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

# **CNR No. DLHC010397422026**

+ **W.P.(C) 12334/2026 & CM APPL. 57212/2026**

**M/S PG PAPER COMPANY LIMITED**

.....Petitioner

Through: Mr. Rajshekhar Rao, Senior Advocate  
with Mr. Waseem Pangarkar, Mr.  
Swapnil Srivastava, Mr. Jayesh  
Srivastava and Mr. Aditya Jain,  
Advocates

versus

**M/S SKYWAYS AIR SERVICES LIMITED  
AND ORS.**

.....Respondents

Through: Mr. Balbir Singh and Mr. Sacchin  
Puri, Senior Advocates with Mr.  
Neeraj Gupta, Ms. Harsha Totoka,  
Ms. Aashna Bhola, Ms. Mehak  
Ghaloth and Mr. Krishna Shukla  
Advocates for R-1  
Mr. Rajesh Kumar, SPC and Mr.  
Adhiraj, G.P. for UOI (R-3 & R-4).  
Mr. Ashish Aggarwal, Ms. Nishtha  
Verma, Mr. Chirag Goyal, Advocates  
for R-2/SEBI.

**CORAM:**

**HON'BLE DR. JUSTICE SWARANA KANTA SHARMA**

**ORDER**  
**25.08.2026**

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1. By way of the present petition, under Articles 226 and 227 of the Constitution of India, the petitioner seeks grant of following reliefs;

“a. Issue an appropriate writ, order or direction directing Respondent No. 2/SEBI to consider and decide the representations dated 18.08.2026 submitted by the Petitioner, in light of FIR No. 0172/2025 dated 12.12.2025, the continuing investigation pursuant thereto, the



suspension of the AEO-LO Certificate of Respondent No. 1 and the other subsequent developments placed before it;

b. Direct Respondent No. 2/SEBI to take appropriate measures, in exercise of its powers under the Securities and Exchange Board of India Act, 1992 and the applicable securities regulations to ensure integrity of the securities market is not impacted by fraudulent conduct of Respondent No. 1;

c. Direct the Respondent No. 4 (EOW, Delhi Police) to expeditiously conclude the investigation pursuant to FIR No. 0172/2025;”

2. The present petition arises out of allegations of fraudulent over-invoicing and manipulation of the petitioner’s freight procurement arrangements by entities forming part of the Skyways Group. As alleged by the petitioner, on 30.01.2017, the petitioner engaged Mr. Lokesh Chopra through M/s RPK Consultants as its Global Freight Procurement Manager, who was responsible for identifying freight forwarding companies and negotiating freight rates. On his recommendation, M/s Brace Port Logistics Limited, Skyways SLS Logistik GmbH and RIV Worldwide Ltd. were onboarded as freight forwarding vendors of the petitioner. M/s Skyways Air Services Limited [hereafter ‘**Skyways Air**’], was the parent/holding company of the said entities. In November 2024, following the arrest of Mr. Lokesh Chopra in an unrelated matter, the petitioner undertook an internal audit of its freight procurement and logistics arrangements. Between November 2024 and April 2025, the petitioner sought quotations and supporting documents from Brace Port and Skyways Air and found that the quotations were substantially higher than prevailing market rates and that certain supporting documents were allegedly fabricated and forged. The petitioner alleges that the audit revealed a conspiracy involving Mr. Sachin Arora, persons in the senior management of the Skyways Group and Mr.



Lokesh Chopra, whereby freight business was steered towards selected entities, genuine competitive quotations were suppressed and access to alternative freight providers was restricted. The petitioner states that the freight invoices were inflated by about 40% and, in certain cases, by as much as 300%. The alleged fraudulent over-invoicing was quantified at about INR 51.98 Crores, including INR 44.20 Crores (approximately) attributable collectively to Brace Port, respondent no. 5 and the Skyways Air. The total loss allegedly suffered by the petitioner, including over-invoicing and loss of business opportunities, was stated to be about INR 480 Crores.

3. On 17.09.2025, the petitioner lodged a complaint before the Economic Offences Wing, Delhi (**EOW**) alleging fraudulent over-invoicing, manipulation of freight procurement, use of fabricated and forged documents, payment of unlawful gratification, siphoning of funds and money laundering. Pursuant thereto, FIR No. 0172/2025 was registered under Sections 406, 409, 420, 467, 468, 471 and 120B of the Indian Penal Code, 1860 (**IPC**), against, *inter alia*, Mr. Lokesh Chopra, the Skyways Group and other accused entities. The investigation remains pending. On 30.06.2025, Skyways Air (respondent no. 1) filed its Draft Red Herring Prospectus (**DRHP**) in connection with its proposed initial public offering (**IPO**). Skyways Air claims that it became aware of the FIR only upon receipt of the EOW notice dated 03.02.2026 and thereafter filed an Updated Draft Red Herring Prospectus (**UDRHP**) on 21.02.2026 and an RHP on 02.03.2026, disclosing the FIR. It states that the proposed IPO was thereafter postponed due to prevailing market conditions. On 26.03.2026, the petitioner submitted a detailed representation to respondent no. 2, i.e.



Securities Exchange Board of India (**SEBI**), bringing the FIR and the allegations contained therein to its notice and seeking appropriate intervention. The petitioner states that, at that stage, the FIR had not been disclosed in the offer documents then issued by Skyways Air. Skyways Air replied on 23.04.2026, denying the allegations and reiterating that it had disclosed the FIR upon becoming aware of it through the EOW notice dated 03.02.2026. It is stated that on 04.05.2026, the AEO-LO status of Skyways Air was suspended pending the outcome of the FIR investigation. On 14.05.2026, the Assistant Commissioner, Directorate of International Customs, Central Board of Indirect Taxes and Customs, issued a notice proposing suspension and revocation of respondent No. 1's AEO-LO Certificate with effect from 04.05.2026. Skyways Air submitted its response on 28.07.2026, seeking that the certificate not be revoked. The proceedings remain pending. On 11.08.2026, Skyways Air filed a further RHP disclosing FIR No. 0172/2025 as an outstanding criminal proceeding and the continuing suspension of its AEO-LO status pending the investigation. It also disclosed that the outcome of the FIR may adversely affect its operations and reputation. The RHP stated that the IPO was scheduled from 24.08.2026 to 26.08.2026.

4. In view of the continuing investigation, suspension of the AEO-LO Certificate and filing of the RHP dated 11.08.2026, the petitioner submitted a supplementary representation to SEBI on 18.08.2026, seeking deferment of the proposed IPO and requesting SEBI to consider the pending investigation and the action taken by the CBIC before permitting Skyways Air to enter the securities market. The petitioner states that no response was received from SEBI and no action was taken pursuant thereto, leading to the



filing of the present petition.

5. The learned senior counsel appearing for the petitioner submits that the limited grievance of the petitioner is that, despite the petitioner having brought the FIR, the continuing investigation, suspension of the AEO-LO Certificate of Skyways Air (respondent no. 1) and the proposed IPO to the notice of SEBI through representations dated 26.03.2026 and 18.08.2026, no decision has been taken by SEBI thereon. It is argued that SEBI is the statutory regulator of the securities market and is vested with wide powers under Sections 11, 11A and 11B of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors and regulate the securities market. The learned senior counsel contends that the circumstances brought to the notice of SEBI, particularly the pendency of the FIR, the nature of allegations and the suspension of the AEO-LO Certificate of Skyways Air, warranted consideration by SEBI before the proposed IPO proceeded. It is further submitted that Skyways Air itself has disclosed in its RHP that the outcome of the pending FIR may adversely affect its operations and reputation. It is argued that, in these circumstances, SEBI ought to consider the petitioner's representations and examine whether any action is warranted in exercise of its statutory powers. The learned senior counsel further submits that the petitioner had approached SEBI in view of the imminent IPO and the absence of any response thereto has constrained the petitioner to approach this Court. It is, therefore, prayed that SEBI be directed to consider and decide the petitioner's representation dated 18.08.2026, along with the earlier representation dated 26.03.2026, with expedition, in view of the urgency in the matter.



6. Issue notice.
7. Notice is accepted by the learned counsels appearing on behalf of respondent no. 1, respondent no. 2, as well as respondent nos. 3 & 4
8. The learned senior counsels appearing for respondent no. 1, at the outset, challenge the locus of the petitioner to maintain the present petition and seek the reliefs prayed for therein. It is submitted that, although the prayer has been confined by the petitioner to a direction to SEBI to consider and decide the representations dated 26.03.2026 and 18.08.2026 (Annexure A-7 and Annexure A-110) within a time-bound period, the said prayer itself is opposed on the ground that the petitioner has no locus to maintain the present writ petition. The learned senior counsels, accordingly, submit that the petition is not maintainable and is liable to be dismissed.
9. The learned counsel appearing for respondent no. 2 also argues that the petitioner herein has no locus to file any representation before SEBI.
10. This Court has **heard** arguments on behalf of the petitioner as well as respondent no. 1 and 3, and perused the case file.
11. In nutshell, the grievance of the petitioner is that despite its representations bringing to the notice of SEBI the pendency of FIR No. 0172/2025, the continuing investigation, suspension of the AEO-LO Certificate of respondent no. 1 and the proposed IPO, no decision has been taken by SEBI thereon.
12. As regards prayer (c), the same seeks a direction to respondent no. 4/EOW, Delhi Police to expeditiously conclude the investigation pursuant to FIR No. 0172/2025. This Court, exercising jurisdiction in the present civil writ petition, is not inclined to issue any such direction for conclusion of the



criminal investigation and, accordingly, no relief in terms of prayer (c) can be granted.

13. During the course of hearing, the learned senior counsel appearing for the petitioner has confined the prayer to a direction to SEBI to consider and decide the representations made by the petitioner.

14. As regards the said relief, the learned senior counsel for respondent no. 1, i.e. Skyways Air Services Limited, has vehemently opposed even the limited prayer for consideration of the representation, primarily on the ground that the petitioner has no locus to make such a representation. However, this Court is of the view that the said aspect, including the question of locus of the petitioner, can also be considered by SEBI while examining the representations.

15. Accordingly, respondent no. 2/SEBI is directed to consider and decide the representations of the petitioner, in accordance with law, within a period of two weeks from today.

16. It is made clear that this Court has not expressed any opinion either on the merits of the allegations raised by the petitioner or on the locus of the petitioner to make such representations. Both aspects are left open to be considered by SEBI in accordance with law.

17. The petition along with pending application is disposed of in above terms.

18. The order be uploaded on the website forthwith.

**DR. SWARANA KANTA SHARMA, J**

**AUGUST 25, 2026/A**

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