



Press Release
03.10.2022

Directorate of Enforcement (ED) has arrested Sanjay Raghunath Aggarwal in connection with an ongoing investigation under PMLA, 2002 initiated on the basis of FIR registered by Telangana Police in the case of fraudulent GDR (Global Depository Receipt) issue of a Hyderabad based firm M/s Farmax India Ltd. Sanjay Raghunath Aggarwal along with the promoters of the GDR issuing Company and others curated a scheme of duping the Indian investors by fraudulently subscribing to the GDR of Indian companies from loan obtained from EURAM Bank by pledging the proceeds from the same GDR issue.

Farmax India Ltd, with the financial advisory services of Sanjay Raghunath Aggarwal through his entity La Richesse Advisors Pvt. Ltd, had raised US\$71.91 million (Approximately Rs. 318 Crore in June-August 2010) in Europe by issuing GDR. Entire GDR was subscribed by only one entity Vintage FZE floated and controlled by Arun Pachariya out of loan funds taken from EURAM Bank by pledging the GDR proceeds of the Indian Company, even before the GDRs were subscribed. The Indian Company in connivance with Sanjay Aggarwal and Arun Pachariya and others fraudulently offered the GDR proceeds as mortgage security to the Bank to arrange loan to Vintage FZE. Eventually, Vintage FZE did not repay the loan and the GDR proceeds were adjusted by the Bank against outstanding loan. The GDR proceeds were never repatriated to India. These GDRs were later converted into equity by the FII's controlled by Arun Pachariya and sold in Indian Stock market at higher inflated price and caused a loss to Indian investors of around Rs. 54 Crores.

Sanjay Aggarwal has been produced before the Hon'ble MSJ, Nampally and he has been remanded to judicial custody for 14 days.

Further investigation is in progress.
