

Bhushan Steel Case Study

Team

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Company Profile

Type : Private

Founded in : 1989

Industry : Steel

Website: www.bhushangroup.com





Fraud cases

In April 2019, the Central Bureau of Investigation accused Bhushan Steel of taking a loan of ₹47,000 crore (US\$7 billion) from various banks including **Punjab National Bank, Oriental Bank of Commerce, IDBI Bank** and **UCO Bank** , which later turned into non-profitable assets.

In July 6, 2019, Bhushan Power and Steel Limited was accused of committing another fraud of ₹3805.15 crore rupees (US\$535.23 million) from **Punjab National Bank**.

On July 13, 2019, **Allahabad Bank** disclosed that it had detected a fraud of ₹1,774.82 crore (US\$249 million) by BPSL.

On July 16, 2019, **Punjab & Sind Bank** (PSB) reported a ₹238 crore (US\$33 million) fraud by BPSL.





Loopholes in System

Poor assessment of risk

Public sector banks involved in the fraud

Loan amount was routed in the shape of advances shown to various shell companies

Fund diversion by promoter companies

