

News

Supreme Court stays Delhi HC ruling which said ED can attach property from cricket betting money as proceeds of crime



The plea raised the issue of whether funds arising from online betting and gambling can legally be treated as “proceeds of crime” under the Prevention of Money Laundering Act.

A Delhi High Court decision that permitted the Enforcement Directorate (ED) to confiscate assets connected to illicit online cricket betting by classifying them as "proceeds of crime" under the Prevention of Money Laundering Act (PMLA) was overturned by the Supreme

Court on Monday [Tushar Bansal & Ors. v. Adjudicating Authority & Anr.].

In a case claiming extensive hawala activities and an international betting operation, a bench of Justices MM Sundresh and N Kotiswar Singh sent notice to the ED regarding a petition contesting the High Court's decision on the ED's temporary attachment of properties.

The same were purportedly conducted from a farmhouse in Vadodara via the UK-based website Betfair.com.

The ED claims that the accused served as middlemen who obtained and disseminated Super Master IDs, which are online login credentials that allowed the establishment of several betting accounts without adhering to KYC regulations.

The High Court declared in November 2025 that, in accordance with Section 2(1)(u) of the PMLA, the revenues of betting through illegal acts of forgery, deceit, and conspiracy constitute "proceeds of crime."

The Supreme Court then heard the case.

The PMLA's boundaries, which permit the ED to take action only in cases where money or property is obtained from crimes specified in a legislative schedule, were brought up by the petitioner today.

According to the appeal before the highest court, the PMLA only permits the ED to intervene when funds are flowing from offenses on its agenda. It was argued that they cannot start a money-laundering lawsuit because gaming and internet betting are not on the list.

The plea claims that although the money was claimed to have originated directly from betting, the ED attempted to circumvent this by linking the purported betting proceeds to a different SIM card forgery case.

According to the petition,

In order to support the claim that there are proceeds of crime in this case, the contested judgment has unfairly relied on a specific and distant act of forgery. The

basic tenet of the PMLA is that the ED cannot exercise jurisdiction over an offense if it is not listed in the Schedule of the PMLA by the legislative.

The petitioner noted that even while the High Court ruled that the petition was not maintainable due to the existence of alternative remedies under the PMLA framework, it still examined the facts and upheld the ED's actions.

As stated in the petition,

“This approach renders the impugned judgment ex facie without jurisdiction, as once the High Court declined to exercise writ jurisdiction, it became functus officio and could not have adjudicated issues reserved exclusively for the statutory authorities under Sections 5 and 8 of the PMLA.”

It was argued that the High Court thus effectively made decisions on matters that the law should have delegated to specialized authorities.

The plea claimed that the statutory remedies had been reduced to a pointless formality, which violated Articles 14 and 21 of the Constitution and left the petitioner without recourse.

It was argued that the High Court's decision is an attempt to apply the money-laundering statute to actions that are only tangentially related to the alleged offenses.

The petitioner stated that by adding a new and extra-statutory "downstream activity," the Hon'ble High Court had weakened and revised the legislative criterion of "as a result of criminal activity relating to a scheduled offence."

Additionally, the Delhi High Court, PMLA, and Supreme Court have ruled that the ED can seize property from unlawful cricket betting revenues as proceeds of crime.

Senior Advocate S Nagamuthu, together with attorneys Sushil Gupta, Mayank Jain, Madhur Jain, and Arpit Goel, represented the petitioners.