



Press Release
19.08.2021

Enforcement Directorate has arrested Vuppalapati Satish Kumar, MD of M/s Prithvi Information Solutions Limited (M/s PISL), on 12.08.2021 under the PMLA, 2002, for indulging in the offence of money laundering and causing a loss of around Rs 3316 Crore to a consortium of public sector Banks with the connivance of Hima Bindu B, MD of M/s VMC Systems Limited.

ED initiated money laundering investigation on the basis of FIR filed by CBI against M/s VMC Systems Limited (M/s VMCSL). M/s VMCSL had taken loans from a consortium of Banks and the present dues outstanding to all the Banks is worth Rs.3316 Crore. Forensic Audit revealed that VMCSL circulated loans to various related entities to inflate its books of accounts. Forensic Audit further revealed that M/s VMCSL had opened various Letters of Credit (LCs) worth Rs 692 Crore in the name of fake/dummy entities, which were subsequently devolved. Mr. V Satish Kumar through his company M/s PISL and M/s Ennar Energy Limited and with the active assistance of his sister Hima Bindu (MD of M/s VMCSL), in order to dodge the banks, created false/exaggerated operational revenues by generating fake sales/purchase invoices through the companies controlled by their family members. Mr. V. Satish Kumar and Mrs. V Hima Bindu siphoned off a part of proceeds of crime by remitting it to the overseas entities controlled by their family members.

Although V Satish Kumar claimed that he had no link with the NPA of M/s VMCSL, but more than 40 Hard disks of M/s VMCSL were recovered from his residence during the search carried out by ED on 20/07/2021. On forensic examination of digital devices, it was found that he was indulged in benami transactions and involved in efforts to transfer fraud amounts to off-shore entities. He was non-cooperative during the investigation and was not supplying documents of his own business entities on one pretext or the other. He was arrested under PML Act on 12.08.2021 and was produced before the PMLA Special Court and the Hon'ble Court has granted 10 days custody to ED. Earlier, V Hima Bindu was arrested under PMLA and is presently in ED Custody till 18th Aug, 2021.

Further investigation is under progress.