



Press Release
03.08.2022

Directorate of Enforcement (ED) has provisionally attached immovable properties in the form of lands and buildings worth Rs 37.38 Crore under the Prevention of Money Laundering Act (PMLA), 2002, in the money laundering investigation in the Bank fraud committed by M/s Sri Krishna Stockists & Traders Private Limited (SKSTPL) and its directors.

ED initiated money laundering investigation on the basis of 03 FIRs filed by the CBI, on the complaints of lending Banks i.e. Industrial Finance Corporation of Indian Limited (IFCI Limited), Industrial Development Bank of India (IDBI) and Canara Bank who complained that M/s Sri Krishna Stockists & Traders Private Limited (SKSTPL) and M/s Sri Krishna Agriprocess India Pvt Ltd. (SKAIPIL) through their Directors had availed large amounts of loans by furnishing false and fabricated balance sheets of the company, forged & grossly inflated valuation reports of mortgaged assets, fabricated work estimates etc, and the said loan funds were diverted & the account become NPA and causing net loss to the banks to the tune of Rs 528.26 Crore (including the interest).

ED investigation established that SKSPL and SKAIPIL represented by its managing director Thota Kanna Rao had secured various credit facilities to the extent of Rs 313 Crore from IFCI, IDBI and Canara Bank during the period 2014-15. The credit facilities were availed towards construction of storage facility for preserving, processing and resale of agricultural produce. All the credit facilities were secured through mortgage of immovable properties, stocks which were highly inflated in connivance with the employees of APITCO, MITCON and V C Rammohan, the then DGM of IFCI. Thota Kanna Rao had also manipulated the records /books of accounts and also managed to obtain fake work completion certificates and submitted the same to the financial creditor to justify the loans availed. Fund trail investigation by ED shows that the said loan amounts were withdrawn in cash and laundered by the accused to purchase various land parcels.

ED has identified 57 landed properties mostly located in West Godavari District of AP which were acquired at purchase price of Rs 37.38 Crore and attached the same.

Further investigation is in progress.
