



PRESS RELEASE

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Directorate of Enforcement (ED), Hyderabad Zonal Office has conducted search operations on 22.07.2025 at six locations in Hyderabad under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 in connection with a bank fraud case against M/s SEW Infrastructure Ltd. (SIL), M/s Prasad & Company (Project Works) Pvt. Ltd. (PSPWPL), group companies and their promoters / Directors.

ED initiated investigation on the basis of FIR registered by the CBI, ACB, Hyderabad against M/s SEW LSY Highways Limited & others under various sections of IPC, 1860 and PC Act, 1988 for siphoning and diversion of loan funds, cheating and criminal misconduct resulting in loss of public money.

M/s SEW LSY Highways Ltd, was incorporated as a Special Purpose Vehicle for the purpose of execution of Concession Contract awarded by Uttar Pradesh State Highway Authority to the consortium of M/s SIL and M/s PSPWPL. M/s SEW LSY Highways Ltd. was sanctioned Term Loan of Rs. 1700 Crores by a consortium of 14 banks led by Punjab National Bank. M/s SEW LSY Highways Ltd. awarded the Engineering, Procurement and Construction (EPC) contracts to M/s SIL and its group entities which further sub-contracted the work to other entities.

ED investigation revealed that a part of the project was sub contracted to group entities viz; SEW Transport Networks Ltd. (STNL), which in turn further sub contracted the same at lesser values to other parties including M/s PSPWPL which in turn further sub contracted the same at lesser rates. As a result of this sub-contracting activity to group entities at lesser rates, M/s SIL and its group entities diverted & siphoned off the loan funds. Further, as per the terms of loan, the promoters were required to bring in their own contribution. However, investigation revealed that a part of the loan funds was diverted to M/s PSPWPL (30% stake holder in SEW LSY Highways Ltd.), which in turn infused the loan funds as promoter's contribution. A total of Rs. 603.68 Crore was disbursed to M/s SEW LSY Highways Ltd by the banks for the project. However, the project was not completed and the term loan became NPA resulting in outstanding amount of Rs.621.78 Crore to the banks.

Search operations resulted in the seizure of financial documents evidencing suspected diversion of funds as well as property documents, having current market value of around Rs. 120 Crore, in the names of the promoters and their family members. 33 bank accounts belonging to M/s SEW Infrastructure Ltd, M/s STNL as well as their Directors and family members were frozen during the search operations. Further investigation is under progress.