



PRESS RELEASE

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Directorate of Enforcement (ED) has provisionally attached assets worth Rs 517.81 Crore of 'M/s SKS Ispat & Power Ltd' in the form of land, building, plant & machinery in connection with a Bank Fraud case of Rs. 895.45 Crore of M/s. Cethar Ltd.

ED initiated investigation on the basis of an FIR registered by CBI, BSF Cell, Bangalore against Cethar Ltd., a boiler manufacturing company based in Trichy, Tamil Nadu. Cethar Ltd. availed credit facilities to the tune of Rs. 895.45 Crore from a consortium of lenders led by Indian Bank, SAM Branch, Madurai. The company accounts turned NPA on 31.12.2012 and subsequently proceedings under the IBC were initiated before NCLT, Chennai in 2017. Investigation under PMLA was initiated in 2019. Searches were conducted at the premises of the Director of the company and immovable property and jewellery worth Rs. 9.08 Crore was attached in 2022 which were subsequently confirmed by the Adjudicating Authority, PMLA.

Further investigations revealed a whopping Rs. 565 Crore that was kept off the Books in addition to Rs. 228 Crore written off as loss on sale of investments.

In order to be awarded the EPC contract of SKS Power Generation (Chhattishgarh) Limited (SKSPGCL) for about Rs. 3500 Crore, Cethar Ltd had siphoned off Rs. 228 Crore to SKS Ispat & Power Ltd. under the guise of investment in shares of the then parent company SKS Ispat & Power Ltd. (However, the interest accruing @ 12% p.a. compounded was kept off books). This money was accounted as Trade Receivables until 2016-17 when it was written off as loss on sale of investments by creating backdated/forged agreements. This was done just 2 days prior to the commencement of NCLT proceeding revealing a heightened degree of criminal conspiracy.

Thus, K Subburaj, Director of Cethar Ltd colluded with Anil Gupta, CMD of SKS Ispat & Power Ltd. with criminal intent to siphon off assets of Rs.793 Crore from the books of Cethar which turned insolvent resulting in liquidation under the IBC, 2016. A convoluted scheme of agreements and transactions was created to conceal the proceeds of crime of Rs.793 crores which was safely parked at M/s SKS Ispat & Power Ltd. SKS Ispat & Power Ltd. used the proceeds of crime of Rs.793 Crore for its regular business purpose.

Thus, fixed business assets of M/s SKS Ispat & Power Ltd. in the form of land, building, Plant & Machinery along with Roads and railway siding valued at Rs.517.81 Crore in its Books are provisionally attached under the provisions of PMLA, 2002