



PRESS RELEASE

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Directorate of Enforcement (ED) has provisionally attached assets worth Rs 205.36 crore of MGM Maran and MGM Anand and their company 'Southern Agrifurane Industries Pvt Ltd' under the provisions of Prevention of Money Laundering Act, 2002.

MGM Maran was the Chairman of Tamilnad Mercantile Bank Limited (TMBL) during the year 2007 when he along with other directors/officials of the TMBL had facilitated a deal of sale of 23.60% shares of TMB from Indian shareholders to unauthorised overseas persons. It was also found that MGM Maran acquired undisclosed foreign investments of Rs 293.91 crore directly outside India during the same period. Such undisclosed investments were without the approval of RBI as well as from unexplained and highly dubious sources.

In order to escape the reach of Indian Laws, MGM Maran surrendered his Indian Citizenship and obtained Cyprus Citizenship. Not only that, it was also found that MGM Maran also started transferring his wealth from India to overseas in order to keep the same out of reach of the Indian Law Enforcement Agencies in the garb of Overseas Direct Investments from the Indian company 'Southern Agrifurane Industries Pvt Ltd'.

On the complaint of AD Bank, Axis Bank, Central Crime Branch, Chennai (CCB) registered FIR and accordingly an ECIR was recorded by ED.

The company filed Writ Petition against ED proceedings before Hon'ble Madras High Court in the month of Oct, 2022 and obtained interim stay on ED proceedings by making mis-representation before the Court. ED in its detailed counter affidavit explained the entire background and facts of the case. Accordingly Hon'ble Madras High Court vide landmark judgement (WP 28140/2022) dated 19.12.2022 dismissed the Writ petition and upheld that the company by making false declaration has induced the AD Bank to deliver valuable foreign exchange and such remittance in the hands of the wholly owned subsidiaries of the company, situated outside India, would constitute proceeds of crime.

Accordingly, ED has now provisionally attached proceeds of crime under PMLA as equivalent value in the form of entire shareholding of both Maran and Anand in all prominent MGM Group of companies in India, lands and buildings in 'Southern Agrifurane Industries Pvt Ltd' as well as entire shareholding (3.31%) of Maran in TMBL (recently listed on BSE).

Further investigation is under progress.