



**Press Release**  
**14.03.2024**

Directorate of Enforcement (ED), Nagpur has carried out search operations under the provisions of Prevention of Money Laundering Act (PMLA), 2002 on 08.03.2024 at 8 official and residential premises in Nashik and Thane (Maharashtra) in a case against M/s KBC Multitrade Pvt Ltd and their Promoters / Directors. Search was also carried out on 11.03.2024 at the bank locker belonging to Sanjay Panchariya maintained with Anand Nagari Sahakari Patsanstha Maryadit. During the overall search action, documents related to 20 properties valued at Rs 62 Crore were seized and restraint was placed u/s 17(1A) on bank account balances amounting to Rs 16.6 Crore, demat account balances amounting to Rs 44.61 Lakh, and post office savings worth Rs 5.56 Lakh. Further, seizure of Rs 30.75 Lakh worth of gold and diamond jewellery has also been done. Restraint has also been placed u/s 17(1A) of PMLA 2002 on 4 lockers which are believed to be in possession of the proceeds of the crime.

ED initiated investigation on the basis of multiple FIRs registered by Maharashtra Police in Parbani, Nashik and other districts across Maharashtra under various sections of IPC, 1860 against M/s KBC Multitrade Private Ltd. and its promoters, Babu Chhabu Chavan, Bhausahab Chhabu Chavan and Arti Bhausahab Chavan. The Chavan family along with co-accused principal agents of Company hatched a conspiracy to allure people through an MLM (Multilevel Marketing) scheme run under aegis of M/s KBC Multitrade Private Ltd. and M/s KBC Club and Resorts Pvt Ltd promising public attractive refunds on their investment and duping the public of more than Rs 200 Crore.

ED investigation revealed that the general public were subscribed as members on payment of fees under various packages/ schemes propagated by M/s KBC Multitrade Private Ltd. and M/s KBC Club and Resorts Pvt Ltd, with promises of Binary and Matrix commissions, awards & rewards and product gifts. The commission was incumbent upon all members to enroll more members, as a portion of the subscription amounts so collected was distributed among the members at the top of the pyramid. The members got incentivized to invest, lured with such commissions, even when there was no actual underlying business activity of the Company.

During the investigation, it was further revealed that the Directors/ Promoters of M/s KBC Multitrade Private Ltd, Babu Chhabu Chavan, Bhausahab Chhabu Chavan and Arti Bhausahab Chavan and other co-accused used the membership fees so collected from the public for acquisition of immovable assets, gold jewellery, investment in shares etc. Immovable assets were maintained both in their own name, as well as their relatives acting as benamidaars.

Further investigation is under progress.