



Press Release

18.10.2024

Directorate of Enforcement (ED), Hqrs.Office has got Proceeds of Crime (PoC) to the tune of USD 751358.43 equivalent to Rs. 6.31 Crore (approx.) remitted from Mauritius to India in a bank account and froze the same.

On 19.08.2019, CG Power and Industrial Solutions Ltd 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 (CGPISL) revealed that assets and liabilities of the company have been considerably understated; that advances to related parties and unrelated parties have also been understated; that certain assets company has 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 upon enquiring, the lender banks had filed the FIR with CBI, Delhi for alleged fraud of Rs. 2435 Crore.

ED undertook the case for investigation and till date, ED has issued three Provisional Attachment Orders wherein properties of Rs. 692.91 Crore were attached. One Key Managerial Personnel of the company 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, ED investigation revealed that in 2017, when Gautam Thapar was the Chairman of CGPISL and Avantha Group, CGPISL obtained a term loan of Rs. 305 Crore from Axis Bank. Out of the loan of Rs. 305 Crore, certain funds were diverted to CGIBV, a subsidiary of CGPISL based in British Virgin Island, and then to CG Middle East (CG ME), a step-down subsidiary of CGPISL. Since then, the PoC were lying in a bank account maintained in Mauritius. ED got the PoC to the tune of USD 751358.43 equivalent to Rs. 6.31 Crore (approx.) remitted to India in a bank account and froze it to pray the same for confiscation before the Hon'ble Special Court (PMLA), 2002.

Further investigation is under progress.