



Press Release

**02.05.2023**

Directorate of Enforcement (ED) has provisionally attached 12 immovable properties, located at Nagpur, Pune, Ratnagiri and Goa worth ₹12.80 Crore under PMLA 2002 in the money laundering investigation against Bank loan fraud by Varron Group of Industries.

ED initiated the money laundering investigation on the basis of 3 FIRs registered by CBI against the Varron Group and its promoter Late S.P. Sawaikar in loan fraud case amounting to more than ₹ 3000 Crore.

ED investigation has revealed that a criminal conspiracy was hatched by Late S.P Sawaikar, promoter of the Varron with Bank officials to fraudulently discount 246 forged bills backed by the Letter of Credit (LC) of approx. ₹ 300 Crore opened by Canara Bank, Deccan Gymkhana Branch, Pune on behalf of M/s Varron Aluminium Pvt Ltd (VAPL). However, there was no real movement of the goods and the amounts were diverted to pay off older loans and the LCs got devolved later on causing loss to the Bank of India. The earlier loan accounts were not serviced regularly and the loan proceeds were diverted for other than the stated purposes and amounts were utilized to create landed assets in the name of the promoters and also to create benami assets.

Earlier, ED had attached proceeds of crime worth ₹166.47 Crore in the same matter on 25.05.2021 and a Prosecution Complaint was filed before Hon. PMLA Court, Mumbai on 06.02.2023. Total attachment in this fraud has reached ₹179.27 Crore.

Further investigation is under progress.

