



Press Release
26/05/2025

Directorate of Enforcement (ED), Mumbai Zonal Office has carried out search operations on 23.05.2025 at multiple residential and commercial premises located in Nashik, Kopargaon (Shirdi), and Thane under the provisions of the Prevention of Money Laundering Act (PMLA), 2002. The searches were conducted in connection with an ongoing investigation against M/s KGS Sugar and others for their involvement in a massive bank fraud case. The case pertains to the fraudulent procurement of bank loans exceeding Rs. 350 Crore by submitting forged and fictitious documents, and the subsequent diversion and siphoning of the funds for personal gains and acquisition of assets.

During search operation Indian currency amounting to Rs. 70.39 Lakh, gold Jewellery valued at Rs. 1.36 Crore (approx.), a high-end luxury vehicle, Demat account/shares valued at Rs. 10 lakh (approx.) multiple electronics devices, documents pertaining to benami properties, other incriminating documents and records were recovered and Frozen/seized.

ED initiated investigation on the basis of an FIR and subsequent chargesheet filed by Kadim Jalna Police Station, District Jalna, Maharashtra. The case alleges offences of cheating, criminal conspiracy, use of forged documents or electronic records as genuine, and criminal misconduct committed by M/s KGS Sugar and Infra Corporation Ltd., Dinkar S. Bodke, one of the Directors and others.

ED investigation revealed that M/s KGS Sugar fraudulently obtained bank loans of around Rs. 350 Crore from a consortium of banks led by Canara Bank. The funds were siphoned off through multiple round-tripping and diversions, using entities specially incorporated by the accused persons for this purpose. The diverted funds were routed through entities linked to civil contractors, EPC contractors, and others, in the garb of genuine business transactions.

Further investigation is under progress.

