



Press Release
04.03.2022

Enforcement Directorate has arrested Ahmed A. R. Buhari, Promoter of Coastal Energy Private Limited, Chennai, under the Prevention of Money Laundering Act (PMLA), 2002 in a money laundering case of over valuation of coal prices whereby the Public Sector Undertakings paid higher price for the purchase of coal.

ED initiated money laundering investigation on the basis of FIR registered by the Central Bureau of Investigation (CBI), New Delhi against Ahmed A.R. Buhari, Promoter of M/s. Coastal Energy Pvt. Ltd, Chennai and others unknown officials of PSUs under various sections of Indian Penal Code, 1860 and Section 13(2) read with Section 13(1) (d) of Prevention of Corruption Act, 1988. The investigation in the matter was also conducted by the Directorate of Revenue Intelligence and a show cause notice to the party has been issued under the provisions of Customs Act, 1962.

Investigation by ED revealed that Ahmed Buhari is controlling the companies M/s Coastal Energy Private Limited, Chennai, Coastal Energen Private Limited, Coal & Oil Group Dubai and other offshore entities located in Mauritius and British Virgin Islands. The PSUs were supplied coal of lower calorific value instead of the higher specification for which the tenders were floated and executed by the CEPL or MMTC and the coal was supplied by CEPL either directly or through MMTC. The over valuation of lower quality of coal ultimately was done on the basis of fraudulent Certificate of Sampling and Analysis (COSA) whereas the original COSA depicting the genuine quality of coal was suppressed.

Investigation further revealed that Buhari generated proceeds of crime (POC) to the tune of Rs. 564.48 Crore from the over valuation of coal. Buhari diverted the POC to the tune of Rs. 557.25 Crore through CEPL and CNO Group entities, UAE and routed the same back to India through Precious Energy Holdings Ltd, BVI and Mutiara Energy Holdings Ltd, Mauritius to invest in Coastal Energen Pvt. Ltd, India. The POC to the extent of Rs. 557.25 Crore in the possession of M/s. Coastal Energen Pvt. Ltd has already been provisionally attached by the ED in the year 2020.

Further investigation is in progress.
