IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO(S). 9692-9693/2024

DEPUTY DIRECTOR, DIRECTORATE OF ENFORCEMENT APPELLANT(S)

VERSUS

SHIV CHARAN & ORS. RESPONDENT(S)

O R D E R

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

The instant civil appeal has been filed by the Directorate of Enforcement challenging common judgment and order of the Bombay High Court dated 01.03.2024 in Writ Petition (L) No. 9943 of 2023 and Writ Petition (L) No. 29111 of 2023.

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 Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'the IBC') in (i) order dated 11.12.2024 passed by this Court in Directorate of Enforcement vs. JSW Steel Ltd. & Ors. (C.A. No. 3362/2020), (ii) order dated 10.10.2025 passed by this Court in

Signature Not Verified
Digitally signed by SWETA BALODI
Date: 2026.01.08 13:42:10 IST
Reason:

SLP(C) No. 26154-26155/2025 being Udaipur Entertainment World Private Limited vs. Union of India & Ors., and (iii) order dated 11.11.2025 passed by this Court in Criminal Appeal No. 2925/2025 being Directorate of Enforcement vs. V. Hotels Limited & Ors.

The context of the present case is also similar. Respondent Nos. 1-3 are the Successful Resolution Applicants (in short, 'SRA'), in terms of the order dated 17.02.2023 passed by the National Company Law Tribunal. The parties, in the instant appeal, have come to a similar settlement in order to resolve the present appeal by consent.

The attached properties, being bank balances (amounting to Rs.3.55 lakhs) and fourteen flats/residential units (approximately worth Rs. 32.47 crores), belonging to the Corporate Debtor i.e. M/s. DSK Southern Projects Pvt. Ltd. covered under the Resolution Plan are directed to be restored to the SRA, who stepped into the shoes of the Corporate Debtor, upon successful resolution through 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 the

Prosecution Complaint bearing No.1123 of 2020 dated 03.08.2020 before the Special PMLA Court, Mumbai, 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 the 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 by way of 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 (PAO) No. 01/2019 dated 14.02.2019 (as confirmed by the PMLA Adjudicating Authority, New Delhi on 05.08.2019), or on any other assets of the Corporate Debtor that form part of the resolution plan approved by the NCLT. The Resolution Plan already stands substantially implemented in accordance with law. The attached properties shall be released by the appellant within a period of two weeks from the date of receipt of a copy of this order.

This order is being passed based on the peculiar facts and

circumstances 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. We once again make it clear that 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.

We also reiterate that the ECIR against the erstwhile directors and promoters would continue and, thus, the present order will have no bearing on those proceedings.

IA No.233297/2024 seeking intervention stands disposed of, while giving liberty to place this order before the Special Court for getting appropriate orders.

Accordingly, the appeals stand disposed of.

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

……J.
[M.M. SUNDRESH]

……J.
[PRASANNA B. VARALE]

NEW DELHI;
16th JULY, 2026

ITEM NO.21 COURT NO.4 SECTION III

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

Civil Appeal No(s). 9692-9693/2024

DEPUTY DIRECTOR, DIRECTORATE OF ENFORCEMENT Appellant(s)

VERSUS

SHIV CHARAN & ORS. Respondent(s)

[ONLY I.A NO. 21120/2026 IN C.A 9692-93 OF 2024 IS LISTED UNDER THIS ITEM]
IA No. 21120/2026 - APPROPRIATE ORDERS/DIRECTIONS
IA No.233297/2024 – INTERVENTION APPLICATION

Date : 16-07-2026 This matter was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE M.M. SUNDRESH
HON'BLE MR. JUSTICE PRASANNA B. VARALE

For Appellant(s) Mr. Suryaprakash V. Raju, A.S.G.
Mr. Vikramjeet Banerjee, ASG
Mr. Annam Venkatesh, Adv.
Mr. Arkaj Kumar, Adv.
Mr. Mrigank Pathak, Adv.
Mr. Vivek Gurnani, Adv.
Mr. Zoheb Hussain, Adv.
Mr. Arvind Kumar Sharma, AOR
Ms. Anushka Gupta, Adv.

For Respondent(s) Mr. Gaurav Agrawal, Sr. Adv.
Mr. Ravi Raghunath, AOR
Mr. Aniruth Purusothaman, Adv.
Mr. Namanjeet Singh Bhatia, Adv.
Ms. Sejal Jain, Adv.
Mr. Jagatjeet Singh, Adv.
Ms. Shrija Rawat, Adv.

Mr. Suryaprakash V. Raju, A.S.G.
Ms. Madhulika Upadhyay, AOR
Mr. Zoheb Hussain, Adv.
Mr. Annam Venkatesh, Adv.
Mr. Kanu Agrawal, Adv.
Mr. Saurav Roy, Adv.
Ms. Rajeshwari Shankar, Adv.

Mr. N.K. Kaul, Sr. Adv.
Mr. Anupam Singh , AOR

UPON hearing the counsel the Court made the following

O R D E R

The appeals stand disposed of in terms of the signed order.

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

(SWETA BALODI) **(POONAM VAID)**
ASTT. REGISTRAR-cum-PS **ASSISTANT REGISTRAR**

[Signed order is placed on the file]