PRESS RELEASE
27/08/2026

Directorate of Enforcement (ED), Mumbai Zonal Office, has conducted search operations on 25.08.2026 under the provisions of the Prevention of Money Laundering Act (PMLA), 2002, at 07 residential/ business premises and 03 bank lockers in Mumbai and Vadodara, in connection with a case involving a loan fraud by M/s Bilpower Limited.

ED initiated investigation on the basis of an FIR registered by CBI-EO-I, Delhi, pursuant to a complaint filed by the State Bank of India. Subsequently, the CBI filed a chargesheet dated 30.09.2024 against M/s Bilpower Limited, its directors and associate companies. It is alleged that M/s Bilpower Limited had availed loan facilities from the State Bank of India and thereafter fraudently diverted the loan proceeds and manipulated its books of accounts, causing a loss of Rs. 160.55 Crore to the bank.

M/s Bilpower Limited, engaged in the manufacturing of transformer laminations and cores, was managed by RajendraKumar Chaudhary, SureshKumar Chaudhary and Nareshkumar Chaudhary. Since 2005, the company had banking arrangements with the State Bank of India, including Cash Credit, Working Capital Term Loan, Funded Interest Term Loan, Corporate Loan and non-fund-based facilities such as Bank Guarantee, Letter of Credit and Foreign Currency Exposure. The loan account became NPA on 18.04.2012, with a principal outstanding of Rs. 160.55 Crore.

Investigation revealed that Bilpower Limited was involved in transactions with certain shell/bogus firms, allegedly used for diversion and round-tripping of bank funds. Letters of Credit (LCs) were allegedly devolved in favour of these entities, with forged documents allegedly submitted and used as genuine. The funds were thereafter further diverted to various entities controlled by members of the Choudhary family or their associates.

During the searches, cash amounting to approximately **Rs. 43.90 Lakh** and jewellery valued at approximately **Rs. 12.20 Crore** were seized. Further, two bank accounts holding approximately **Rs. 27 Lakh** were frozen under Section 17(1A) of the PMLA, 2002, and three bank lockers were frozen too.

The searches also led to the identification and recovery of documents relating to assets, including immovable properties, land and machinery. Other incriminating documents along with books of accounts and ledgers, digital devices were also recovered and seized.

Further investigation is under progress.