



PRESS RELEASE

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Directorate of Enforcement (ED), Mumbai has attached assets valued at Rs. 50.20 Crore of M/s Kannad Sahakari Sakhar Karkhana Limited (Kannad SSK) owned by M/s Baramati Agro Ltd under the provisions of the Prevention of Money Laundering (PMLA), 2002 in a case relating to illegal sale of sugar mills by Maharashtra State Co-operative Bank (MSCB). The attached assets consist of 161.30 acres of land, plant & machinery and building of the sugar unit in Kannad, Dist- Aurangabad.

ED initiated investigations on the basis of an FIR registered by Economic Offence Wing, Mumbai Police under various sections of IPC and of Prevention of Corruption Act. The said FIR has been registered in pursuance of the Order dated 22.08.2019 of the Hon'ble Bombay High Court. In the said FIR, it has been alleged that the SSKs were fraudulently sold by the then officials & Directors of MSCB at throw-away prices to their relatives/private persons without following the due procedure.

ED investigation revealed that to recover the outstanding loan of Rs. 80.56 Crore of M/s Kannad SSK Limited, MSCB took possession of all the assets of said SSK on 13.07.2009 under SARFAESI Act. On 30.08.2012, MSCB conducted auction of Kannad SSK by fixing very low reserve price based on a questionable valuation report. Apart from M/s Baramati Agro Ltd., 2 other parties entered into the bidding process. The bidder with the highest bid was technically disqualified on flimsy ground, whereas the other bidder was already a close business associate of M/s Baramati Agro Ltd. with no financial capacity or experience of running sugar unit.

Based on the investigation conducted and evidences collected under PMLA so far, it has been established that the acquisition of Kannad SSK by M/s Baramati Agro Ltd was illegal and assets so acquired are proceeds of crime under the section 2(i)(u) of the PMLA, 2002. Accordingly Provisional Attachment Order under PMLA was issued attaching all the assets of Kannad SSK acquired for Rs.50.20 Crore.

Earlier in this case, 03 Provisional Attachment Orders have been issued where assets acquired at Rs. 121.47 crore have been attached. Further, 01 main Prosecution Complaint and 02 Supplementary Prosecution Complaints have also been filed before the Hon'ble Special PMLA Court, Mumbai for wrongful acquisition of 3 other SSKs. Hon'ble Court has already taken cognizance of all the prosecution complaints filed in this case.

Further investigation is under progress.