



Press Release
17.01.2025

Directorate of Enforcement (ED), Delhi Zonal Office has provisionally attached immovable property worth Rs. 486 Crore (approx.) in the bank fraud case of erstwhile **Bhushan Power and Steel Ltd [BPSL]** under the Prevention of Money Laundering Act (PMLA), 2002. The provisionally attached asset is a residential house property at Amrita Shergill Marg [1 acre/ 4840Sq Yards], New Delhi. The said property was owned by Mrs. Aarti Singal, the then Director of erstwhile BPSL. Mrs. Aarti Singal is also the wife of Sanjay Singal, the then main promoter and Director of erstwhile BPSL.

ED initiated investigation on the basis of FIR registered by CBI. The FIR consisted of scheduled offences of PMLA and alleged that Directors of erstwhile BPSL cheated banks to the tune of Rs. 47,204 Crore.

ED investigations revealed that BPSL and its promoters diverted bank funds to private investments in the form of shares and properties. The books of accounts were fudged to show fake expenses/ purchases/ capital assets and thereby bank funds were taken out in the form of cash. Cash was also generated from out of book sales and the same was utilised for acquiring assets in the name of family members. The cash was brought into the books of various beneficially owned benami companies [held through employees/ dummy directors] and the same was utilised for investments in the form of shares and immovable properties. The bank funds were dissipated towards acquisition of private assets and held in such a way that the banks should not be able to recover the loan amounts.

ED had earlier attached properties [land, building, machinery, immovable properties, aircraft etc] worth Rs. 4452 Crore through multiple provisional attachment orders since 10-10-2019. The main promoter Sanjay Singal was arrested by ED on 22-11-2019 and Prosecution Complaint (PC) has been filed against him and other key employees on 17-01-2020. The cognizance of the PC has been taken on the same date and trial is pending.

The creditor banks had initiated Corporate Insolvency Resolution Process [CIRP] under Insolvency and Bankruptcy Code, 2016 [IBC] to recover outstanding loan amount of Rs. 47,204 Crore. JSW was the Successful Resolution Applicant [SRA] for an amount of about Rs. 19,350 Crore [approx.]. ED filed an affidavit before the Hon'ble Supreme Court praying for the restitution of the attached properties valuing Rs. 4025 Crore [covered under the CIRP] to JSW under second proviso to Section 8(8) of PMLA (restitution pending trail) read with Rule 3A of PMLA Restoration of Property Rules. The Hon'ble Supreme Court accepted the affidavit filed by ED and ordered restitution of assets valuing Rs. 4025 Crore [consisting of land, plant and machinery] to JSW through the order dated 11-12-2024.

The banks after recovering an amount of Rs. 19,350 Crore, still suffered a loss of about Rs 28,000 Crore. Accordingly, ED continued investigations for the recovery of the assets dissipated by erstwhile BPSL promoters through the bank fraud. With the present provisional attachment of the house property at Amrita Shergill Marg, New Delhi, the total value of the attachments done in this case is Rs. 4938 Crore out of which Rs. 4025 Crore stands restituted under the provisions of PMLA. ED intends to reconstitute the remaining assets to the victim banks under the provisions of PMLA.

Further investigations are under progress.