



PRESS RELEASE

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Hon'ble Special Court (PMLA), Mumbai Allows Restoration of Attached Property worth Rs 952 Crore of Vadraj Cement Limited under PMLA, 2002

In continuation of the Directorate of Enforcement's (ED) ongoing efforts for restitution of properties to their rightful owners and in order to put the productive assets to use enabling financial institutes to monetize the assets attached or seized/secured by ED, a concerted effort was put by ED in the IL&FS case. Assets worth Rs 952 Crore were restituted / restored to the rightful claimant, by the Hon'ble Special Court (PMLA), Mumbai vide order dated 25.06.2025, subsequent to the NOC issued by the ED in this regard.

ED, Mumbai Zonal Office initiated investigation under the Prevention of Money Laundering Act, 2002 (PMLA) against Infrastructure Leasing & Financial Services Ltd. (IL&FS), its group companies, and other associated entities for their involvement in the generation and laundering of Proceeds of Crime (POC).

During the course of the investigation, it was revealed that Vadraj Cement Limited (formerly ABG Cement Ltd.), a group company of ABG, had availed financial assistance from IL&FS Financial Services Ltd. (IFIN) which was subsequently declared as non-performing. The investigation established that loans amounting to Rs. 952 Crore were obtained fraudulently and were identified as POC. Accordingly, the immovable properties of Vadraj Cement Ltd., comprising its Surat Cement Plant, were provisionally attached by ED on 21.01.2020. The attachment was confirmed by the Adjudicating Authority on 05.08.2021. Prosecution Complaint for the offence of Money Laundering was also filed in the matter before the Special Court (PMLA), Mumbai praying for the confiscation of properties attached as POC.

The Punjab National Bank was the major lender to Vadraj Cement Ltd. with an admitted claim of Rs 2,122 Crore. The defunct cement company's other major lenders include Union Bank (Rs 1,620 Crore), Indian Overseas Bank (Rs 1,419 Crore), Central Bank of India (Rs 1,391 Crore) and JC Flower ARC (Rs 677 Crore).

Subsequently, M/s Nuvoco Vistas Corporation Ltd., a subsidiary of the Nirma Group and the Successful Resolution Applicant under the Insolvency and Bankruptcy Code, 2016 (IBC), filed an application before the Hon'ble Special Court (PMLA), Mumbai seeking restoration of the attached property to facilitate implementation of the resolution plan approved by the Hon'ble National Company Law Tribunal (NCLT), Mumbai on 01.04.2025. The Nuvoco Vistas Corporation Ltd will



pay Rs 1,706 Crore to its financial creditors in lieu of its acquisition of Vadraj Cement Ltd. Considering the intent of PMLA to restitute/ restore the POC to bonafide legitimate claimants, the ED submitted no objection before the Hon'ble Additional Session Judge for the release of property attached to the bonafide legitimate claimants. Based on the afore-said submission of ED, the Hon'ble Additional Session Judge was pleased to pass an order to restitute the attached immovable properties to the bonafide legitimate claimants on 25.06.2025. The Hon'ble Special Court (PMLA), Mumbai, vide its order in PMLA Special Case No. 6/2019, has allowed the said application and directed the restoration of the attached property to Nuvoco Vistas Corporation Ltd. under Sections 8(8) and 8(7) of the PMLA read with Rule 3A of the PML (Restoration of Property) Rules, 2016.

The Hon'ble Court has further directed the Applicant to submit an undertaking to return or restore the property or its value as may be directed in future. The Court has also instructed the ED to prepare a detailed inventory of the property prior to handing over possession. The restoration order pertains solely to the attachment of Rs. 952 Crore arising out of investigation made by Mumbai Zonal Office.

The restitution of the properties to the rightful claimant marks a significant step in the ED's ongoing efforts to ensure that the POC are returned to those affected. The ED continues its ongoing efforts to trace and recover POC and to ensure that legitimate third-party interests are dealt with in accordance with law and judicial directions. The ED continues to uphold its commitment to combating financial crimes and ensuring justice for victims of such crimes.