

## CONTROVERSY

**RS 330-CR BANK FRAUD: CBI TO EXAMINE IL&FS OFFICIALS**

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In fresh trouble for the controversial company IL&FS Securities Services Limited, the CBI is preparing to grill senior officials of the company for causing a loss of Rs 330 crore to banks by diverting loans for unauthorised use.

The Central Bank of India said in its complaint that it sanctioned fund based (working capital facility) and non-fund based facilities to the borrower company IL&FS Securities Services Limited (ISSL) to the tune of Rs 50 crore out of a total limit of Rs 250 crore and Rs 75 crore out of a total limit of Rs 900 crore, respectively under consortium and Multiple Bank Arrangements.

The complaint alleged that ISSL, in conspiracy with other co-accused, cheated the bank by way of diversion of disbursed bank funds in the form of Inter Corporate Deposits (ICDs), providing unsecured loans to IL&FS Employees welfare Trust and invocation of Bank Guarantee in reported

fraudulent transaction of M/s Allied Financial Services Private Limited and thereby caused wrongful loss to Central Bank of India and other banks to the tune of Rs 330.43 crore as on 31 January 2022 and corresponding wrongful gain to themselves.

*The CBI teams are also studying a forensic audit report which confirmed that funds were diverted in the form of ICD to Group Companies, mainly IL&FS Financial Services Ltd (IFIN).*

A written complaint addressed to the Head of Branch, CBI, ACB, Bhopal, was given by P.C. Khurana, Dy. General Manager, Central Bank of India, Stressed Assets Management Branch (SAMB), Mumbai, against the accused borrower IL&FS having registered address at IL&FS House, Plot No.14,

Raheja Vihar, Chandivali, Andheri (East), Mumbai.

The complaint also named the company's directors, namely, Arun Kumar Saha, Rengarajan Seshadri, Ramesh Chander Bawa, Vibhav Ramprakash and other unknown public servants and private persons.

The CBI teams are also studying a forensic audit report which confirmed that funds were diverted in the form of ICD to Group Companies, mainly IL&FS Financial Services Ltd (IFIN) and IL&FS Ltd, even after knowing that IFIN was misusing the funds.

CBI investigators also plan to examine the roles of directors of ISSL, who were at the helm of affairs in other IL&FS group companies as well, to determine if they misused their powers to divert the funds of ISSL to other companies of the IL&FS group in the form of Inter Corporate Deposits (ICD), at a very low rate of interest, even after knowing that IFIN and IL&FS Ltd are on the verge of collapse and the money would not be recovered.