



## Press Release

11/12/2023

Directorate of Enforcement (ED) has provisionally attached movable and immovable properties to the tune of Rs. 12.11 Crore belonging to Nirmal Kotecha, Pavan Kuchana and Kishore Tapadia under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 in the case of Initial Public Offer (IPO) scam of M/s Taksheel Solutions Limited, Hyderabad.

ED initiated investigation on the basis of complaint filed by the Securities and Exchange Board of India (SEBI) under the provisions of SEBI Act, 1992 against M/s Taksheel Solutions Limited, its promoters/directors and others for irregularities with respect to the IPO of 55,00,000 shares of Rs. 10 each for which issue price was fixed at Rs. 150 and through which M/s Taksheel raised Rs. 80.50 Crore.

ED investigation revealed that Pavan Kuchana, Nirmal Kotecha and Kishore Tapadia formulated a planned strategy to inflate the revenue of M/s Taksheel Solutions Limited for issuing IPO and for subsequently diverting and siphoning off the IPO proceeds. To facilitate the issue of IPO, Nirmal Kotecha arranged for Inter-Corporate Deposits (ICDs) of Rs. 34.50 Crore to M/s Taksheel Solutions Ltd. The said funds were rotated through US based entities belonging to Pavan Kuchana and circular transactions were done with M/s Taksheel Solutions Ltd. before the IPO which resulted in incremental revenue and corresponding inflation of profitability. Subsequent to the IPO, the ICDs were repaid from the IPO proceeds.

ED investigation further revealed that out of the IPO proceeds of 80.50 Crore, an amount of Rs. 34.50 Crore was diverted and siphoned off to US based entities of Pavan Kuchana on the pretext of payment for supply of services. From these US based entities, an amount of Rs. 30.15 Crore was further transferred to Singapore / Hong Kong based entities under the control of Nirmal Kotecha. Out of the IPO proceeds, another amount of Rs. 23 Crore was transferred to Indian entities in the guise of purchase of software products and was eventually transferred to Nirmal Kotecha's entities based in Hong Kong and Dubai. Proceeds of crime of Rs. 18 Crore were transferred from M/s Taksheel Solutions Ltd. to various individuals / entities on the pretext of IPO related expenses, payments to vendors, STPI development expenses, salaries, etc.

Earlier ED had arrested all three accused persons namely Nirmal Kotecha, Pavan Kumar Kuchana and Kishore Tapadia. Nirmal Kotecha and Kishore Tapadia were granted bail by Telangana High Court on 06.12.2023 and Pavan Kuchana is still in judicial custody.

Further investigation is under progress.