



Press Release
18.12.2024

Directorate of Enforcement (ED), Kolkata Zonal Office has conducted search operations at 13 places of **Concast Steel and Power Group** under the provisions of Prevention of Money Laundering Act (PMLA), 2002 in connection with Bank Fraud case. The group had availed credit facility from 11 Public Sector Banks and 5 Financial Institutions having total default of Rs 6210 Crore as the company turned into NPA on 30.9.2016.

ED initiated investigation on the basis of FIR registered by CBI, BSFB, Kolkata under various sections of IPC, 1860 and Prevention of Corruption Act, 1988 against Sanjay Sureka & others on the basis of complaint filed by the SBI, the lead bank of the consortium.

The Concast group was promoted by Sanjay Sureka and was based out of Kolkata with integrated facilities in the states of West Bengal, Odisha and Andhra Pradesh for producing sponge iron, pig iron, mild steel, rolled products including TMT bars, angles, channels, Ferro alloys etc.

The borrower company, M/s Concast Steel and Power Limited, availed multiple Letter of Credit (LC) facilities from the consortium of banks which were subsequently devolved. Majority of these LCs were opened in the name of related parties from where the funds were diverted to accounts of group companies and personal accounts. During the searches, it was found that the promoter had created a maze of shell entities in the name of his employees, relatives and associates with an intention to divert and launder the loan funds obtained from consortium of banks.

The funds so diverted were utilized for personal expenses and buying various movable and immovable properties. During the search operations gold and jewellery worth Rs 4.5 Crore and 8 vehicles including luxury vehicles were found and seized. Various incriminating documents and digital evidence have been found and are being examined.

Further investigation is under progress.

