge in the present writ petition.

18. The submissions of the learned counsels have been heard on the relief sought for in IA No.3/2026. Before noticing the contentions put forth by both the learned counsels, it is relevant to certain provisions of the Act. Sections 2(d), (na), (p), (u) and 3 of the Act read as under:

"2(d) "attachment" means prohibition of transfer, conversion, disposition or movement of property by an order issued under Chapter III;"



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(na) "investigation" includes all the proceedings under this Act conducted by the Director or by an authority authorised by the Central Government under this Act for the collection of evidence;

(u) "proceeds of crime" means any property derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to a scheduled offence or the value of any such property or where such property is taken or held outside the country, then the property equivalent in value held within the country or abroad.

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3. Offence of money-laundering.—Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming it as untainted property shall be guilty of offence of money-laundering.

Explanation.—For the removal of doubts, it is hereby clarified that,—

(i) a person shall be guilty of offence of money-laundering if such person is found to have directly or indirectly attempted to indulge or knowingly assisted or knowingly is a party or is actually involved in one or more of the following processes or activities connected with proceeds of crime, namely:—

- (a) concealment; or*
- (b) possession; or*
- (c) acquisition; or*
- (d) use; or*
- (e) projecting as untainted property; or*
- (f) claiming as untainted property,*
in any manner whatsoever;

(ii) the process or activity connected with proceeds of crime is a continuing activity and continues till such time a person is directly or indirectly enjoying the proceeds of crime by its concealment or possession or acquisition or use or projecting it as untainted property or claiming it as untainted property in any manner whatsoever."



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19. Section 5 of the Act prescribes the manner in which a property that is involved in money laundering is attached. Section 8 of the Act deals with the manner of adjudication of a complaint made under Section 5 of the Act.

20. The Supreme Court in the case of **Vijay Madanlal Choudhary**⁶, while considering the scope, purport and ambit of the Act, held as under:

"180. Section 5(4) clearly states that nothing in Section 5 including the order of provisional attachment shall prevent the person interested in the enjoyment of immovable property attached under sub-section (1) from such enjoyment. The need to take possession of the attached property would arise only for giving effect to the order of confiscation. This is also because sub-section (6) of Section 8 postulates that where on conclusion of a trial under the 2002 Act which is obviously in respect of offence of money- laundering, 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. Once the possession of the property is taken in terms of sub-section (4) and the finding in favour of the person is rendered by the Special Court thereafter and during the interregnum if the property changes hands and title vest in some third party, it would result in civil consequences even to third party. That is certainly avoidable unless it is absolutely necessary in the peculiar facts of a particular case so as to invoke the option available under sub-section (4) of Section 8.



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181. Indisputably, statutory Rules have been framed by the Central Government in exercise of powers under Section 73 of the 2002 Act regarding the manner of taking possession of attached or frozen properties confirmed by the Adjudicating Authority in 2013, and also regarding restoration of confiscated property in 2019. Suffice it to observe that direction under Section 8(4) for taking possession of the property in question before a formal order of confiscation is passed merely on the basis of confirmation of provisional attachment order, should be an exception and not a rule. That issue will have to be considered on case-to-case basis. Upon such harmonious construction of the relevant provisions, it is not possible to countenance challenge to the validity of sub-section (4) of Section 8 of the 2002 Act."

21. Having regard to the overview of the provisions of the Act and the position of law as held by the Supreme Court as noticed above, it is pertinent to notice that it is the vehement contention on behalf of the petitioner that out of 6 cases that were filed against the petitioner as enumerated in the present petition, 3 cases have been closed by the orders of the Jurisdictional Magistrate, 1 case has been quashed by this Court, 1 case is pending and 1 more has been registered after filing of the prosecution complaint. It is also contended that the value of the predicate offence is not in excess of about Rs.45,00,000/-.



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22. It is forthcoming from the PAO as well as the Confirmation Order that the investigations as to the activities of the Parent Company have not culminated. Further, it is specifically alleged that the funds generated by the Parent Company from its activities within India amounting to hundreds of crores have been transferred to overseas entities without any external business justification and the same are the proceeds of crime. The defences/objections of the petitioner to the PAO have also been noticed in the Confirmation Order, which are the subject matter of consideration in the present writ petition. Specific reliance is placed by the learned counsel for the respondents on the definition of proceeds of crime in the Act which includes property held by an entity overseas.

23. It is the vehement contention of the Learned Senior Counsel on behalf of the petitioner that the attachment already made (although is the subject matter challenge in the present writ petition), sufficiently safeguards the allegations against the petitioners and



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merely by attaching the Bank Accounts, the petitioner No.1 cannot be deprived of its usage for the purpose of its business operations. However, it is the contention of the respondents that the operations of petitioner No.1 as well as petitioner No.2 are controlled by the Directors of the Parent Company from India and that petitioner No.1 has no regular employees in its management.

24. It is pertinent to note that details of the operations and nature of business carried on by petitioner No.1 have not been placed on record. The amounts in the Bank Accounts in question which is the subject matter of consideration of IA No.3/2026 are admittedly the subject matter of the PAO and the Confirmation Order, the correctness of which is to be adjudicated. Prior to consideration of the same, if the relief sought for in IA No.3 is granted, the same would tantamount to diluting the effect of the PAO and Confirmation Order. Accordingly, the request made in IA No.3/2026 does not merit consideration.



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25. However, having regard to the proposal made by the petitioner and the response to the same by the respondent authorities in its statement of objections to I.A.No.3/2026 to transfer the funds (the relevant portion of which is extracted at para 13 hereinabove), it shall be open to the petitioner to make a request to the respondent authorities for transfer of the funds as indicated in the statement of objections to I.A.No.3/2026. If such a request is made, the respondents shall facilitate such transfer, which shall continue to be subject to the attachment and confirmation proceedings and subject to the outcome of the present proceedings. Subject to the same, I.A.No.3/2026 stands dismissed.

26. For consideration of I.A.No.2/2026, re-list on 06.11.2026.

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MONNAPPA POONACHA

(C.M. POONACHA)
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