



## **PRESS RELEASE**

**19/08/2023**

Directorate of Enforcement (ED) has carried out Search Operations on 18.08.2023 under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 at 17 locations in Karnal, Kaithal, Sonapat, Gurugram, Hathras, Gwalior pertaining to M/s Sri Hari Har Overseas Pvt Ltd & Others, M/s R G International Pvt Ltd & Others, M/s T C Agro Industries & Others, M/s Suma Foods Pvt Ltd & Others and M/s KTC Foods Pvt Ltd & Others and their related entities.

ED initiated investigation on the basis of FIRs registered by CBI under various sections of IPC, 1860 and PCA, 1988 related to criminal breach of trust, criminal conspiracy, cheating and criminal misconduct with Punjab National Bank and Central Bank of India causing a loss of around Rs. 520 Crore to the banks. The accused entities were engaged in the business of husking of paddy and rice and running rice sheller.

The subject entities and their directors used forged stock statements for drawing excess finances from the bank. Further, the accused dishonestly sold out the hypothecated stocks and machinery without the knowledge and consent of the bank and did not deposit the sale proceeds with the bank.

During ED investigations, it was found that the accused entities have diverted huge amounts to their related firms and several other fictitious firms for routing the money without any genuine business transactions.

During the course of search operations, it was found that the accused entities and their directors created new entities with dummy directors/partners in order to layer the proceeds of crime and projecting the same as untainted by purchasing their mortgaged properties through these dummy entities. During investigations, it was also gathered the security guard etc were made as dummy directors. The investigation into the source for purchase of these properties through dummy entities is in progress. Further, the accused directors were found to be in possession of the auctioned mortgaged properties.

During the search operations, bank lockers, digital devices, various incriminating documents and cash of more than Rs 20 lakh was found and seized. Few live cartridges along with copy of original arms licence were also found at one of the search premises which were handed over to the local police.

Further investigation is under progress.