

Indiabulls Housing Finance Accused Of Misappropriating Rs 98,000 Crore Of Public Money

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A plea was filed in the Supreme Court on Monday seeking legal action against [Indiabulls Housing Finance Ltd.](#), its chairman Sameer Gehlaut and directors for alleged misappropriation of Rs 98,000 crore of public money.

The petition alleged that money worth thousands of crores were siphoned off by Gehlaut and the directors of the firm for their personal use.

Abhay Yadav, the petitioner and one of the Indiabulls Housing Finance shareholders, alleged that Gehlaut, with the help of one Harish Fabiani—a Non Resident Indian based in Spain, allegedly created multiple “shell companies” to which Indiabulls Housing Finance loaned huge sums of money under “bogus and non-existent pretexts”.

These companies further transferred the loan amount to other companies which were either run, directed or operated by Gehlaut, his family members or other directors of Indiabulls Housing Finance, the plea alleged.

“This entire chain of scam would have never been possible without the conniving with the auditors, credit rating agencies and concerned officials of the respective government departments,” the plea said.

The plea also sought directions to the central government, Securities and Exchange Board of India, Reserve Bank of India, Income Tax Department or the competent authority to restore, protect and conserve the misappropriated investors' money.

It alleged that Gehlaut was rich, influential, powerful and has extremely strong political connections and he, in conspiracy with the other directors, could leave the country with investors' money.

“Chairman Sameer Gehlaut in conspiracy with the other Directors has mercilessly and heinously taken the public money of approximate more than Rs 98,000 crore for their exclusive personal use,” the plea said.

It alleged that the “modus-operandi” opted by Gehlaut and the alleged co-conspirators to defraud not only the investors at large but also the public exchequer, was multi-dimensional duly buckled-up with manifold layers of criminal and highly unlawful activities.

“Apparently, the sole purpose of this biggest and huge financial scam was to take the entire public money of the innocent shareholders, PSU Banks and Private Banks etc. to make it for the criminally exclusive and unlawful purposes of Gehlaut and his family members. Shockingly, Gehlaut and his Particeps Criminis (co-conspirators) did not leave almost any financial enactments to violate,” it said.

The plea further claimed that Gehlaut and his wife have also been deliberately involved in taking kickbacks from his alleged borrowers and misled the regulating authorities.

“Gehlaut and his Particeps Criminis have, while advancing the alleged loans to the dummy and shell companies, made various bogus entries while taking the interest on annual basis instead of a monthly basis and by this way neither TDS could have been deducted on timely manner nor even a single penny of late penalty has been paid to the public exchequer at Income Tax Department which resulted in further injury of more than hundreds of crores rupees,” it claimed.

The plea further said that while building the dummy and shell companies, around Rs 1,700 crores from unknown sources were used, which was illegal and forbidden by the Prevention of Money Laundering Act.

“They have also done the gross criminal violation and willful heinous misconduct against the SEBI laws as well by not following of express provision of SEBI & Companies act's Corporate Governance Policy... have also violated the RBI & NHB guidelines and other laws as well,” it claimed.

The company officials were directors, promoters and beneficiaries of interconnected non-banking finance companies at Delhi, Mumbai and Gurugram,

the plea said.