



Press Release  
27.02.2025

Directorate of Enforcement (ED), Lucknow Zonal Office has provisionally attached immovable properties worth Rs. 995.75 Crore under the provisions of the Prevention of Money Laundering Act (PMLA), 2002, in connection with the fraudulent disinvestment of closed sugar mills in Uttar Pradesh. The attached properties include 03 closed sugar mills having open land parcels, buildings, and machinery held in the name of M/s Mallow Infratech Pvt Ltd, M/s Dynamic Sugars Pvt Ltd and M/s Honeywell Sugars Pvt Ltd entities controlled by Mohd. Iqbal EX MLC. All the sugar mills are situated at Baitalpur, Bhatni and Shahganj Uttar Pradesh.

ED initiated investigation on the basis of FIR registered by the Central Bureau of Investigation (CBI) under various Sections of IPC, 1860 and Companies Act, 1956. The FIR alleges that, Mohd. Iqbal and his associates fraudulently acquired multiple sugar mills in Uttar Pradesh through a manipulated disinvestment process.

ED investigation has revealed major irregularities in the disinvestment process, including undervaluation of assets and a non-competitive bidding process. The investigation further established that the market value of the sugar mills was far higher than the prices at which they were sold. The funds used for acquiring these sugar mills were illicit money belonging to Mohd. Iqbal, received in the form of unsecured loans from M/s V.K. Health solutions Pvt. Ltd. routed and layered through various shell entities

ED investigation also revealed that the sugar mills and their associated land assets were purchased through Special Purpose Vehicles (SPVs), namely M/s Mallow Infratech Pvt Ltd, M/s Dynamic Sugars Pvt Ltd and M/s Honeywell Sugars Pvt Ltd, after which the shareholding of these companies was strategically transferred, ultimately consolidating control under Mohd. Iqbal and his close associates/family members.

ED has traced the POC linked to this fraudulent disinvestment and has now attached these immovable properties valued at Rs. 995.75 Crore.

Further investigation is under progress.