



Press Release

15.08.2024

Directorate of Enforcement (ED), Hqrs. Office has provisionally attached immovable properties being the proceeds of crime, spanning valued at Rs. 678.48 Crore belonging to various group companies of Avantha Group owned and controlled by Gautam Thapar. The properties attached are in the form of land located in Haryana, Maharashtra and Uttarakhand.

On 19.08.2019, CG Power and Industrial Solutions Ltd had made disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to Bombay Stock Exchange and National Stock Exchange regarding findings which had potential implications on the financial position of the Company. The disclosure made by CG Power and Industrial Solutions Ltd. revealed that assets and liabilities of the company have been understated considerably; that advances to related parties and unrelated parties have been understated; that certain assets company have been provided as collateral, company was made a co-borrower and/or guarantor for enabling financing of loans which were immediately routed out of the Company without due authorization. The notice of the disclosure was taken by the lender banks of the company and on the basis of complaint made by State Bank of India , CBI, New Delhi had registered a FIR dated 22.06.2021 under the various sections of IPC, 1860 and Prevention of Corruption Act, 1988 against M/s CG Power and Industrial Solution Ltd., Gautam Thapar, K N Neelkanth, Madhav Acharya, B. Hariharan, Omakar Goswami and unknown public servant(s) and private person(s) in perpetuating a **bank fraud** on consortium of banks to the tune of Rs 2435 Crore.

On the basis of above FIR, the ED initiated the investigation under PMLA, 2002 and so during the course of investigation , earlier two Provisional Attachment Orders were issued wherein the properties of Rs. 14.43 Crore were attached. One Key Managerial Personnel of the company namely Madhav Acharya was also arrested in the month of January 2024 and Prosecution Complaint has been filed against him and other persons found to have been involved in the offence of money Laundering.

Further investigation conducted by ED revealed that Rs 1307.06 Crore have been diverted to Avantha Group companies by availing loans and out of its funds. The most of the funds have been paid without the due authorization of board and the ultimately funds paid to Avantha Group Companies remained still outstanding on Avantha Group. Therefore, the properties of Companies of Avantha Group worth of Rs. 678.48 Crore have been attached.

Further investigations is under progress.

