



2026:DHC:4164



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 8406/2022, CM APPL. 25296/2022 & CM APPL. 71689/2025**

Date of Decision: **28.04.2026**

IN THE MATTERS OF:

DDPL GLOBAL INFRASTRUCTURE PRIVATE LIMITED &
ANR.Petitioners

Through: Mr. Dayan Krishnan, Sr. Adv. with
Mr. Nitesh Jain, Mr. Adrish
Majumder, Mr. Hridhay Khurana, Mr.
Shreedhar Kale and Mr. Somit Kumar
Singh, Advs.

versus

DIRECTORATE OF ENFORCEMENTRespondent

Through: Mr Anupam S Sharrma, Ms Harpreet
Kalsi, Mr Vashisht Rao, Ms Amisha
P Dash, Mr Abhiyant Singh, Mr
Mayank Tyagi, Advs.
Mr. Zoheb Hossain, Special Counsel
with Mr. Vivek Gurnani, Mr. Pranjal
Tripathi, Ms. Tanvi Jain and Mr.
Satyam, Advs.

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+ **W.P.(C) 12276/2022, CM APPL. 36834/2022, CM APPL. 37309/2022, CM APPL. 14866/2023 & CM APPL. 71598/2025**

CHANDRA PRAKASH KHANDELWALPetitioner

Through: Mr. Dayan Krishnan, Sr. Adv. with
Mr. Nitesh Jain, Mr. Adrish
Majumder, Mr. Hridhay Khurana, Mr.



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Shreedhar Kale and Mr. Somit Kumar
Singh, Advs.

versus

DIRECTORATE OF ENFORCEMENT

.....Respondent

Through: Mr Anupam S Sharrma, Ms Harpreet
Kalsi, Mr Vashisht Rao, Ms Amisha
P Dash, Mr Abhiyant Singh, Mr
Mayank Tyagi, Advs.

Mr. Zoheb Hossain, Special Counsel
with Mr. Vivek Gurnani, Mr. Pranjal
Tripathi, Ms. Tanvi Jain and Mr.
Satyam, Advs.

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**W.P.(C) 12865/2022, CM APPL. 39125/2022 & CM APPL.
71595/2025**

SKITTISH REALTORS PRIVATE LIMITED

.....Petitioner

Through: Mr. Deepesh Aneja, Adv.

versus

DIRECTORATE OF ENFORCEMENT

.....Respondent

Through: Mr Anupam S Sharrma, Ms Harpreet
Kalsi , Mr Vashisht Rao, Ms Amisha
P Dash, Mr Abhiyant Singh, Mr
Mayank Tyagi, Advs.

Mr. Zoheb Hossain, Special Counsel
with Mr. Vivek Gurnani, Mr. Pranjal
Tripathi, Ms. Tanvi Jain and Mr.
Satyam, Advs.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDR KUMAR KAURAV



J U D G E M E N T

PURUSHAINDRA KUMAR KAURAV, J. (ORAL)

CM. APPL. 71689/2025 in W.P.(C) 8406/2022 (On Behalf of The Respondent Seeking Disposal of the Writ Petition)

CM. APPL. 71598/2025 in W.P.(C) 12276/2022 (On Behalf of The Respondent Seeking Disposal of the Writ Petition)

CM. APPL. 71595/2025 in W.P.(C) 12865/2022 (On Behalf of The Respondent Seeking Disposal of the Writ Petition)

1. W.P.(C) 8406/2022 has arisen out of a provisional attachment order dated 19.05.2022 issued by Directorate of Enforcement (“ED”) whereas, W.P.(C) 12276/2022 and W.P.(C) 12865/2022 have arisen out of common attachment order dated 19.08.2022 (collectively “**Impugned Orders**”).

2. In W.P.(C) 8406/2022, *vide* order dated 26.05.2022, this Court stayed the operation of the order impugned therein; similar orders were passed in the other two writ petitions as well. It appears that against the interim order dated 26.05.2022 passed by this Court, a Special Leave Petition (Civil)¹ was filed by the ED.

3. The Supreme Court *vide* order dated 21.02.2023 disposed of the SLP, granting liberty to the parties to complete the pleadings and to decide the writ petitions pending before the Court on their own merit in accordance with law without being influenced by any of the observations made in the interim order, which was challenged before the Supreme Court. Since then the parties have completed their pleadings, and the matter, thereafter, has remained pending for consideration before this Court.

¹ Diary No.39037/2022



4. The present set of applications² have been filed by the respondent-Directorate of Enforcement (“ED”), seeking the disposal of the respective writ petitions by releasing and restoring the properties, which are the subject matter of the Impugned Orders, to the Justice R.M. Lodha Committee (“Lodha Committee”), in accordance with the scheme of restitution envisaged under Section 8(8) of the Prevention of Money-Laundering Act, 2002 (“PMLA”). The relief clause in the said application reads as under:

“a. Dispose of the present writ petition in view of the undertaking given by the respondent/applicant - Directorate of Enforcement, to restore the properties attached under the Provisional Attachment Orders to the Justice R.M. Lodha Committee, in accordance with the scheme of restitution envisaged under Section 8(8) of the Prevention of Money Laundering Act, 2002 (PMLA);

b. Pass any other appropriate Order/directions which this Hon’ble Court may deem fit and proper in the interest of justice.”

5. During the course of the hearing, the Court was of the *prima facie* view that the Said Applications deserve to be allowed. The respective petitioners, also, have not, in actuality, objected to the core relief made in the said applications. It is in fact, the very case of the petitioners that the matter deserves to be relegated to the Lodha Committee. The only dispute between the party is as to the stage from which the aforesaid relegation is to take place. Whether it is to take place after the Impugned Orders are set aside, or from the stage it presently is i.e., with the Impugned Orders standing and holding their field.

6. Primarily, owing to the scheme of the PMLA, when resorted to without consultation with the Lodha Committee, being in stark contrast with

²CM Appl. Nos. 71689/2025, 71598/2025 and 7195/2025 (“Said Applications”).



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the framework devised by the Supreme Court under Article 142 of the Constitution through in its orders dated 02.02.2016 and 06.10.2021; and because the Impugned Orders have served their purpose, the Court, in order to prevent the continued application of the PMLA's complete code, deems it fit to set aside the Impugned Orders, and relegate the present *listo* the Lodha Committee. Before advertng to the reasoning, the submissions of the parties may be taken note of.

7. During the course of submissions, Mr. Dayan Krishnan in W.P.(C) 8406/2022, W.P.(C) 12276/2022 and Mr. Deepesh Aneja, learned counsel who appears in W.P.(C) 12865/2022 contended that the action of the ED is *de hors* the subsisting directions passed by the Supreme Court in its orders dated 02.02.2016 and 06.10.2021. Both these orders have been extensively read over to emphasise that the Supreme Court has already placed a mechanism to deal with the affairs of PACL Ltd. (“**PACL**”).

8. It is pointed out that under the peculiar facts concerning the affairs of PACL and the alleged fraud with the investors, the Supreme Court ordered the appointment of Mr. Justice (Retd.) R. M. Lodha, former Chief Justice of India as a Chairman of the Committee³ while granting liberty to the Chairman to appoint such experts or other persons as he might think it necessary in consultation with the SEBI so as to enable committee to sell the land and pay to the investor in a manner that might be decided by the said committee.

9. Thereafter, it is the submission of Mr. Krishnan that various directions

³Referred to in this Judgement as the “**Lodha Committee**”.



have been issued by the Supreme Court from time to time. It, however, is highlighted by referring to the order dated 06.10.2021, passed by the Supreme Court that pursuant to certain attachments effected by SEBI, petitions were entertained by Securities Appellate Tribunal ('SAT') and the attachment orders passed by the SEBI were interdicted. The Supreme Court *vide* order dated 06.10.2021 set aside the order passed by the SAT and emphasised that SEBI was entrusted with certain functions in pursuance of the directions issued by the Court under Article 142 of the Constitution.

10. It is highlighted that the Supreme Court emphasised that such a direction was necessary to protect the interest of the investors impacted by the collective acts of defrauding done by PACL and its directors, promoters, group companies and related persons and investors.

11. Mr. Krishnan also points out that the action which was taken by SEBI was pursuant to a communication made by the ED dated 01.09.2016.⁴ He thus contends that when the ED was in consultation with, and cognizant of, the special mechanism of the Lodha Committee, it was not incumbent upon the ED to have proceeded to pass a provisional attachment order.

12. Mr. Krishnan then also pointed out from the record that even after passing the interim directions by this Court, the ED has further entered into correspondence with the Lodha Committee. This, according to him, reinforces that the understanding of the ED as well as all other stakeholders was to act in tandem with the Lodha Committee in order to fulfil the mandate of the orders passed by the Supreme Court under Article 142 of the

⁴(Annexure P-20).



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Constitution. In sum and substance, Mr. Krishnan pointed out that the action of the ED is in derogation of the mechanism which has been evolved by the Supreme Court in exercise of Article 142 of the Constitution of India.

13. The submissions are strongly opposed by Mr. Anupam S Sharrma and Mr. Zoheb Hossain, learned counsel appearing for the ED. They contend that the action of the ED is fully in accordance with law. The same cannot be termed as illegal or without jurisdiction. They contend that the power of the ED is not curtailed by way of the directions passed by the Supreme Court. They submit that the agency has to act strictly in accordance with the mandate of the provisions of the Prevention of Money-Laundering Act, 2002 (“PMLA”), which fully empowers the ED to undertake such an exercise. It is further their submission that the act of the respondent in handing over the attached properties to the Lodha Committee would amount to restitution under Section 8(8) of the PMLA.

14. At the very outset it may be considered that while there is no cavil with the settled position that statutory powers cannot be curtailed by orders of Court, the special scheme of the Supreme Court demands a modified application of the powers conferred upon the ED under the PMLA. The order dated 06.10.2021 of the Supreme Court in *Subrata Bhattacharya v. SEBI*,⁵ in the context of the SEBI’s statutory powers similarly notes as under:

“4.The order dated 2 February 2016 makes it abundant clear that SEBI was entrusted with certain functions in pursuance of the directions issued by this Court under Article 142 of the Constitution. This was in order to protect the interests of the investors impacted by collective acts of

⁵Civil Appeal No. 13391/2015.



*defrauding them by PACL and its Directors, promoters, group companies and related persons and entities. **The functions which SEBI has been called upon to perform emanate from the directions of this Court.** Independently, SEBI, as a statutory body under the Securities and Exchange Board of India Act 19924, is invested with statutory duties, obligations and functions, **but, it needs to be emphasized that the functions which are being discharged by SEBI are in the context of an entrustment by this Court in the interests of the body of investors.** This is also evident from the fact that besides the Chairperson of the Committee, the other members of the Committee include: (i) the Whole Time Member, SEBI; (ii) the Executive Director, SEBI; and (iii) the General Manager, SEBI, who is to act as a Nodal Officer cum Secretary of the Committee. As a matter of fact, the injunction issued by this Court on 2 May 2016, restraining any other civil authority or forum from entertaining any suit, proceeding or claim pertaining to PACL or its directors, promoters, group entities, group companies, individuals, etc., is in order to ensure that proceedings are not instituted before any other forum to overreach or defeat the assumption of jurisdiction by this Court...”*

[Emphasis Supplied]

15. It is noteworthy to consider that the scheme of the PMLA, as evinced from Sections 5, 8, 9, ends the civil law aspect of PMLA proceedings by vesting the attached and subsequently confiscated properties absolutely in the Central Government free from all encumbrances. The insistence of ED to seek for a deemed restitution under Section 8(8) also seems to be misplaced. For clarity, the said provision reads as under:

“(8) Where a property stands confiscated to the Central Government under sub-section (5), the Special Court, in such manner as may be prescribed, may also direct the Central Government to restore such confiscated property or part thereof of a claimant with a legitimate interest in the property, who may have suffered a quantifiable loss as a result of the offence of money laundering: Provided that the Special Court shall not consider such claim unless it is satisfied that the claimant has acted in good faith and has suffered the loss despite having taken all reasonable precautions and is not involved in the offence of money-laundering.

Provided that the Special Court shall not consider such claim unless it is satisfied that the claimant has acted in good faith and has suffered the loss



despite having taken all reasonable precautions and is not involved in the offence of money-laundering:

Provided further that the Special Court may, if it thinks fit, consider the claim of the claimant for the purposes of restoration of such properties during the trial of the case in such manner as may be prescribed.”

16. The rule framed in furtherance of the second proviso to Section 8(8) is found in Rule 3A of the Prevention of Money-laundering (Restoration of Confiscated Property) Rules, 2016 (“**Confiscation Rules**”) which reads as under:

“3A. Manner of restoration of property during trial.

(1) The Special Court, after framing of the charge under section 4 of the Act, on the basis of an application moved for restoration of a property attached under sub-section (1) of section 5, or, seized or frozen under section 17 or section 18 of the Act prior to confiscation, if it thinks fit, may, for the purposes of the second proviso to sub-section (8) of section 8 of the Act, cause to be published a notice in two daily newspapers, one in English language and one in vernacular language, having sufficient circulation in the locality where such property is situated calling upon the claimants, who claim to have a legitimate interest in such property or part thereof, to submit and establish their claims, if any, for obtaining restoration of such property or part thereof.

(2) When the property referred to in sub-rule (1) is insufficient to meet the loss suffered by the claimant as a result of the offence of money-laundering, the Special Court, as it thinks fit, may pass an order of restoration of property directing the Central Government, if necessary, to auction such property and disburse on a pro-rata basis in accordance with the share of loss suffered by each claimant and may give custody thereof to such claimant on his executing a bond undertaking to produce such restored property before the Special Court as and when required for the purposes of sub-section (5) or sub-section (6) or sub-section (7) of section 8 of the Act.

(3) No claimant shall be entitled to claim restoration of the property referred in sub-rule (1) before the Special Court beyond thirty days from the date of publication of the notice referred to in that sub-rule:

Provided that the Special Court may entertain any claim not exceeding further thirty days, upon the satisfaction that the claimant was prevented by sufficient cause.



(4) No restoration order shall be passed by the Special Court under this rule, without giving an opportunity of being heard to the owner of the property referred to in sub-rule (1) or in the event of his death, the legal representatives of such person or official assignee or official receiver, as the case may be.”

17. The restitution route provided for under Section 8(8) is an exception and not the rule. A property, under Section 5 of the PMLA, is provisionally attached with the intent of confiscating and vesting it with the Central Govt. It is only when the conditions stipulated under Section 8(8) and Rule 3A of the Confiscation Rules are met that the Special Court can direct the release of properties. This release, during trial, as per sub-rule (1) of Rule 3A, takes place after the framing of the charge under Section 4 of the Act, and post a publication-notice is caused to be made, by the Special Court, in two daily newspapers. Then, the Special Court upon being satisfied of the legitimate interests of a claimant, can order for the release of such a property.

18. It be noted that the Special Court is distinct from the agency which is the ED. It is the Special Court's satisfaction that could warrant a release under Section 8(8) and Rule 3A of the Confiscation Rules. The fact that those recoveries were directed to and retained by the Lodha Committee, for disbursement to investors, is an unambiguous acknowledgment by the ED that the Supreme Court scheme governs these assets and not the PMLA.

19. The approach of the ED in relation to the PACL matter, prior to the issuance of the impugned POA, may now be considered.

20. It appears the ED had *vide* letter dated 01.09.2016, addressed to the Lodha Committee, informed the latter, about an amount of Rs. 113.45 Crores purportedly being received by Systematics Venture Capital Trust



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Ltd. (“SVCT”) from PACL Ltd., through 25 front companies, and that SVCT further invested this amount into two entities, namely M/s. Unicom Infra Projects & Estates Private Ltd., Mumbai (Rs. 60.79 Crores) and M/s. DDPL Global Infrastructure Pvt. Ltd., Mumbai (Rs. 33.11 Crores), the latter being the petitioners herein.

21. Acting on the aforementioned investigative information, letters were issued to SVCT by the Lodha Committee seeking details of the manner in which the amount was received as also the repayment plan which could be resorted to. It appears that SVCT had replied by stating that it had received Rs. 110.95 Crores from the 25 subsidiaries of PACL and had repaid Rs. 19.04 Crores to those companies. Thereafter, pursuant to regular follow-ups by the Lodha Committee, SVCT paid amounts of Rs. 4,88,98,193/- on 13.12.2016 and Rs. 11,98,00,573/- on 06.01.2017, totalling Rs. 16,86,98,766/- (Rupees Sixteen Crores Eighty Six Lakhs Ninety Eight Thousand Seven Hundred and Sixty Six). This is confirmed by the Second Status Report dated 11.04.2017 filed by the Lodha Committee before the Supreme Court.

22. From the aforementioned it is clear that it was ED’s own investigation and the information furnished by it to the Lodha Committee that directly resulted in the recovery of Rs. 16.86 Crores from SVCT for the benefit of PACL’s investors. By choosing this route, of feeding its investigative findings into the Lodha Committee machinery, rather than directly invoking its powers under the PMLA, the ED conclusively demonstrated its own understanding that the Lodha Committee was the proper and correct avenue for, at the first instance, dealing with the assets in question.



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23. Had the ED genuinely believed that the assets in question were to be dealt with in accordance with the scheme of the PMLA, the amount of Rs. 16.86 Crores recovered from SVCT pursuant to the ED's information ought also to have been subjected to the provisions of the PMLA and, as a matter of rule, vested in the Central Government, except where the rigours of Section 8(8) of the Act were satisfied, by the Special Court.

24. Importantly, the Lodha Committee, on the basis of the aforesaid information provided by the ED, directed SEBI on 01.03.2021 to attach the accounts of the petitioners to the tune of Rs. 49.67 Crores, by way of a demand notice and attachment order. It is against this backdrop of the ED's own prior conduct that the issuance of the impugned POA dated 19.05.2022 must be examined.

25. From the aforesaid, it is evident, that ED was cognizant of the Scheme laid down by the Supreme Court, *vide* order dated 02.02.2016. It had previously taken the route of providing information to the Lodha Committee for the purpose of attachment of assets allegedly linked to PACL. Said route, *ex facie* it appears, was the ED, in effect, adhering to and modifying its own powers under the PMLA, to fulfil the goal sought be achieved by the Supreme Court through its directions passed under Article 142 of the Constitution concerning the affairs of PACL.

26. Even otherwise, owing to the stark contrast between the ultimate objective of the scheme of the PMLA, where the properties are intended to vest with the Central Government; and that established by the Supreme Court under Article 142 of the Constitution, where the properties, or their



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proceeds, are restored with the investors, the Impugned Orders, which have been passed under Section 5 of the PMLA, without prior consultation or intimation with the Lodha Committee, can *ex facie* be considered as being in the teeth of the Supreme Court directions. This understanding is further confirmed by the ED's Said Applications, wherein it has prayed for the very restitution of the attached property to the Lodha Committee in accordance with the scheme under Section 8(8) of the PMLA.

27. At its highest the ED's case may be appreciated as putting forth an emergent and dire need existing at the time the Impugned Orders were issued, requiring immediate attachment. That purpose also, as on date, has been satisfied and no longer remains alive. The petitioners, during the course of hearing, have also given an undertaking that they shall not alienate or create a charge on the properties subject matter of the Impugned Orders till a final adjudication is done by the Lodha Committee. Meaning thereby the Impugned Orders, as on date, have served the purpose.

28. It may also importantly be noted that in the broader scheme of the framework of the Lodha Committee, it would be difficult to accept the proposition that the Lodha Committee, would not be able to provide and remedy emergent situations requiring immediate redressal, if such information is brought to its notice. Similarly, while the argument of the ED that an attachment is fundamentally preservative is not doubted. However, when it is undertaken without consultation with the Lodha Committee, it falls ill of the framework devised by the Supreme Court.

29. However, there is indeed an argument to be made that in the instant



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case setting aside of the Impugned Orders would allow the possibility of the assets, which are the subject matter of the Impugned Orders, to be dissipated. Owing to the peculiar facts and circumstances of the case, the undertaking of the petitioners and the directions being passed by the Court, the said concern is adequately taken care of. Resultantly, it is found fit to set aside the Impugned Orders, take the present *lis* outside the strict complete code of the PMLA, and relegate the matter to the Lodha Committee to be decided in accordance with the scheme envisaged by the Supreme Court, in exercise of its powers under Article 142 of the Constitution, for the affairs of PACL.

30. The Court is also conscious of the fact that the Impugned Orders were passed in the year 2022. The matter has hanged fire, approximately for a period of 4 years. No adjudication has taken place by any competent authority. The investors interest, which is sought to be protected, by the Supreme Court's scheme under Article 142, surely, gets compromised by the present matter remaining on the docket.

31. In light of the discussion above, and the peculiar facts and circumstances of the case, the Impugned Orders deserve to be set aside, and the matter deserves to be relegated to the Lodha Committee as – *first*, the scheme of the PMLA stands in stark contrast to the scheme envisaged by the Supreme Court under Article 142 of the Constitution pertaining to the assets of the PACL; *second*, ED has in the past, proceeded in accordance with the latter scheme, and the same is a matter of record; *third*, the petitioners are directed that the concerned assets will not be dissipated/alienated till an adjudication is made by the Lodha Committee, thus the Impugned Orders



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have served their purpose; and *fourth*, the matter has hang fire for 4 long years without any meaningful adjudication taking place, or the matter being taken to its logical end by the ED, which as per its own stand,⁶ as also owing to the interim order dated 22.05.2022 passed by this Court, cannot proceed with the matter.

32. Accordingly, the Said Applications of the ED, in each of the respective writ petitions, are allowed. The Impugned Orders are hereby set aside and the matter is relegated to the Lodha Committee to be decided in accordance with law.

33. The petitioners are bound by their undertaking, and the Court hereby directs that the assets/properties which are the subject matter of the Impugned Orders shall not be dissipated/alienated, or a charge shall not be created upon them, till a final determination/adjudication is undertaken by the Lodha Committee.

34. All questions relating to, *inter alia*, the restoration of the properties are left open. It is clarified that the Court has not expressed any opinion on the merits of the case.

W.P.(C) 8406/2022, W.P.(C) 12276/2022 and W.P.(C) 12865/2022

35. In light of the Said Applications being allowed, the captioned writ petitions are disposed of.

PURUSHAINdra KUMAR KAURAV, J

APRIL 28, 2026/p/ksr

⁶As evinced from the Said Applications.