Polity & Governance · GS - II

Examine the role of the Enforcement Directorate in investigating alleged financial misconduct involving public figures. How can investigative effectiveness be balanced with due process and institutional accountability?

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 22/10/2026	GS - II	Polity & Governance

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Prevention of Money Laundering Act, 2002, Enforcement Directorate, financial investigations, rule of law, presumption of innocence, political neutrality, judicial oversight, procedural safeguards, institutional accountability.

Model Answer

Introduction

The Enforcement Directorate (ED) investigates economic offences within its statutory jurisdiction, including money laundering under the Prevention of Money Laundering Act, 2002. Its work is important for protecting financial integrity and enforcing the law.

Role of the ED

- **Investigation:** It investigates suspected money laundering and traces proceeds of crime in accordance with applicable law.

- **Financial accountability:** Its actions can help uncover complex financial transactions and deter unlawful activities.
- **Asset-related powers:** It may provisionally attach property under statutory conditions, subject to the prescribed adjudicatory and judicial processes.

Challenges and safeguards

Investigations involving prominent political figures can raise concerns about impartiality and selective enforcement. Such concerns require evidence-based assessment rather than assumptions about guilt or motive. Authorities should follow statutory procedures, respect constitutional rights and provide access to judicial remedies. Transparent decision-making, independent scrutiny and timely trials can strengthen public confidence.

The CMRL–Exalogic matter illustrates the importance of distinguishing allegations and investigative proceedings from findings of criminal liability.

Conclusion

Effective financial enforcement and civil liberties are complementary objectives. Impartial investigations, procedural fairness and judicial oversight are essential to maintaining the credibility of anti-money-laundering institutions.

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