



Press Release

20.05.2023

Directorate of Enforcement has carried out search operations under the provisions of Prevention of Money Laundering Act (PMLA), 2002 on 18.5.2023 at 8 residential and commercial premises in Bhubaneswar in bank fraud cases pertaining to M/s GDS Builders Pvt. Ltd., M/s Surnag Builders Pvt. Ltd. and others. During these search proceedings, cash amounting to Rs. 15 Lakhs, gold jewellery weighing 1.978 Kgs. worth Rs. 1.13 Crore, sale deeds of certain properties, various incriminating documents and certain electronic devices were recovered which were duly seized.

ED had initiated investigation under the PMLA, 2002, on the basis of 3 FIRs and subsequent chargesheets filed therein on 31.12.2020 of the ACB, CBI, Bhubaneswar under various sections of IPC and Prevention of Corruption Act against M/s GDS Builders Pvt. Ltd., its Director Uma Shankar Patro, M/s Surnag Builders Pvt. Ltd, three Officers of Union Bank of India (UBI), Nayapalli Branch, Bhubaneswar, other private Builders and individual borrowers.

During investigation under PMLA, 2002, it was revealed that the Directors / builders in collusion with certain bank officers of Union Bank of India, Nayapally branch, Bhubaneswar hatched a criminal conspiracy in the year 2017 wherein the housing loan amounts were initially sanctioned to the borrowers and the same was subsequently credited to the accounts of the Director / builders on behalf of borrowers without verifying details of the real estate projects. These borrowers were arranged by the Directors/builders and their loan applications were dishonestly processed/ accepted by the bank officials without proper verification and in violation of the bank guidelines/ procedures. The loan amounts were subsequently misused by the directors/builders for purposes other than the approved objective of the sanction and accordingly misappropriating the public money to the tune of Rs. 18.79 Crore (approx.) in collusion with their family members, close relatives and other accomplices. Such misappropriated amount was used to meet their personal and illegal monetary objectives.

Further investigation is in progress.