Press Release
31.03.2022

Enforcement Directorate has seized assets worth Rs. 216.40 Crore of a Chennai based company Southern Agrifurane Industries Pvt Ltd [SAIPL] and its promoter/director MGM Maran (former chairman of Tamilnad Mercantile Bank Limited) and MGM Anand, under the provisions of Foreign Exchange Management Act (FEMA), 1999.

The seized assets are in the form of land and buildings owned by SAIPL in Tamilnadu and Telangana; Shares owned by MGM Maran in Tamilnad Mercantile Bank Limited (representing 3.31% shares of TMB, which has filed Draft Red Hearing Prospectus for IPO recently); shares of Indian companies SAIPL, MGM Entertainment Pvt Ltd and Anand Transport Pvt Ltd owned by MGM Anand.

SAIPL is found to have siphoned off Indian Funds of Rs 216.40 Crores aboard under the garb of Overseas Direct Investments [ODI] by way of False Declarations to its AD Bank as well as by way of structuring transactions in a manner so as to send outward remittances without any bonafides and with sole objective to remove funds from India in the name of ODI without there being any genuine business reasons for the Indian company SAIPL. Such funds have been diverted outside Indian under the garb of ODI with an intention to escape the clutches of Indian laws. By this way, the company siphoned off around 85% of its entire net worth abroad.

ED issued a notice to AD bank and upon receiving the notice the AD bank conducted an Internal Investigation in the matter and based on the findings, recommended the case to be concluded as 'Fraud'.

Also, MGM Maran has surrendered the Indian Passport on 21.12.2016 and taken 'Cyprus Passport' to become Cyprus Citizen. In case of MGM Maran in another FEMA investigation, MGM Maran remained totally non-compliant to the proceedings and did not attend ED office even once in-spite of multiple summons and did not submit any of his foreign assets details, resulting into another Seizure order of his Indian Assets worth Rs 293 Crore in the month of December 2021.

Further investigation is in progress.

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