



## **Press Release**

**3/4/2023**

Directorate of Enforcement has provisionally attached 2 immovable properties totaling to Rs 31.50 Crore under the provisions of Prevention of Money Laundering Act, 2002 (PMLA) in a case relating to irregularities in redevelopment of Patra Chawl Project at Goregaon, Mumbai by M/s Guru Ashish Construction Pvt Ltd. The attached assets are in form of lands held by Rakesh Kumar Wadhawan and Sarang Kumar Wadhawan directors of Guru Ashish Construction Pvt Ltd, Mumbai at Goa.

ED has initiated investigation under provisions of PMLA, 2002 on the basis of FIR registered by EOW, Mumbai against M/s Guru Ashish Construction Pvt Ltd, Rakesh Kumar Wadhwan, Sarang Kumar Wadhwan and others on basis of complaint filed by Executive Engineer, MHADA, Mumbai under various sections of IPC.

Investigation under PMLA revealed that M/s Guru Ashish Construction Pvt Ltd was entrusted with the redevelopment of Patra Chawl Project for rehabilitation of 672 tenants. During the relevant time, Rakesh Kumar Wadhawan, Sarang Wadhwan and others were the Directors of M/s Guru Ashish Construction Pvt Ltd. A tripartite agreement was signed between society, MHADA and M/s Guru Ashish Construction Pvt Ltd. According to the agreement, developer was to provide the flats to 672 tenants and develop flats for MHADA and thereafter remaining area to be sold by the developer. The directors of M/s Guru Ashish Constructions misled MHADA and sold the FSI to 9 developers and collected net amount of approx. Rs 901.79 Crore without constructing the rehab portion for 672 displaced tenants and MHADA portion. Further M/s Guru Ashish Construction Pvt Ltd also launched one project namely 'Meadows' and collected the booking from of around Rs 138 Crore from flat buyers. Total Proceeds of Crime generated by Directors of M/s Guru Ashish Constructions Pvt Ltd through the illegal activities was approx. Rs 1039.79 Crore.

During further course of investigation, it was revealed that Rakesh Kumar Wadhawan and Sarang Wadhawan after receipt of the abovementioned POC in bank accounts of HDIL and its group companies, further diverted these through bank accounts of HDIL and/or its group companies viz GACPL, Sapphire land Development Pvt Ltd, Satyam Realtors etc which finally reached in the personal bank accounts of Rakesh Kumar Wadhawan and Sarang Wadhwan after multiple layering. During the period 2011-2016, PoC of Rs 38.5 Crore from the account of Rakesh Wadhawan was utilized for pre-payments of the instalments against availed loan of Rs.28.5 Crore from India Bulls Housing Finance Ltd. The loan was availed at floating interest of 18.5% for acquiring 2 plots of area of 1250 square meters and 15300 square meters in North Goa worth Rs 31.50 Crore during 2011. A payment of Rs.2 Crore were also made to the seller of the plots from the personal account of Sarang Wadhwan.

Further investigation is under progress.