



Press Release

21.03.2024

Directorate of Enforcement (ED) has provisionally attached movable and immovable assets located in Nashik, Thane, Sindurgarh, Pali Districts among other areas across Maharashtra and Rajasthan worth Rs. 84.24 Crore in the Multilevel Marketing Scheme case of M/s KBC Multitrade Pvt Ltd & Ors under the Prevention of Money Laundering Act (PMLA), 2002 on 19.03.2024. The attached assets include movable and immovable assets including the benami properties acquired by the promoters Bhausahab Chhabu Chavan, Smt. Arati Bhausahab Chavan and others, DEMAT Accounts, Post Office savings, silver and diamond jewellery/ bullion and bank account balances.

ED initiated investigation on the basis of several FIRs registered in Parbani, Nashik and other districts across Maharashtra under various sections of IPC, 1860 against M/s KBC Multitrade Private Ltd. and its promoters, Bhausahab Chhabu Chavan and Arati Bhausahab Chavan.

ED investigations revealed that Chavan family along with co-accused principal agents of Company hatched a conspiracy to allure people through an MLM (Multilevel Marketing) scheme run under the aegis of M/s KBC Multitrade Private Limited and M/s KBC Club and Resorts Private Limited promising attractive refunds to public on their investment and duping them of more than Rs 200 Crore. Public were subscribed as members on payment of fees under various packages/ schemes propagated by M/s KBC Multitrade Private Limited and M/s KBC Club and Resorts Private Limited, with promises of Binary and Matrix commissions, awards, rewards and product gifts. The commission was incumbent upon all members to enroll more members, as a portion of the subscription amounts so collected is distributed among the members at the top of the pyramid. The members got incentivized to invest, lured with such commissions even when there was no actual underlying business activity of the Company.

Earlier, statements of the main accused were recorded by ED in Parbani District Prison which revealed that the Directors/ Promoters of M/s KBC Multitrade Private Ltd. Bhausahab Chhabu Chavan and Arati Bhausahab Chavan and other co-accused used the membership fees so collected from the public for acquisition of immovable assets, gold jewellery, investment in shares etc. ED had also conducted search operations under the provisions of Prevention of Money Laundering Act (PMLA), 2002 on 08.03.2024 and 11.03.2024 at 11 official and residential premises in Nashik and Thane (Maharashtra) and placed various movable assets of the accused under restraint.

Further investigation is under progress.