

IN THE SUPREME COURT OF INDIA
CRIMINAL APPELLATE JURISDICTION

CRIMINAL APPEAL NO(S). 2925/2025

DIRECTORATE OF ENFORCEMENT

APPELLANT(S)

VERSUS

V HOTELS LIMITED & ORS.

RESPONDENT(S)

O R D E R

By consent of the parties, the following order is passed:-

The instant criminal appeal, bearing Criminal Appeal No. 2925 of 2025, has been filed by the Directorate of Enforcement challenging judgment and order of the Bombay High Court dated 28.11.2024 in Writ Petition (L) No. 32216 of 2024.

The parties are ad idem on the proposition that the objective of Section 8(8) of the Prevention of Money Laundering Act, 2002 (for short, the PMLA) is to ultimately restore any attached properties to bonafide claimants who have a legitimate interest in the property attached. Considering the aforesaid position and in the spirit of Section 8(8) of the PMLA, the Directorate of Enforcement has on earlier occasions, consented to the restoration of attached properties to a Successful Resolution Applicant under the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'IBC') in (i) order dated 11.12.2024 passed by this Court in Directorate of Enforcement v. JSW Steel Ltd. & Ors. (C.A. No. 3362/2020), and (ii) order dated 10.10.2025 passed by this Court in SLP(C) No. 26154-26155/2025 being Udaipur Entertainment World

Private Limited v Union of India & Ors.

The context of the present case is similar. Respondent No. 2 is the Successful Resolution Applicant (in short, 'SRA'), in terms of the order dated 26.04.2024 passed by the National Company Law Tribunal, that has been upheld by this Court vide order dated 27.09.2024. The parties have come to a similar settlement to resolve the present appeal by consent.

In view of the aforesaid, the setting aside of the Provisional Attachment Order No. 18/2024 dated 25.04.2024 in ECIR/MBZO-I/38/2020 (as modified through the Original Complaint dated 22.05.2024) by the Bombay High Court is confirmed, without going into the merits of the matter. The attached properties, which stand substituted with a deposit in terms of this Court's order dated 02.07.2025, are directed to be restored to the SRA, who stepped into the shoes of the Corporate Debtor, upon successful resolution by the Corporate Insolvency Resolution Process.

This order is being passed, without going into the merits and the rival contentions of the parties, with regard to the correctness or otherwise of the impugned Judgment of the Bombay High Court, and all questions of law emanating from the same are kept open.

The present restitution order is deemed to have been passed in terms of the second proviso to sub-Section (8) of Section 8 of PMLA.

In view of Section 32A of the IBC, the name of the Corporate Debtor shall be deleted from the array of accused in Supplementary Prosecution Complaint dated 12.07.2024 in Spl. Case

No. 0101090 of 2020 (Directorate of Enforcement v. Ajay Ajit Peter Kerkar & Ors.), while continuing with the prosecution of the erstwhile directors and/or persons in control or conspirators or abettors and confiscation of their attached/restrained properties/entitlements, if any.

Needless to state, the benefit of Section 32A of IBC is subject to the condition that the SRA is neither connected with the erstwhile Directors of the Corporate Debtor nor is the SRA a beneficiary of proceeds of crime derived from the alleged scheduled offence. If this foundation is eroded in the ongoing investigation, the Directorate of Enforcement shall be at liberty to take appropriate steps in accordance with law, including questioning the resolution plan.

In view of the above, any challenge of the Directorate of Enforcement to the approval of the Resolution Plan by the National Company Law Tribunal, Mumbai, shall stand closed, and accordingly the Directorate of Enforcement shall have no right or lien either on the properties of the Corporate Debtor attached under Provisional Attachment Order No. 18/2024 dated 25.04.2024 in ECIR/MBZO-I/38/2020 (as modified through the Original Complaint dated 22.05.2024), or on any other assets of the Corporate Debtor that form part of the resolution plan approved by NCLT. The Resolution Plan already stands substantially implemented in accordance with law. The amounts deposited by the Respondent No. 2 with the Directorate of Enforcement, in terms of this Court's directions dated 02.07.2025, shall be released to the Respondent No. 2 along-with accrued interest, if any, within a period of two

weeks from the date of this order.

This order is being passed based on the peculiar facts of the case and with the consent of the parties under the second proviso to sub-Section (8) of Section 8 of the PMLA, and shall not be treated as a precedent and the questions of law shall remain open to be decided in an appropriate case.

We place on record our appreciation for the earnest efforts made by the officers of the Directorate of Enforcement in restoring the attached properties to secure the interests of justice.

Accordingly, the appeal stands disposed of. However, we once again reiterate that the ECIR against the erstwhile directors and promoters would continue and thus, the present order will have no bearing on those proceedings.

Pending application(s), if any, shall also stand disposed of.

.....J.
[M.M. SUNDRESH]

.....J.
[SATISH CHANDRA SHARMA]

NEW DELHI;
11st NOVEMBER, 2025

ITEM NO.11

COURT NO.6

SECTION II-A

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Criminal Appeal No(s). 2925/2025

DIRECTORATE OF ENFORCEMENT

Appellant(s)

VERSUS

V HOTELS LIMITED & ORS.

Respondent(s)

FOR APPROPRIATE ORDERS/DIRECTIONS ON IA 211228/2025

IA No. 211228/2025 - APPROPRIATE ORDERS/DIRECTIONS

Date : 11-11-2025 This matter was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE M.M. SUNDRESH

HON'BLE MR. JUSTICE SATISH CHANDRA SHARMA

For Appellant(s) Mr. S. D. Sanjay, A.S.G.
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 Mr. Parantap Singh, Adv.
 Mr. Kartikeya Asthana, Adv.
 Mr. Arvind Kumar Sharma, AOR
 Mr. Zoheb Hussain, Adv.
 Mr. Kanu Agrawal, Adv.
 Mr. Saurav Roy, Adv.
 Ms. Rajeshwari Shankar, Adv.
 Mr. Sudarshan Lamba -aor, Adv.
 Ms. Aakriti Mishra, Adv.
 Ms. Anushka Gupta, Adv.
 Mr. Prakhar Bharadwaj, Adv.
 Ms. Divya S. Rao, Adv.

For Respondent(s) Mr. Gautam Khazanchi, Adv.
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Mr. Sidharth Luthra, Sr. Adv.
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 Mr. Arnav Narain, AOR
 Mr. Mishra Raj Shekhar, Adv.
 Mr. Ishaan Phukan, Adv.
 Ms. Shilpa Nair, Adv.
 Ms. Bhavi Vora, Adv.

UPON hearing the counsel the Court made the following
O R D E R

The appeal stands disposed of in terms of the signed order.

Pending application(s), if any, shall stand disposed of.

(SWETA BALODI)

ASTT. REGISTRAR-cum-PS

(POONAM VAID)

ASSISTANT REGISTRAR

(Signed order is placed on the file)