



PRESS RELEASE

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Directorate of Enforcement (ED), Hyderabad Zonal Office has provisionally attached immovable properties in the form of land parcels and residential premises worth Rs. 48.71 Crore under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 in a bank fraud case being investigated against **M/s Transstroy India Ltd. (TIL) and others.**

ED initiated investigation on the basis of FIR registered by the ACB, CBI, Hyderabad under various sections of IPC, 1860 and Prevention of Corruption Act, 1988. TIL availed loans and credit facilities from a consortium of banks but did not utilize the funds for the availed purpose. These loan accounts turned NPA due to persistent irregularities by the company, frequent devolvement of Letters of Credit (LCs), non-payment of interest on working capital limits and non-routing of operations through consortium banks. The borrowed funds were diverted to its group companies, shell entities, entities owned / controlled by the Promoters/Directors and several unrelated entities.

ED investigation revealed that TIL and its Directors/Promoters, by showing fictitious high turnover with the help of bogus sales and purchase transactions with its own associated entities and shell entities, availed credit facilities from time to time and diverted the funds fraudulently by way of opening accommodated LCs which led to the devolvement of the LCs, and caused loss to the extent of Rs. 5115 Crore (including interest) to the consortium of banks. Investigation revealed that Directors/Promoters of TIL floated several shell entities and appointed their employees as namesake / dummy Directors in such entities which were used for diversion and layering the proceeds of crime. It was also revealed that vehicles in the category of LMV/ 2 wheelers were reflected in the bogus invoices as transportation vehicles for transport of steel in tonnes.

ED investigation further revealed that around Rs. 85.90 Crore was withdrawn in cash from the bank accounts of TIL and related entities and that the same was utilized by its Promoters / Directors for their personal gains. It was also revealed that immovable properties acquired out of proceeds of crime were gifted and transferred to family members with an intent to prevent their attachment by the law enforcement agencies.

The attached properties include land parcels gifted & transferred by one of the Directors to his family members as well as residential premises of entry provider who was involved in the diversion of funds on commission basis.

Further investigation is under progress.