



Press Release

1/02/2024

Directorate of Enforcement (ED) has provisionally attached immovable properties worth Rs. 34.11 Crore approx., in the form of 4 land parcels, 1 residential land and 1 residential flat located at Coimbatore and Chennai under the provisions of Prevention of Money Laundering Act (PMLA), 2002, in connection with a bank fraud case of a Coimbatore based firm **M/s Lavanya Jewels** (later converted to company **M/s Lavanya Gold Jewels India Pvt Ltd**).

ED initiated investigation on the basis of an FIR was registered by the CBI, BS&FC, Bengaluru against the directors of Lavanya Gold Jewels India Pvt Ltd in relation to a wrongful loss of Rs. 65.00 Crore to the State Bank of India.

ED investigation revealed that M/s Lavanya Jewels had obtained Cash Credit facilities from the bank on the basis of inflated figures of its Stock-in-hand, Debtors etc. The credit facilities from the bank have been admittedly misused in repayment to private financiers from whom cash loans were borrowed at exorbitant interest rate of 60% to 100% per annum, and for other non-business purposes.

ED investigation also revealed that the directors of above-said company have illegally taken out gold bars/ gold jewellery from the firm/ company for personal use. Further, they converted the said gold inventory into Bitcoins outside India and gradually laundered the undisclosed and unaccounted proceeds of crime in the form of complex crypto accounts and shown income from crypto transactions in a related partnership firm. The same income has been used by the directors of above-said company to acquire one flat worth Rs. 1.70 Crore, in Chennai.

ED Investigation also unearthed that one of the properties mortgaged by M/s Lavanya Jewels with the bank has been fraudulently taken in e-auction by a real estate entity at much lower value of around Rs. 6.5 Crore (having market value of more than Rs. 20 Crore) in the benami name of the employee of the real estate entity, which constitutes proceeds of crime resulting in the loss to the Bank itself in such loan account.

Therefore, immovable properties to the tune of Rs. 34.11 Crore involved in the money laundering have been provisionally attached by the Directorate.

Further investigation is under progress.