



Press Release

10.02.2022

Directorate of Enforcement has arrested Balvinder Singh s/o Late Huzur Singh, Promoter - Director of M/s PCH Corporation Ltd and other PCH group companies under the Prevention of Money Laundering Act (PMLA) 2002 in a case relating to defrauding banks to the tune of Rs 370 Crore.

ED investigation was initiated on the basis of FIR registered by the CBI, EOB, Chennai under various sections of the IPC. In the CBI charge sheet it is alleged that PCH Agencies Pvt Ltd, PCH Lifestyle Pvt Ltd, and Balvinder Singh and others had caused wrongful loss to Punjab and Sind Bank, George Town branch, Chennai, by fraudulently availing credit facilities by submitting fabricated documents to show higher turnover and then diverting the loan funds. Subsequently, 2 more FIRs were registered by the CBI, BS&FB, Bangalore and CBI Chennai against the PCH Group companies.

ED investigation has revealed that the PCH group companies had availed loans from various public sector and private banks and failed to repay the said loans. The amounts received as loan was diverted through shell companies with the help of CAs and Entry-operators in Hyderabad and Mumbai and amount received back in the PCH group companies for the purpose of showing a false rosy picture about the financial health of PCH Group, for the purpose of availing more loans and also for the purpose of an intended IPO. Part of these diverted amounts was also received in the personal account of Balvinder Singh and his family members and relatives. Investigation conducted so far has revealed that Balvinder Singh had received amounts totaling to Rs 53.97 Crore from various shell entities which had no genuine business activity but were used only for the purpose of rotation of the funds and these amounts were projected by Balvinder Singh as 'unsecured' loans. The source of these funds is nothing but the siphoned off loan and they were utilized to purchase properties in the names of his companies as well as in personal names which were later mortgaged to the banks for availing more credit facilities. These unsecured loans have not been repaid till date.

Balvinder Singh was arrested on 08.02.2022 and was produced before the PMLA Special Court Hyderabad on 09.02.2022 and is remanded to judicial custody till 23.02.2022. Further investigation is in progress.
