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\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

*Date of Decision: 16<sup>th</sup> February, 2026*

+ **MISC. APPEAL (PMLA) 13/2026**

**ARUN SURI**

.....Appellant

Through: Mr. Shubail Farook & Mr.  
Kshitij Kumar, Advocates

versus

**DIRECTORATE OF ENFORCEMENT**

.....Respondent

Through: Mr. Anupam S. Sharrma,  
Special Counsel for ED.

**CORAM:**

**HON'BLE MR. JUSTICE NAVIN CHAWLA**

**HON'BLE MR. JUSTICE RAVINDER DUDEJA**

**RAVINDER DUDEJA, J. (ORAL)**

**CM APPL. 10454/2026-Exemption**

1. Allowed, subject to all just exceptions.

**CM APPL. 10456/2026**

2. This is an application seeking condonation of delay of 9 days in re-filing the appeal.

3. For the reasons stated in the application, the same is allowed.

4. The application stands disposed of.

**MISC. APPEAL (PMLA) 13/2026 & CM APPL. 10455/2026**  
**INTERIM RELIEF**

5. The present appeal is filed under Section 42 of the Prevention of Money Laundering Act, 2002 [“PMLA”] assailing the impugned



order dated 27<sup>th</sup> November, 2025 passed by the Appellate Tribunal under the PMLA in FPA-PMLA-2158/DLI/2018 whereby the Tribunal upheld the confirmation of the Provisional Attachment Order dated 28<sup>th</sup> July, 2017 issued by the respondent Directorate of Enforcement.

6. The learned counsel for the appellant submits that the subject property, that is, 255, Sainik Vihar, Pitam Pura, Delhi was never purchased by the appellant. The said property was purchased by the father of the appellant out of his own income in the year 1991 in the joint name of appellant and his own. The said property has been with the family of the appellant continuously since the year 1991. The appellant never contributed any sum in the acquisition of the said property.

7. It has been argued that subject property could not have been attached as “value thereof” in terms of Section 2(1) (u) of PMLA, 2002, since the said property was never actually purchased by the appellant himself. The right of the appellant in the subject property has flown through his deceased father and thus, it was wholly impermissible to rely upon Section 2(1) (u) of PMLA to attach the said property. Placing reliance on judgment of Karnataka High Court in *H.M. Malthesh Vs. Directorate of Enforcement*, dated 18<sup>th</sup> December 2020 in Criminal Petition No. 584 of 2018, it is argued that as per Section 2(1)(u) of PMLA, only these tainted properties, which are obtained directly or indirectly as a result of criminal activity relating to scheduled offence, can be termed as “proceeds of crime”,



which is not the situation in the present case, as the subject property was not purchased by the appellant's money but was rather purchased by his father from his own money. He also places reliance on the judgment of Supreme Court in ***Pavana Dibbur Vs. Directorate of Enforcement (2023) 15 SCC 91*** to argue that any property bought prior to the commission of Scheduled Offence shall not be attached.

8. *Per contra*, learned Special Counsel for the respondent submits that the proceeds of crime acquired by the appellant in the form of foreign exchange, had been remitted abroad and were not available and therefore the subject property belonging to the appellant was attached as “equivalent value” by order passed under Section 5 of PMLA read with Section 2(1) (u) of PMLA and such action is therefore within statutory framework.

9. We have considered the rival submissions. The principal contention urged on behalf of the appellant is that the subject property was neither acquired nor purchased by the appellant from proceeds of crime and was ancestral in nature, and therefore, could not have been attached. At the very outset, it is apposite to note that the competent authority under Section 5 of the PMLA is empowered to provisionally attach property believed to be proceeds of crime. The Hon'ble Supreme Court in the case of ***Vijay Madanlal Choudhary and Ors. Vs. Union of India and Ors. (2022 SCC OnLine SC 929)***, held that the offence of money laundering is not dependent on or linked to the date on which the scheduled offence/predicate offence is committed. The relevant date is the date on which the person indulges in the



process or activity connected with such proceeds of crime. Section 2(1)(u) of PMLA is being reproduced below for ready reference:-

*“(u) “proceeds of crime” means any property derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to a scheduled offence or the value of any such property [or where such property is taken or held outside the country, then the property equivalent in value held within the country or abroad.]”*

10. While interpreting the word “value thereof”, the Hon’ble Supreme Court in the case of ***Vijay Madanlal Choudhary*** (*supra*), clarified that the definition of “proceeds of crime” is wide enough to not only refer to the property derived or obtained as a result of criminal activity relating to a scheduled offence, but also of the value of any such property. If the property is taken or held outside the country, even in such a case, the property equivalent in value held within the country or abroad can be proceeded with. This Court, in the case of ***Prakash Industries Ltd. Vs. Directorate of Enforcement*** (2022) SCC OnLine Del. 2087, held that the properties which were acquired prior to enforcement of the Act, may not be completely immune from action under the Act. In ***Prakash Industries*** (*supra*), this Court reiterated the observations made in ***Deputy Director, Directorate of Enforcement of Delhi Vs. Axis Bank & Ors.*** (2019) SCC Online Del 7854 that the expression “proceeds of crime” envisages both tainted property as well as untainted property with it being permissible to proceed against latter provided it is being attached as equivalent to the “value of any such property” or “property equivalent in value held within the country or abroad”, provided the



actual tainted property cannot be traced or found. Thus, where the respondent is unable to discover the tainted property, it may proceed to attach even an untainted property equivalent in value.

11. The Adjudicating Authority, upon appreciation of evidence, recorded a finding that the property represents value equivalent to proceeds of crime generated from scheduled offences. The plea of the property being ancestral does not *ipso facto* grants immunity from attachment under the PMLA. The statute does not carve out an exception for ancestral or inherited properties, and thus, they are not immune from attachment. The argument that ancestral property cannot be attached unless purchased from illicit funds, is misconceived and contrary to the scheme of PMLA.

12. Hence, we find no perversity or illegality in the findings of the Adjudicating Authority. The Appellate Tribunal, while upholding the attachment, has exercised jurisdiction vested in it under the statute and the impugned order reflects due application of mind, adherence to statutory requirements and consideration of the material on record.

13. In view of the foregoing, the present appeal is dismissed along with the pending application(s), if any.

**RAVINDER DUDEJA, J.**

**NAVIN CHAWLA, J.**

**FEBRUARY 16, 2026/RM/AK**