



**Press Release**  
**24.06.2022**

**ED attaches assets worth Rs. 78.38 Crore of M/s Jalna SSK Ltd.**

Today, Directorate of Enforcement (ED) has provisionally attached residual plant & machinery at the site, building structures and more than 200 acres of land of M/s Jalna Sahakari Sakhar Karkhana Ltd. at Village: Sawargaon Hadap, Taluka and District Jalna, Maharashtra under the provisions of the Prevention of Money Laundering, 2002 (PMLA) in a case relating to illegal sale of Cooperative Sugar Mills (Sahakari Sakhar Karkhana) {SSK} in Maharashtra State Co-operative Bank (MSCB) case. The assets of M/s Jalna SSK is currently held in the name of M/s Arjun Sugar Industries Pvt. Ltd.

ED has initiated investigation under the PMLA based upon an FIR dated 26.08.2019 registered by Economic Offence Wing, Mumbai Police. The said FIR was registered in pursuance of the Order dated 22.08.2019 of the Hon'ble Bombay High Court. It has been alleged in the said FIR that the cooperative SSKs were fraudulently sold by the then officials & Directors of MSCB at throw-away prices to their relatives/private persons without following the due procedure prescribed under the SARFAESI Act.

Investigations conducted under PMLA revealed that M/s Jalna SSK Limited was established in the year 1984-85 on around 235 acres of land including 100 acre of land received without any monetary consideration from Govt of Maharashtra. The Jalna SSK failed to repay the loan availed from MSCB and was declared as NPA on 31.03.2002. There was loan outstanding of Rs. 33.49 Crore of MSCB on Jalna SSK as on 30.09.2008. To recover its dues, MSCB took possession of the said SSK on 16.02.2009 under SARFAESI Act. Thereafter, MSCB conducted auction of M/s Jalna SSK on 27.02.2012 with reserve price of Rs. 42.18 Crore. Only 02 parties viz. (i) M/s Tapadia Constructions Pvt. Ltd., Aurangabad (ii) M/s Ajeet Seeds Pvt. Ltd, Aurangabad participated in the said auction. M/s Tapadia Constructions Pvt. Ltd., Aurangabad was the highest bidder who bid for Rs. 42.31 crore whereas other bidder i.e. M/s Ajeet Seeds Pvt. Ltd. bid below the reserve price. Investigation also revealed that the buyers of bid documents and final participants in the auction were linked to each other and M/s Tapadia Constructions Pvt. Ltd & M/s Ajeet Seeds Pvt. Ltd are operating from the same building in Jalna. After receipt of final installment of sale amount by MSCB, sale certificate was also issued to M/s Tapadia Construction Pvt. Ltd. on the same day i.e. 03.12.2012. M/s Tapadia Constructions Pvt. Ltd did not operate the SSK and after lapse of 15 months, the SSK along with 235 acres of land located in Jalna was said to be sold to M/s Arjun Sugar Industries Pvt. Ltd. M/s Arjun Sugar Industries Pvt. Ltd. is a Company incorporated by Arjunrao Panditrao Khotkar and others only with a view to purchase the Jalna SSK Ltd. on 08.05.2012.



Investigation under PMLA also revealed that Shri Arjun Khotkar was on the Board of Director of Maharashtra State Co-op Bank Ltd. during the period from 1998-2004. He was director in Jalna SSK during the period from 1997 to 2003. Further, he is an elected chairman of APMC, Jalna since 2007 to till now. Further he has been a director in DCCB, Jalna for the period from 1997-2004 and from 2017 till now. PMLA investigation further revealed that around Rs.10.56 Crore paid by M/s Tapadia Construction Pvt. Ltd. to MSCB as initial deposit in lieu of Jalna SSK was adjustment entity introduced by conversion of cash through shell companies. Further, Rs. 31.73 Crore was sourced from M/s Arjun Sugar Industries Pvt. Ltd on 03.12.2012. Thus M/s Tapadia Constructions Pvt. Ltd was only a proxy entity which has purchased Jalna SSK Ltd from MSCB as a proxy for others.

Investigation further revealed that M/s Jalna SSK was sold for an amount of Rs. 42.31 Crore by supressing the value, whereas the valuation of the assets conducted by independent valuer appointed by ED revealed that the value of M/s Jalna SSK was around Rs. 78 Crore at the material time. The Govt. approved valuer has submitted his Valuation Report dated 20.01.2022 to ED evaluating the immovable assets for Rs 48.38 Crore and movable assets was Rs 30 Crore of Jalna SSK in the year 2012. PMLA investigation also revealed that the valuable & crucial equipments of the SSK such as boiler were sold by showing as scrap by Arjun Sugar Industries Pvt. Ltd.

It is pertinent to mention that District Collector office to stop the unauthorized sale of the Govt. land to private entity initiated action and Sub-Divisional Officer, Jalna declared registry of Govt land to M/s Tapadia Construction Pvt. Ltd. as null and void vide order dated 12.04.2018.

ED investigation revealed the fraudulent mode and manner in which the bidding process was followed for sale of SSK and subsequent distribution of assets of SSK among family based business entity of member of MSCB indicates sale of SSK and accordingly the properties of said SSK which includes Govt land of 100 acre, plant & machinery, Building & Structure which was acquired illegally (now owned by M/s Arjun Sugar Industries Pvt. Ltd) are being proceeds of crime are provisionally attached under PMLA. It may be mentioned that the said SSK has remained closed from that time.

Further investigation is under progress.

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