PRESS RELEASE
07.06.2023

Directorate of Enforcement (ED) has carried out search operations on 05.06.2023 under the provisions of the Prevention of Money Laundering Act, 2002 (PMLA) at 07 locations of Bengaluru/ Davangere (Karnataka) belonging to M/s Bharath Infra Exports and Imports Ltd and its related entities in a Bank Fraud Case.

M/s. Bharath Infra Exports and Imports Ltd availed loan facilities in the form of cash credit, EPC/FBD, Non-fund based working capital and letters of credit (Inland and regular) from the State Bank of India, Bengaluru City branch, Bengaluru. The account of the said entity was classified as Non-Performing Asset (NPA) on 17.01.2017 due to non-repayments of the bank's dues and the outstanding was 113.38 Crore.

The investigations done by ED revealed that the promoters/directors of M/s. Bharath Infra Exports and Imports Ltd. misappropriated the Credit facility availed from the State Bank of India by wrongful diversion of funds/loans to related parties, submitted forged/fabricated invoices/documents to the bank and also written off sales booked without complying with contractual obligations.

The investigation further revealed that Rs. 101.18 Crore was siphoned off by the accused with respect to 10 LCs issued to M/s. Aradhya Wire Ropes Pvt. Ltd, which got devolved and credited into the bank account of M/s. Aradhya Wire Ropes Pvt. Ltd and subsequently these proceeds of crime routed through the bank accounts of various other entities. In many cases, payments were made in favour of a transport contractor and agents, who had provided fake vehicles details and invoices to M/s Bharat Infra Exports and Imports Pvt Ltd and M/s Aradhaya Wire Ropes Pvt Ltd without actual movement of material at the site.

During the search operation immovable properties worth Rs. 100 Crore (approx.) were unearthed and cash to the tune of Rs. 14.5 lakhs has been seized. In addition to this, incriminating documents, digital devices and bank accounts of the said entities were also freezed and seized.

Further investigation under PMLA is in progress.

*****