

**APPELLATE TRIBUNAL UNDER SAFEMA AT NEW DELHI**

**1. MP-PMLA-5495/LKW/2024 Exemp.  
FPA-PMLA-2291/LKW/2024**

IDBI Bank ... Appellant

**2. MP-PMLA-5496/LKW/2024 Exemp.  
FPA-PMLA-2292/LKW/2024**

Union Bank of India ... Appellant

Versus

The Deputy Director  
Directorate of Enforcement, Lucknow ... Respondent

**Advocates/Authorized Representatives who appeared**

For the Appellants : Mr. Talib Khan, Advocate

For the Respondent : Mr. Pankaj Pandey, Adv.  
Ms. Vartika Gupta, Adv.  
Ms. Mayra, Adv.

**CORAM**

**SHRI V. ANANDARAJAN : MEMBER**

**FINAL ORDER**

**25.03.2026**

These appeals are directed against the order dated 13.09.2024 passed by the Adjudicating Authority (AA) established under the Prevention of Money Laundering Act, 2002 (PMLA), in Original Complaint (OC) No. 2265/2024 whereby the Ld. AA has confirmed the Provisional Attachment Order (PAO) No. 07/2024 dated 26.03.2024, attaching various properties in the case of M/s Samprash Foods Ltd., and the individuals and entities associated with the said company.

2. The allegations against the accused persons in the FIR registered by the CBI were under Sections 406 and 420 read with 120-B of the Indian Penal Code regarding default in repayment of loans and credit

limits availed from a consortium of banks led by the **Union Bank of India** (the appellant in one of the two appeals being considered in this order) and violation of the terms on which the same were extended. The consortium granted a total loan of Rs. 122 crore. Out of the same, the share of the Union Bank of India was Rs. 70,43,90,000/-, of which an amount of Rs. 60,88,93,512.17 was outstanding as on 31.03.2017 when the account was declared NPA. The borrower had offered 10 immovable properties as collateral security, apart from inventories worth Rs. 6.03 crore, book debts of 61.99 crore, plant and machinery of Rs. 28.34 crore and a cash margin of 0.67 crore.

3. During the course of investigation by the CBI, the **IDBI Bank** (the appellant in the second appeal herein) also filed a complaint for a declared fraud of Rs. 10 crore and the said complaint was also merged with the case.

4. Investigation by the CBI revealed that the borrower and other private persons entered into a conspiracy to cheat the lenders by making fraudulent transactions such as huge non-trade transactions and diverted the funds for their own use and the use of their connected entities.

5. Based on the information received, the Directorate of Enforcement (ED) registered an Enforcement Case Information Report (ECIR/LKZO/04/2020 dated 31.03.2020). Investigations conducted by the Directorate resulted in passing of a Provisional Attachment Order (PAO No. 07/2024 dated 26.03.2024) by the Deputy Director ED, Lucknow in respect of various immovable properties, the details of which are as follows:

## DETAILS OF IMMOVABLE PROPERTIES

| Sr. No. | Sale Deed No. and Date | Name of the owner  | Description of Properties  | Type of the Deed | Purchase Value | Valuation report by bank         | Value as per valuation report (in crore) |
|---------|------------------------|--|--|------------------|----------------|----------------------------------|--|
| 1.      | 515 & 21.01.2008       | M/s Samprash Foods Pvt. Ltd., Land and building & P&M situated at Khata No. 168, Khasra No. 485, situated at Village Koreh, Rustampur, Par Khair, tehsil Ghabana, Distt. Aligarh | Total Covered area of Plot is 100 Sq. M. from Plot having area 1380 Sq. M of Khasra No. 485. at Village koreh, Rustampur, Par Khair, tehsil Ghabana, Distt. Aligarh  | Sale Deed        | 800000         | Valuation Report 14.05.2014      | 34.47                                    |
| 2.      | 21401 & 04.01.2013     | Anmol Ratan Construction & Builders Pvt. Ltd., Office No. 4A/9 4th Floor Crown Plaza, Plot No- 27-28 Sector 15 A Mathura Road, Faridabad. Area 733.00 sq.                        | Shop No. 4-A/9 (Shop Space) on Fourth Floor, measuring Super Area 733 Sq. Ft. along with proportionate undivided and impartible share in land on which building is constructed (i.e. proportion which shop area bears to the total built up area of entire complex,) Plot No- 27-28 Sector 15 A Mathura Road, Faridabad. | Sale Deed        | 2199000        | Valuation report dtd. 25.09.2015 | 0.56                                     |
| 3.      | 21402 & 04.01.2013     | Anmol Ratan Construction & Builders Pvt. Ltd., Office No. 4A/12 4th Floor, Crown Plaza, Plot No- 27-28 Sector 15 A Mathura   | Shop No. 4-A/12 (Shop Space) on Fourth Floor, measuring Super Area 509 Sq. Ft. along with proportionate undivided and  | Sale Deed        | 1527000        | Valuation report dtd. 25.09.2015 | 0.38                                     |

|    |                    |   |  |           |         |                                   |      |
|----|--------------------|---|--|-----------|---------|-----------------------------------|------|
|    |                    | Road, Faridabad. Area 509.00 sq. ft.  | impartiable share in land on which building is constructed (i.e. proportion which shop area bears to the total built up area of entire complex,) Plot No- 27-28 Sector 15 A Mathura Road, Faridabad.   |           |         |                                   |      |
| 4. | 21403 & 04.01.2013 | Anmol Ratan Construction & Builders Pvt. Ltd., Office No. 4A/11 4th Floor, Crown Plaza, Plot No- 27-28 Sector 15 A Mathura Road, Faridabad. Area 827.00 sq. ft. | Shop No. 4-A/11 (Shop Space) on Fourth Floor, measuring Super Area 827 Sq. Ft. along with proportionate undivided and impartiable share in land on which building is constructed (i.e. proportion which shop area bears to the total built up area of entire complex,) Plot No- 27-28 Sector 15 A Mathura Road, Faridabad. | Sale Deed | 2481000 | Valuation report dtd. 25.09.2015  | 0.64 |
| 5. | 23777 & 15.02.2007 | Chandra Narain Kuchroo, Residential Property at 149, Block-A, Sushant Lok-III, Gurgaon  | Plot No. 149 Block No. A admeasuring 696.00 Sq. M. in the residential colony known as Sushant Lok Phases-III situated in and around village Tigra Dist. Gurgoan Haryana  | Sale Deed | 3329640 | Valuation report dtd. 28.09.2015  | 6.72 |
| 6. | 13669 & 02.12.2011 | Anmol Ratan Construction & Builders Pvt. Ltd., Non Agriculture land at  | Area Admeasuring 10093.77 Sq. Yards. Khatra No. 019 Gata No. 593, Village  | Sale Deed | 1200000 | Valuation report dated 09.05.2014 | 7.60 |

|       |  |  |  |  |  |  |       |
|-------|--|--|--|--|--|--|-------|
|       |  | Property No.<br>19, Village<br>Nagola,<br>Anoop Sahar<br>Road Aligarh<br>area<br>admeasurig<br>10093.77<br>Sq. Yards | Nagola,<br>Anoop Sahar<br>Road Aligarh |  |  |  |       |
| Total |  |  |  |  |  |  | 50.37 |

6. An Original Complaint (OC No. 2265/2024 dated 24.04.2024) having been filed before the Ld. Adjudicating Authority (AA) as per the requirements of Section 5(5) of the Act, the Ld. AA vide its order dated 13.09.2024, confirmed the attachment of the subject properties.

7. Aggrieved by the said order of the Ld. AA confirming the attachment of the properties which stood mortgaged to them at the time of their attachment by ED, the appellant banks have filed these appeals challenging the same.

8. Arguments on the two appeals were initially heard on 03.11.2025, after which, the following order was passed by the Bench which succinctly summarises the essential facts of the case as well as the issue to be decided:

*“The appeal is argued on merits from both the sides.*

*Ld. Counsel for the Appellant, referring to the facts on record, submitted that a loan of Rs. 70.45 crores was taken from the Union Bank of India which is the appellant in the first of the two appeals and another loan of Rs. 10 crores was taken from the IDBI Bank by the appellant in the second appeal.*

*The amounts were taken against mortgage of properties which had been acquired by the borrowers prior to the date of mortgage. The loan period is between 2011 to 2014. The borrowers defaulted on repayment of the loans and the loans*

*became NPA. An FIR was filed by the UBI on 29.06.2019 based upon which an ECIR was registered by the respondent on 31.03.2020. It is submitted that proceedings under Section 13(2) of the SARFAESI Act were initiated by the respondent on 09.01.2018, that is, prior to registration of the FIR. In pursuance of the same, three properties were auctioned in 2021 and one more in 2023. However, on 26.03.2024 the Respondent Directorate passed a PAO attaching the remaining six mortgaged properties.*

*Ld. Counsel for the Appellant submitted that no efforts were made by the Directorate to identify the properties actually acquired by the borrowers from the loans taken and diverted away. Instead, the properties which had been acquired prior to the period of offence and which were untainted and stood mortgaged to the appellant bank have been attached frustrating the recovery of loan by the appellant banks as per law.*

*He relied upon the judgment of this Appellate Tribunal in the Manager, Bank of Baroda Vs. Deputy Director, Directorate of Enforcement, Ahmedabad FPA-PMLA-6262/AHD/2023 and stated that the appellants in present case are identically placed as the appellants in that case and therefore, similar orders may be passed in their cases.*

*Ld. Counsel for the Respondent referred to the PAO as well as the impugned order and submitted that efforts were made to identify the direct proceeds of crime and a part of the same were traced to plant and machinery which has also been attached.*

*He further submitted that the main accused, Shri C. N. Kuchroo, was trying to shift the controlling interest in the company to his brother Shri Dilip Kachroo by transferring the shares. Therefore, the ED had attached the properties to prevent him from doing so.*

*Responding to the above submission from the Ld. Counsel for the Respondent, Ld. Counsel for the Appellant stated that the said event occurred in 2016 when the bank was already*

*having a lien of the property as the mortgagee and the bank was in the process of auctioning the properties.*

*Considered the submissions from both the sides. Upon perusal of the judgment of this Appellate Tribunal cited by the appellants, it is found that the same are on identical facts. As such, the bench was inclined to pass a similar order in the present appeals, at which stage, Ld. Counsel for the Respondent pleaded for an opportunity to file the prosecution complaint filed in the case. It is stated that the same is likely throw light on certain relevant aspects of the case, and also highlight the effort made by the Respondent Directorate to trace out the direct proceeds of crime before attaching the mortgaged properties as 'value' of proceeds of crime.*

*Considered the prayer.*

*Let a copy of the prosecution complaint be filed within a week with a copy to the other side.*

*List the matter for conclusion of arguments on 25th November, 2025."*

9. Subsequently, in pursuance of the leave granted vide the above order, a copy of the Prosecution Complaint filed by ED before the designated Special Court for PMLA, 2002 was filed by the respondent on 05.02.2026, whereafter, arguments on the appeals were finally heard and reserved for orders on 12.02.2026.

10. I have given careful consideration to the material on record and the rival pleadings and verbal arguments of parties. As already stated, the appellants in these cases are seeking an order on the lines of the order passed by this Appellate Tribunal in the case of *Bank of Baroda* in Appeal No. FPA-PMLA-6262/AHD/2023. Text of the said order is extracted below for ready reference:

*"This appeal has been filed by the Financial Institution lodged the FIR against the accused for the offence under Section 120*

*(b) read with Section 420, 468, and 471 IPC and Section 13 (2) read with Section 13 (1) (d) of Prevention of Corruption Act, 1988. It is alleging that accused had availed credit facility and thereupon misused the funds of Rs. 123.88 crores apart from interest thereon. The respondent recorded ECIR and after causing investigation, provisional attachment order of the property under mortgage with the appellant was passed without disclosing any apprehension of its alienation or to be dealt with to frustrate the proceedings of confiscation and otherwise reason for provisional attachment of the mortgage property.*

*It has caused serious prejudice to the financial institution which initially suffered in the hands of the accused and now in the hands of the respondent who failed to reach to the proceeds of crime and targeting only mortgage property, the provisional attachment order was passed. It is affecting recovery by the financial institution. The failure of the ED is to find out direct or indirectly obtained or acquired proceeds of crime but to attach the mortgage property affecting the institution and otherwise a failure to achieve the object of the Act of 2002. In fact, it remains to the benefit of the accused who may be enjoying the proceeds obtained directly or indirectly which is not reached by the respondents and thereby attaching the mortgage property for value thereof causing serious prejudice to the institution.*

*In the light of the facts given above, we are inclined to accept the appeal filed by the financial institution alleging violation of Section 5(1) of the Act of 2002 for causing provisional attachment of the property under mortgage having no likely of its alienation, the impugned order qua the appellant is set aside. The appeal is allowed with the aforesaid.”*

11. When final arguments on the case were heard from both sides after the respondent directorate had brought on record a copy of the Prosecution Complaint for which they were granted leave, an argument was raised by the Ld. Counsel for the Respondent that the attached properties listed at Sl. Nos. 2, 3, 4 & 6 of the Schedule of Immovable Properties (see table on pages 3 to 5 of this order) were themselves

acquired out of proceeds of crime. In this regard, he referred to sub-para 3.2.1 (page-10) of the Prosecution Complaint which reflects that on 21.08.2014 an 'Enhancement of CC Limit' to the extent of Rs. 10 cr. was availed from the IDBI Bank by M/s Samprash Foods Ltd. He contended that acquisition of M/s Anmol Ratan was from the loans already misappropriated by M/s Samprash Food and, therefore, the same was acquired out of proceeds of crime. As such, the four properties were acquired out of tainted funds and hence, represented the proceeds of crime themselves and not merely the value thereof. M/s Anmol Ratan was acquired for ever greening of the loan in order to service it and again misappropriate funds. Bank employees failed to do their diligence.

12. In this regard, I have perused the material on record. The findings with regard to M/s Anmol Ratan are found on pages 15 to 17 of the impugned order. The same are extracted below for ready reference:

*e) It was further revealed that M/s Anmol Ratan Construction and Builders Pvt. Ltd. had held 5-6 immovable properties. Mr. C. N. Kuchroo required some properties in his name for pledging the same as mortgaged against the loan of M/s Samprash Food Ltd. Therefore, Mr. Kuchroo purchased the company from Mr. Kapil Chugh, who sold the same for amount approximately double to the cost of the properties. Mr. C. N. Kuchroo paid this amount in cash as well as through the accounts of other entities, which were being utilized for routing the working capital. Mr. Kapil Chugh received the amount in the account of his companies.*

*(f) It was further observed from the analysis of A/c of M/s Anmol Ratan Construction and Builders Pvt. Ltd. that total Rs.44.45 crore has been credited to the A/c from a company namely M/s Root Infratech Pvt. Ltd. in which one Mr. Rajatesh Kumar Maji was director. Mr. Rajatesh Kumar Maji and Mr. Akshar Kuchroo were directors in Group company of M/s Samprash Foods namely M/s Samprash Mega Food Park Pvt.*

*Ltd. also. Further, Rs.2.80 crore was credited in the account of Anmol Ratan from K. K. Milk Fresh India (a sister company of M/s Samprash Food). Furthermore, the company M/s Anmol Ratan Construction and Builders Pvt Ltd was holding 31,62,142 equity shares of M/s Samprash Foods Ltd. having share value of Rs.10 each. Thus, it is clear that there were various entities of M/s Samprash Group which were interconnected to each other and payment for purchase of M/s Anmol Ratan Construction and Builders Pvt Ltd was made through these interconnected entities. Mr. C. N. Kuchroo purchased this company so that he could mortgage the properties of the company for availing loan in the name of M/s Samprash Foods Ltd. The purchase value of the company was given by Mr. C. N. Kuchroo after obtaining loan from the bank and paying it in cash as well as through the accounts of other entities, which were being utilized for routing the working capital. Mr. Kapil Chugh received the amount in the account of his companies. The fact has also been corroborated from the statement of Mr. Sanjay Agarwal, General Manager(Admn.) of M/s Samprash Foods Ltd u/s 50 of PMLA*

*(g) Mr. C. N. Kuchroo pledged 4 immovable properties held in the name of M/s Anmol Ratan Constructions & Builders Pvt Ltd. as mortgage against the loan. It is observed that Mr. C.N. Kuchroo was the main director of M/s Anmol Ratan Construction and Builders Pvt. Ltd. at the time of pledging the above properties mortgaged against the loan and he is the main director though his cousin Mr. Dilip Kachroo was also appointed as director in this company since 2016 only to maintain the ROC norms. Mr. C.N. Kuchroo accepted the same during his statement u/s 50 of PMLA, 2002. He also accepted that Sh. Dilip Kuchroo didn't do any work through this company during his directorship.*

*(h) As Mr. C. N. Kuchroo acquired the company M/s Anmol Ratan Constructions & Builders Pvt. Ltd. for getting hold on the properties of this company so that he could mortgage it for availing higher loan/limit from the consortium bank. On the basis of these properties, he availed loan/limits from the*

*consortium bank and dissipated the same for personal use. At the time of mortgaging property and during the dissipation of loan amount he was responsible for the conduct of business of M/s Anmol Ratan Constructions & Builders Pvt Ltd. However, later on, Mr. C. N. Kuchroo withdrew his name from directorship and appointed his cousin Mr. Dilip Kuchroo as director in 2016. Therefore, even though Mr. C. N. Kuchroo is not present director of this company, but he is the beneficial owner of the M/s Anmol Ratan Constructions & Builders Pvt. Ltd. and also responsible for conduct of the company.*

*(i) It has been revealed that the Directors of the company M/s Samprash Food Pvt. Ltd. have diverted the loan amount through non-trade transactions and a part of the same was used for their personal gain. The amount so diverted was used other than the purpose for which the loan was sanctioned. Hence, the loan availed by the company could not be paid and the company and its directors defaulted the payment. Therefore, the loan amount was used in the interest of M/s Samprash Food Pvt. Ltd., its directors namely Mr. C. N. Kuchroo, Mr. Akshar Kuchroo and other associate persons.*

*(j) It was further observed that Mr. C. N Kuchroo acquired directorship of M/s Anmol Ratan Construction & Builders Pvt. Ltd. only to take charge of on the immovable properties of this company and mortgaged the same for availing loan from consortium bank On the basis of these properties, the bank sanctioned higher loan which became NPA In the meantime, Mr. C. N. Kuchroo withdrew his name from directorship and appointed his cousin Mr. Dilip Kuchroo as director in 2016. Thus the properties in the name of this company was dealt in a way by Mr. C. N. Kuchroo to shift the ownership from himself to Mr. Dilip Kuchroo. Though, these properties are mortgaged with bank, but it is likely that he may further shift the ownership of these properties anytime by changing the directorship to transfer the legal liability on him and M/s Samprash Foods Ltd.*

13. Upon a careful perusal, I do not find any material to conclude that the said four properties standing in the name of M/s Anmol Ratan were

attached as property acquired directly or even indirectly out of the proceeds of crime generated from the scheduled offence. Rather, all the material on record indicates that the properties have been attached as 'value of such property' ('value thereof'). This is clear from para 9.10 (page 54 of the OC) wherein it is categorically mentioned that the properties available in the name of M/s Anmol Ratan Constructions & Builders Pvt. Ltd. are proceeds of crime in terms of 'value of any such property' under the provisions of Section 2(1)(u). Further, para-9 of the impugned order (Page No. 35-38) dwells at length upon the concept of 'value thereof'.

14. The contention put forward by the respondent is not found even in the reply to the appeal filed by ED. When this was pointed out, Ld. Counsel for ED referred to paragraphs 12 & 13 of the reply but no such contention is found in the said paragraphs on the contrary, the language of para 9 of the reply also indicates that the said properties have been attached as 'value of such properties' and not as direct/indirect proceeds of crime. Under the circumstances, the above submission from the side of the counsel for the respondent appears to be an attempt to make out a new case which is not emerging from the records, which cannot be sustained.

15. It may also be mentioned that at the request of the Ld. Counsel for the Respondent was given time to file a chart showing the timeline of events, especially acquisition and mortgage of properties, latest by 20-02-2026. However, the same has not filed by the Respondent.

16. At this stage, it would also be appropriate to refer to the language of section 5 which is as follows:

*5. Attachment of property involved in money-laundering.—  
(1)Where the Director or any other officer not below the rank of*

*Deputy Director authorised by the Director for the purposes of this section, **has reason to believe (the reason for such belief to be recorded in writing), on the basis of material in his possession, that—***

*(a) any person is in possession of any proceeds of crime; and*

***(b) such proceeds of crime are likely to be concealed, transferred or dealt with in any manner which may result in frustrating any proceedings relating to confiscation of such proceeds of crime under this Chapter,***

*he may, by order in writing, provisionally attach such property for a period not exceeding one hundred and eighty days from the date of the order, in such manner as may be prescribed:*

*Provided that no such order of attachment shall be made unless, in relation to the scheduled offence, a report has been forwarded to a Magistrate under section 173 of the Code of Criminal Procedure, 1973 (2 of 1974), or a complaint has been filed by a person authorised to investigate the offence mentioned in that Schedule, before a Magistrate or court for taking cognizance of the scheduled offence, as the case may be, or a similar report or complaint has been made or filed under the corresponding law of any other country:*

*Provided further that, notwithstanding anything contained in first proviso, any property of any person may be attached under this section if the Director or any other officer not below the rank of Deputy Director authorised by him for the purposes of this section has **reason to believe (the reasons for such belief to be recorded in writing), on the basis of material in his possession, that if such property involved in money-laundering is not attached immediately under this Chapter, the non-attachment of the property is likely to frustrate any proceeding under this Act: [Emphasis supplied]***

17. The plain language of Section 5 which provides for attachment of the property involved in money laundering, makes it evident that in order to invoke the provisions of sub-section (1), it is essential that the authority seeking to invoke the provision has reason to believe, which are

to recorded in writing, on the basis of material in his possession, that if such property involved in money-laundering is not attached such proceeds of crime are likely to be concealed, transferred or dealt with in any manner which may result in frustrating any proceedings relating to confiscation of such proceeds of crime. To invoke the Second Proviso to the said sub-section which provides for attachment of property when the prosecution complaint is yet to be filed, the authority is required to have reason to believe, to be recorded in writing, on the basis of material in his possession, that if such property involved in money-laundering is not attached immediately under this Chapter, the non-attachment of the property is likely to frustrate any proceeding under this Act. In the absence of any reason to believe the same, the property cannot be attached under Section 5(1), much less by invoking the Second Proviso thereto.

18. In the present case, facts on record show that as on the date of attachment, the properties already stood mortgaged to the appellant Banks. Furthermore possession of the properties had been taken by the Bank and four of the properties had already been auctioned by the Bank. In para 8.16 of the PAO, the respondents have claimed that the four properties sold by the Bank were sold much below value. However, there is nothing on record to substantiate the claim, nor is there any allegation of complicity or collusion on the part of the Bank or its employees.

19. Under the circumstances, following the ratio laid down by this Appellate Tribunal in its judgment in the case of *Bank of Baroda* (supra), these appeals filed by the Banks alleging violation of Section 5(1) of the Act of 2002 by causing provisional attachment of the property under mortgage having no likelihood of its alienation are **allowed** and, the impugned order qua the appellants herein is set aside.

20. Pending applications, if any, shall also stand disposed of.

21. No order as to costs.

**(V. Anandarajan)**  
**Member**

**New Delhi**  
**25<sup>th</sup> March, 2026**  
'PKV'