



## **Press Release**

**14.05.2024**

Directorate of Enforcement (ED), Kochi Zonal Office on 10.05.2024 provisionally attached properties worth Rs. 12.20 Crore (approx.) which includes 35 movable properties including securities, imported machineries, bank balances and 2 Landing Barges totally valued at Rs. 10.07 Crore and 4 immovable properties valued at Rs. 2.13 Crore from M/s. Vipul Shipyard P Ltd, Goa, M/s. Vipul Shipping Engineering Works, Goa, and its directors under the provisions of Prevention of Money Laundering Act (PMLA), 2002.

ED initiated investigation on the basis of charge sheet filed by CBI, under various sections of IPC, 1860 which are scheduled offences under the Prevention of Money Laundering Act, 2002.

It is observed from the charge sheet filed by CBI, Cochin, that during the year 2004-2010, Shri JVS Rao, the then Vice President, SCIL Mumbai entered into criminal conspiracy with M/s Vipul Shipyard Private Limited. Goa (VSPL) and its directors in the matter of awarding Ship Building contract to VSPL, Goa, for constructing six 200 Passengers capacity Landing Barges for Union Territory Lakshadweep (UTL). In pursuance of the said criminal conspiracy, Ship building contract was awarded to an ineligible firm viz. M/s VSPL, Goa which did not participate in the tender process, having Inadequate infrastructure, insufficient financial position and not having any previous experience in the construction of similar vessels. As a result, VSPL, Goa, could not construct the landing barges in accordance with the technical specifications (the length of the Draft increased from 0.7 mtrs. to 1 mtrs. and the speed reduced from 8 Knots to 5 Knots) and thereby the vessels could not meet the Buyer's requirement. The builder was also not able to deliver the vessels within the stipulated period. Even today, the vessel is in the custody of the builder. As a result, a revenue loss of Rs 12.20 Crore (approx.) sustained by the PSU.

ED investigation revealed that the accused entity and its Directors fraudulently obtained the ship building contract from SCIL by forging the documents and also thereby received nearly Rs 12.20 Crore from M/s. SCIL without renewing the bank guarantee. The proceeds of crime thus generated by the company and diverted into the personal accounts of the Directors have been traced by ED and provisionally attached.

Further investigation is under progress.