



## **PRESS RELEASE**

**11.06.2025**

Directorate of Enforcement (ED) has restored assets valued at Rs. 52.35 Crore (estimated market value of more than 120 Crore). These assets in the form of immovable and movable properties were provisionally attached by ED under Prevention of Money Laundering Act (PMLA), 2002 while investigating the case of M/s Shakti Bhog Foods Limited (SBFL).

ED had initiated investigation on the basis of the FIR filed by State Bank of India (SBI) on behalf of 10 consortium member banks against M/s Shakti Bhog Foods Limited, its Directors, unknown public servants and other unknown persons for commission of offence under sections of IPC, 1860 and PC Act, 1988.

ED investigation revealed that M/s SBFL had availed various credit facilities from 10 different consortium banks where SBI was the lead bank in the consortium bank. The loan account of the company slipped into NPA on 31.03.2015 with a total outstanding of Rs. 3269.42 Crore. M/s Shakti Bhog Foods Limited was engaged in the business of manufacturing of Wheat Flour, Pulses, Rice etc. SBFL had availed credit facilities from consortium banks which was diverted to various dummy entities and sister concerns of SBFL without any actual business. Such bogus transactions with dummy entities were executed on the basis of fake bills and transport documents projecting these transactions as genuine business transactions. In such process, several shell entities were used to divert, rotate and siphon off loan funds availed by SBFL. Around 108 such dummy entities have been identified during investigation. These dummy entities were controlled and managed by entry operators, who used to charge commission for providing accommodation entries through these dummy entities. While rotating funds through the dummy entities/shell companies, loan funds were also siphoned off in the form of cash, commission payments and trade discounts etc. to these and various other dummy entities. In addition, some part of loan funds availed by SBFL were transferred into these dummy entities and thereafter these funds were transferred into bank accounts of SBFL, its directors, promoters and various third parties without any actual business. This evidences intentional, deliberate and calculated siphoning of the borrowed funds by SBFL and other associated persons. These funds were utilized to purchase properties and other assets projecting PoC as untainted.

During the investigation, the ED had issued 05 Provisional Attachment Orders, attaching assets worth Rs. 131.93 Crore belonging to various accused persons and filed 06 Prosecution Complaints before the Hon'ble Special Court (PMLA). The Liquidator appointed by Hon'ble NCLT [on behalf of Committee of Creditors (CoC) including consortium lender banks] filed an application before the Hon'ble Special Court (PMLA) for restoration of certain movable and immovable properties attached by ED.

In accordance with the intent of PMLA, 2002 to restore the Proceeds of Crime (POC) to legitimate claimants and victims of the offence of money laundering, ED consented for restoration of the certain attached properties u/s 8(8) of PMLA, 2002. Based on the afore-said submission of ED, the Hon'ble Special Judge, (PMLA) vide his order dated 04.06.2025 was pleased to pass an order to restore the attached immovable and movable properties valued at Rs. 52.35 Crore (estimated market value of more than 120 Crore) to the liquidator representing CoC. The restoration of the properties to the rightful claimants and victims marks a significant step in the ED's ongoing efforts to ensure that the PoC are returned to those affected. The ED continues to uphold its commitment to combating financial crimes and ensuring justice for victims of such crimes.