



Press Release
18.10.2023

Directorate of Enforcement (ED) has conducted search operations on 16.10.2023 under PMLA, 2002 at the office premises of M/s. Bharat Road Network Limited (BRNL) in Kolkata and M/s. Guruvayoor Infrastructure Private Limited (GIPL) in Kolkata, M/s.KMC Constructions Ltd in Hyderabad and M/s. GIPL office in Thrissur in a case of embezzlement of funds of NHAI.

ED initiated investigation on the basis of FIR registered by CBI under various sections of IPC, 1860 and Prevention of Corruption Act, 1988 against M/s. Guruvayoor Infrastructure Pvt. Ltd. (GIPL) and others alleging that the company and its then Director Vikram Reddy entered into a criminal conspiracy with unknown officials of NHAI, Palakkad, in connection with execution of work related to two sections of National Highway 47, during the period from 2006 to 2016 and thereby cheated NHAI, Govt. of India, to the tune of about Rs. 102.44 Crore.

ED investigation revealed that accused company M/s GIPL and sub-contractor M/s KMC Constructions Limited, with officials of NHAI and the project Independent Engineer fraudulently obtained the completion certificate of the road project & started collecting toll from public. Investigation has revealed that without completing the construction of the bus bays, the accused company illegally generated revenue from letting out the advertisement space. Thereby the accused derived undue benefit of Rs 125.21 Crore which is the value of the work not executed and proceeds of crime under PMLA, 2002.

During the searches, it was found out that the toll collections were invested by M/s GIPL into mutual funds without remitting the cost of work not done to NHAI. Hence freezing order was issued under Section 17(1-A) of PMLA, 2002, for a value Rs. 125.21 Crore against the bank balance and Fixed Deposits of M/s. Guruvayoor Infrastructure Private Limited in Kolkata. Further, searches have led to seizure of incriminating documents from the office premises of M/s. KMC Constructions Limited which revealed that the company has sold its 51% share in M/s GIPL to M/s BRNL without any proper valuation and without taking necessary approval from NHAI as per the contract terms. Hence a freezing Order was issued u/s 17(1-A) of PMLA, 2002 against the bank balances of M/s KMC Constructions Limited for a value of Rs. 1.37 Crore.

Further investigation is under progress.