



Press Release

07.04.2022

Directorate of Enforcement (ED) has provisionally attached 11 properties located in Hyderabad & Bangalore and having book value of Rs 6.18 Crore in the Loan Fraud case by Balvinder Singh and his M/s PCH Group of Companies and others.

ED initiated money laundering investigation on the basis of FIR registered by the CBI, EOW, Chennai under various sections of the IPC. It was alleged in the CBI charge sheet that PCH Agencies Pvt Ltd, PCH Lifestyle Pvt Ltd, Balvinder Singh, and others had caused wrongful loss to Punjab and Sind Bank George Town branch, Chennai to the tune of Rs 22.15 Crore by availing credit facilities from the bank by submitting fabricated documents to show good turnover and illegally diverting the loan funds. Subsequently, 2 more FIRs were registered by the CBI, BS and FC, Bangalore and EOB Chennai against the PCH companies for committing more loan frauds.

Investigation by ED revealed that the PCH group companies had availed loans from various public sector and private banks and failed to repay the said loans. The amounts received as loan were diverted through shell companies with the help of CAs and entry-operators in Hyderabad and Mumbai and received back in the PCH group companies for the purpose of showing a false rosy financial health of the companies, for availing further loans in a cyclical manner. Loan funds were diverted to more than 77 bogus shell companies without any supply of goods. The rotated funds were shown as unsecured loans and used to project false share capital infusion to increase the share holding in the PCH Group for the purpose of availing more loans and also for the purpose of an intended IPO. Investigation conducted so far has revealed that Balvinder Singh and his wife Baljit Kaur have received amounts totaling to Rs. 71.64 Crore and Rs 11.42 Crore respectively from various shell entities. All these funds are nothing but siphoned off loan proceeds. Part of these proceeds of crime were used to purchase properties in the name of his companies as well as in personal names which were later mortgaged to the banks for availing more credit facilities. Benami assets in the names of relatives of Balvinder Singh were created with the proceeds of crime. The total loan fraud committed using the above modus operandi has caused a loss of Rs 747 Crore to the Banks. Earlier, Balvinder Singh was arrested by ED under PMLA on 08.02.2022. Accordingly, 11 such properties were identified as proceeds of crime and the same have been attached vide the aforesaid Provisional Attachment Order.

Further investigation is in progress.
