



Press Release

16.10.2024

Directorate of Enforcement (ED), Hyderabad Zonal Office has provisionally attached immovable properties in the form of land parcels and buildings worth Rs 4.60 Crore under the Prevention of Money Laundering Act (PMLA), 2002, in a bank fraud case of M/s Sri Krishna Stockists & Traders Private Limited and its Directors. The present market value of these properties is Rs. 18.42 Crore.

ED initiated investigation on the basis of three FIRs registered by CBI, on the complaints of lending banks i.e. Industrial Finance Corporation of India Limited (IFCI Limited), Industrial Development Bank of India (IDBI) and Canara Bank, that M/s Sri Krishna Stockists & Traders Private Limited (SKSTPL) and M/s Sri Krishna Agriprocess India Pvt Ltd. (SKAIPL), 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 became NPA causing net loss to the banks to the tune of Rs. 528.26 Crore (including interest).

ED investigation revealed that SKSPL and SKAPIL, represented by their 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 Andhra Pradesh Industrial and Technical Consultancy Organisation Limited, MITCON Consultancy & Engineering Services and V C Rammohan, the then DGM of IFCI. Thota Kanna Rao also manipulated the records / books of accounts and 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 Fund trail investigation by ED revealed that the said loan amounts were withdrawn in cash and laundered by the accused to purchase various land parcels.

ED had earlier attached 57 land parcels worth Rs. 37.38 Crore on 03.08.2022 during the investigation. Prosecution Complaint has also been filed in this case before the Hon'ble CBI Court, Nampally, Hyderabad.

Further investigation is under progress.