



Press Release

02.10.2021

Enforcement Directorate (ED) has provisionally attached a residential building worth Rs. 190.62 crores, located at Ceejay House Worli opposite Ultra Mall, Poonam Chambers, Mumbai, under Prevention of Money Laundering Act, 2002 (PMLA) in an ongoing investigation against Sanjay Singal ex- CMD of Bhushan Power & Steel Limited and others in a case involving Bank fraud.

ED initiated money laundering investigation on the basis of FIR dated 05.04.2019 filed by CBI under the sections of Indian Penal Code, 1860 & Prevention of Corruption Act, 1988 against BPSL and others for a criminal conspiracy amongst themselves and with unknown public servants of banks and others to cheat Banks/ Financial Institutions/ Govt. exchequer. In furtherance of the said criminal conspiracy, they dishonestly and fraudulently diverted huge amount of bank funds through companies/ shell companies/ entities, etc. and deliberately defaulted in repayment of bank loans and also claimed inadmissible Cenvat credit etc. They did not use the bank funds for the purpose for which the same were sanctioned, committed forgery for the purpose of cheating, used forged documents and falsified the accounts causing wrongful loss to the lending banks/ financial institutions/ government exchequer and corresponding wrongful gain to themselves. It was also alleged in the CBI FIR that BPSL had availed various credit facilities from 33 different banks/ financial institutions and the outstanding defaulted amount as on 30.01.2018 was Rs.47,204 Crore.; that BPSL and its Directors deliberately defaulted in repayment of loan amounts to lender banks/financial institutions as per the time schedule and their accounts remained continuously irregular; that subsequently, the lead bank i.e. PNB declared the account of M/s BPSL as NPA on 31.12.2015, followed by the other banks/financial institutions.

Money Laundering investigations has revealed that the funds that were utilized for purchase of this property by Assurity Real Estate LLP were siphoned from M/s. Bhushan Power & Steel Ltd.(BPSL) and routed through shell companies projecting the same as unsecured loans. It has been established that the so called unsecured loans were without any documentation and repayment obligations

Earlier, a prosecution complaint had also been filed by the ED in the impugned case against 25 accused and assets totaling to Rs.4229.54 crores have already been attached, thus bringing the total attached proceeds of crime to Rs. 4420.16 Crore.

Further investigation is under progress.
