

IL&FS TAMIL NADU POWER COMPANY STAKE SALE

ED attaches shares worth ₹452 cr held by Singapore firm

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THE ENFORCEMENT Directorate (ED) has provisionally attached shares worth Rs 452 crore, or 8.86 per cent stake, in IL&FS Tamil Nadu Power Company Ltd (ITPCL), allegedly held by a shell company based in Singapore, AS Coal Pte, in connection with its ongoing probe into the Infrastructure Leasing & Financial Services (IL&FS) collapse.

Owned by Jaimin Vyas, a British national, AS Coal Pte is accused of defrauding IL&FS and Indian banks allegedly in connivance with the officials of IL&FS and a Chinese EPC contractor SEPCO III.

The ED has alleged that ITPCL's right to select the EPC contractor was illegally delegated to Vyas in

violation of the terms and conditions of the share purchase agreement. "Jaimin Vyas thereafter nominated SEPCO as EPC contractor and got kick back in guise of fees for consultancy services. The same money was routed as equity investment in ITPCL. Subsequently, ITPCL paid SEPCO III the amount (paid earlier by SEPCO to Jaimin Vyas) by inflating the value of the contract and payments were also made in the guise of early completion of project," the ED stated.

The Indian Express had reported that Grant Thornton had raised concerns over the transaction underlying the sale of ITPCL's shares to AS Coal. It found that SEPCO allegedly provided financial assistance of about Rs 800 crore to entities associated with Vyas, for acquisition of ITPCL shares.