



PRESS RELEASE

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Directorate of Enforcement (ED), Jaipur Zonal Office, has successfully restituted the unsold inventory of 354 flats, 17 commercial units and 2 plots in Project Royal Rajvilas (RRV) at Udaipur, with a present market value of about Rs. 175 crores, to the Successful Resolution Applicant of M/s Udaipur Entertainment World Private Limited appointed under IBC, 2016, in the ultimate benefit of the genuine homebuyers who had purchased units in the said project. The present restitution brings an end to the plight of 213 innocent homebuyers who had been suffering for over 12 years and it has paved the way for completion of the project and finally handing over the completed units to these homebuyers.

ED initiated investigation on the basis of 03 FIRs and 01 Charge Sheet filed by the CBI in the matter of the Syndicate Bank Fraud against Bharat Bomb and others, who defrauded the Syndicate Bank (now Canara Bank) to the tune of Rs. 1267.79 Crore using the modus operandi of discounting of forged cheques, discounting of forged inland bills and drawing loans against forged insurance policies from 2011 to 2016. ED had attached total properties worth Rs. 535 Crore approx. vide various PAOs issued till date which also includes Proceeds of Crime (POC) to the tune of Rs. 83.51 Crore which was attached vide PAO No. 05/2019 dated 02.04.2019 in the form of unsold/unregistered inventory from M/s Udaipur Entertainment World Private Limited(UEWPL).

That, pursuant to the attachment vide PAO No. 05/2019 dated 02.04.2019, there were multiple litigations across the forums against the attachment. The Corporate Debtor i.e. UEWPL, was admitted into CIRP by the Ld. NCLT, Mumbai vide its order of admission dated 16.04.2021 in Company Petition vide No. CP (IB) No. 1396/2020 filed by initial set of homebuyers in Project Royal Rajvilas i.e. Anup Jain and others under section 7 of the IBC, 2016 for Corporate Insolvency Resolution Process (CIRP) of UEWPL. The Resolution Plan of the UEWPL was approved by the Ld. NCLT, Mumbai vide its order dated 24.02.2022. Vide the same order, the Ld. NCLT, Mumbai also vacated the PAO No. 05/2019 dated 02.04.2019 in respect of the attachment of properties of UEWPL. It is pertinent to mention that ED was not made a party in the proceedings before the NCLT, Mumbai.

Later, the Hon'ble Rajasthan High Court stayed the operation of the order dated 24/02/2022 of the Ld. NCLT, Mumbai vide its interim order dated 06/07/2023 on the grounds that the Ld. NCLT, Mumbai had no jurisdiction to set aside the order passed by the Ld. Adjudicating Authority (PMLA) under section 8 of the PMLA, 2002. The said interim order dated 06/07/2023 was vacated by the Hon'ble Rajasthan High Court vide its subsequent interim order dated 18/09/2024.

The Hon'ble Rajasthan High Court vide subsequent order dated 28.03.2025 restored the earlier interim stay by inter alia observing that the learned Single Bench had vacated its interim order dated 06/07/2023 of stay on the order dated 24/02/2022 of the Ld. NCLT, Mumbai without taking into consideration the serious issue of the jurisdiction of the NCLT raised by the Directorate of Enforcement and that the ED suffered the order without being impleaded as a party in the proceedings before the NCLT.

Thereafter, the new management of M/s Udaipur World Entertainment World Private Limited approached the Hon'ble Supreme Court of India vide SLP No. 10734/2025 challenging the order dated 28.03.2025 of the Hon'ble Rajasthan High Court. In the said SLP, the Hon'ble Supreme Court of India directed both parties to arrive at a consensus so as to protect the interest of the bona-fide homebuyers, who had invested their money in the project and could not get possession of their units/flats, due to aforesaid legal proceedings pending before different judicial forums.

In view of the directions of the Hon'ble Supreme Court to protect the interest of the bona-fide homebuyers, ED approached the Resolution Professional and new management of UEWPL seeking the details of all the homebuyers whose claims were admitted before the NCLT, Mumbai. ED scrutinized the details of the homebuyers and submitted a No Objection before the Hon'ble Court for restitution of the attached properties for benefit of bona-fide homebuyers except 11 flats/ units pertaining to 8 homebuyers (having a total consideration value of Rs. 8.65 Crore) which were identified to be connected with POC.

Since this instant issue involved a complex question of law involving interplay between IBC, 2016 and PMLA, 2002, which could have prolonged the ongoing litigation before the various forums, **ED took proactive approach to arrive at a harmonious solution without compromising the objective of the PMLA, 2002 and interest of the 213 homebuyers who were suffering due to the prolonged litigations.** ED verified the details of 221 homebuyers and submitted a No Objection in restitution of the attached properties to SRA/ homebuyers except 8 homebuyers. In view of the affidavit made by ED, the Hon'ble Supreme Court has passed order dated 10.10.2025 wherein the attached properties, having a present market value of about Rs. 175 crores, now stand restituted under Section 8 (8) of the PMLA, 2002, to the Successful Resolution Applicant of M/s Udaipur Entertainment World Private Limited for the sole benefit of the genuine and innocent homebuyers, thus bringing an end to the plight of 213 innocent homebuyers who had been suffering for more than 12 years after putting their hard earned money/ savings and the protracted litigation of over 7 years between UEWPL and the ED. The Hon'ble Supreme Court has passed the order on the peculiar facts of the case without going into the merits and has also observed that this shall not be treated as a precedent and the questions of law shall remain open to be decided in an appropriate case.

By adhering to the essence of PMLA, 2002, in terms of Section 8 (8) of the Act, the ED is taking every possible step and continuously making efforts to ensure that the attached properties are restituted to the rightful/ bona-fide claimant for the ultimate benefit of public at large. The ED has adopted procedures to identify rightful claimants, verify their claims, and expedite restitution without compromising legal scrutiny. By going with the same spirit and intent, the ED took efforts in the present matter to safeguard the interest of the bona-fide homebuyers. The Hon'ble Supreme Court in the said order dated 10.10.2025 has lauded the approach and efforts made by ED in restoring the attached properties to secure the interest of the genuine and innocent homebuyers observing that

“Lastly, we place on record our appreciation for the efforts made by the learned counsel for the parties and the DoE in restoring the attached properties to secure the interests of genuine and innocent home buyers.”

Thus, the proactive role of the ED in restitution reflects its commitment not only to punitive actions but also to restorative justice, thereby upholding rights of the victims and reinforcing trust in enforcement mechanisms. The efforts made by ED in this regard underscore the proactive approach to combat financial crimes expansively while safeguarding interests of the victims.

Images of the Royal Raj Vilas Project

