



Press Release
09.05.2026

ED's money laundering probe into Dandamudi Venkateswara Rao (D.V. Rao), Promoter of the Sravanthi Group, and his associates has uncovered large-scale laundering worth approximately Rs. 284 Crore. Two Directors- D.V. Rao and D. Shanthi Kiran—along with D.V. Rao's brother, D. Avanindra Kumar, have been arrested. All three have been remanded to ED custody by the Special Court until May 12, 2026.

The Predicate Offence: Large-Scale Bank Fraud & Misuse of RTGS:

The investigation originated from a scheduled offence registered as FIR No. 0360/2025 at PS Sector-40, Gurugram, wherein it was alleged that M/s DJW Electric Power Projects Private Ltd., controlled by D.V. Rao, had fraudulently availed loans from various entities. ED investigation conducted till now reveals that the total loan amount involved in the fraud was approximately Rs. 58 Crore.

In a sophisticated modus operandi, while the accounting records of DJW showed that loans were being repaid to the original lenders, the ED investigation revealed that the banking RTGS system was misused. The RTGS mandate forms fraudulently mentioned the names of actual lenders but provided bank details of Kolkata-based shell entities. Consequently, loan repayment funds were siphoned off to shell companies including Nexus International, Bhavtarini Sales Pvt. Ltd., and Gabel Trading Co. instead of being returned to legitimate lenders.

The SEPL Case & Rs. 228 Crore Proceeds of Crime:

Further investigation under PMLA, 2002 led to registration of another scheduled offence (FIR No. 336/2025) and a parallel money laundering investigation involving Sravanthi Energy Private Limited (SEPL), also controlled by D.V. Rao.

It was unearthed that SEPL had been fraudulently paying approximately Rs. 75 Lakh per month as "consultancy fees" to a shell entity named M/s Verset Technologies Pvt. Ltd., which had no office or employees and was registered in the name of D.V. Rao's father-in-law. Through this sham arrangement, Rs. 89.36 Crore was illicitly diverted.



Simultaneously, SEPL booked bogus purchases of over Rs. 139 Crore through fake invoices from more than 100 shell entities without any supply of goods or services. These payments were received back in cash by D.V. Rao and his family. The total Proceeds of Crime identified against D.V. Rao and his family in the SEPL case is approx. Rs. 228 Crore.

Investigation Reveals Default to Banks & Defrauding of Investors:

The ED investigation has further revealed that D.V. Rao had earlier defaulted on huge amounts to banks, which led SEPL into becoming a Non-Performing Asset (NPA). This compelled the banks to resort to a compulsory One-Time Settlement (OTS), resulting in a loss of more than Rs. 1500 Crore to the banking system. On the other hand, while the company was sinking under debt, D.V. Rao was systematically siphoning off funds from the company for his personal enrichment. In this manner, he has defrauded not only the banks but also the investors in the company. Notably, several Public Sector Undertaking (PSU) banks hold minority shares in the company, making their stake a matter of public interest.

Seizure of Jewellery, Luxury Vehicles & Attachment of Properties:

Earlier, during search operations conducted in the case, the ED had seized gold and diamond jewellery valued at approximately Rs. 5 Crore and multiple luxury vehicles belonging to D.V. Rao and his family members. Thereafter, the ED issued a Provisional Attachment Order under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 of M/s Sravanthi Energy Pvt Ltd (SEPL) and others. The attached properties include 5 residential on 03.03.2026, attaching immovable and movable properties worth Rs. 24 Crore (approx.) in the casehouse properties (total area: 25,060 sq. ft.) and industrial/agricultural land measuring approximately 292 Acres and 37 Gunthas, spread across Andhra Pradesh, Telangana, and Karnataka, owned by Dandamudi Venkateswara Rao and his family members.

Non-Cooperation & Issuance of Non-Bailable Warrant:

Despite issuance of multiple summons by the ED, D.V. Rao remained absconded and did not cooperate with the investigation. His persistent non-cooperation and evasion led the Hon'ble Court to issue an open-ended non-bailable warrant against him to ensure his compliance and presence before the investigating agency.

Role of Dandamudi Avanindra Kumar (DA Kumar):



Further, the brother of the main accused, DandamudiAvanindra Kumar (DA Kumar), played an active role in obstructing the investigation. A search on 02.04.2026 at the premises of one Pritish Kumar Jhingan led to the recovery of Rs. 1 Crore in cash. During his statement under Section 50 of PMLA, 2002, Pritish Kumar Jhingan revealed that DA Kumar had sent this cash to make payments to third persons and that DA Kumar used to meet certain persons in Delhi and Gurugram specifically to influence the PMLA proceedings against his brother D.V. Rao. Furthermore, evidence on record shows that D.V. Rao was hiding at DA Kumar's residence in Hyderabad to evade ED's proceedings.

Judicial Remand:

All three accused were produced before the competent court. The Court observed that given the gravity of allegations and the role of the accused in money laundering, custodial interrogation is necessary. Accordingly, the Court has remanded all three accused to ED custody till **12.05.2026**.