



2026:DHC:1168-DB



§~12

* **IN THE HIGH COURT OF DELHI AT NEW DELHI*****Date of decision: 09.02.2026***

+ MISC. APPEAL(PMLA) 3/2021 & CRL.M.A. 2742/2020
THE DEPUTY DIRECTOR, DIRECTORATE OF
ENFORCEMENTAppellant

Through: Mr.Zoheb Hossain, Spl.
Counsel for ED with Mr.Vivek
Gurnani, Panel Counsel &
Mr.Kartik Sabharwal, Advs.

versus

JM FINANCIAL ASSET RECONSTRUCTION CO.

.....Respondent

Through: Ms.Priyal Sarawagi &
Mr.Vansh Dhall, Advs.

CORAM:**HON'BLE MR. JUSTICE NAVIN CHAWLA****HON'BLE MR. JUSTICE RAVINDER DUDEJA****NAVIN CHAWLA, J. (ORAL)**

1. This appeal has been filed under Section 42 of the Prevention of Money Laundering Act, 2002 (hereinafter referred to as, the 'PMLA'), challenging the order dated 30.08.2019 passed by the learned Appellate Tribunal (PMLA) in FPA-PMLA-2751/DLI/2018, titled ***JM Financial Asset Reconstruction Company Limited v. The Deputy Director, Directorate of Enforcement, Delhi***, allowing the appeal filed by the respondent herein, with the following observations and directions:-

“51. This order is being passed in relation to mortgage properties in favour of banks which are not purchased from proceeds of crime. The



same were purchased and mortgage with the banks prior to the of crime period. ED is not precluded to attach other private properties and all other assets of the alleged accused.

52. It is clarified that this order shall have no bearing in any proceedings initiated against the alleged accused including extradition proceedings pending or proposed to be initiated in any part of the world. Those are to be considered as per law and without any influence of this order which is being passed in the interest of public as bank money is a public money. Most of the banks are public sector banks. Their valid and legal recovery cannot be blocked for years without valid reasons. Therefore, the issue in hand is being decided only for limited purposes

53. In light of the above, the impugned order is set aside with regards to the attachment of properties which are mortgages with the appellant or its assignor. The appeal is allowed. The provisional attachment order dated 14.06.2018 is quashed with regard to the appellant.”

2. We are informed that during the pendency of the present appeal, several mortgaged properties were brought under the rigours of Insolvency and Bankruptcy Code (IBC) as mentioned below:-

- i) Sterling Biotech Limited:- *Vide* order dated 11.11.2022, Sterling Biotech has been sold by the liquidator as a going concern as per the Code and IB Board of India (Liquidation Process) Regulations, 2016.
- ii) Sterling International Enterprises Limited:- *Vide* order dated 18.10.2021, the National Company Law Tribunal (NCLT) Mumbai had ordered liquidation of the said company.



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- iii) Sterling SEZ and Infrastructure Limited:- *Vide* Order dated 18.10.2021, NCLT Mumbai had ordered liquidation of the said company.
- iv) PMT Machines Private Limited: *Vide* order dated 03.06.2022, NCLT Mumbai has approved the resolution plan filed in relation to the CIRP of the said company.

3. Subsequently, the Supreme Court, *vide* order dated 19.11.2025 passed in W.P.(Crl.) No. 37/2020 and W.P.(Crl.) No. 48/2020, titled, ***Hemant S. Hathi v. Central Bureau of Investigation & Ors. and Chetan Jayantilal & Ors. v. Central Bureau of Investigation & Ors.*** has been pleased to quash the criminal proceedings initiated by the petitioners therein, in view of a full and final settlement with the lender banks and the investigating agencies.

4. Placing reliance on the order dated 11.12.2024 passed by the Supreme Court in SLP(C) Nos. 29327-29328/2019, titled ***Committee of Creditors v. Directorate of Enforcement & Ors.***, and other similar orders, the learned counsel for the appellant submits that, without prejudice to the rights and contentions of the respective parties, the subject properties be deemed to have been released to the successful Resolution Applicant in terms of Section 8(8) of the PMLA read with Rule 3A of the Prevention of Money Laundering (Restoration of Property) Rules, 2016.

5. Though the learned counsel for the respondent submits that in view of the order passed by the learned Appellate Tribunal impugned in the present appeal, the attachment of the properties in question has itself been held to be without jurisdiction, we are of the opinion that,



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in view of the subsequent developments, the present appeal has, in fact, been rendered academic in nature.

6. Accordingly, leaving the question of law open, we direct that, without prejudice to the rights and contentions of either of the parties, the subject properties be treated to have been restored under Section 8(8) of the PMLA and the possession handed over to the respondent herein, JM Financial Asset Reconstruction Company Limited.

7. With the above directions, the appeal, along with the pending applications, is disposed of.

NAVIN CHAWLA, J

RAVINDER DUDEJA, J

FEBRUARY 9, 2026/rv/pb