



Press Release

15.03.2022

Enforcement Directorate (ED) has provisionally attached 15 immovable properties worth more than Rs 13.51 Crore in M/s Servomax India Private Limited bank fraud case. The attached properties are in the name of relatives of Directors P Chandrashekhar Reddy and A V Rao and their benamidars.

ED initiated money laundering investigation on the basis of FIR dated 02.02.2018 registered by CBI under various sections of IPC against M/s Servomax India Private Limited (SIPL), its promoters/directors namely Venkateswara Rao Avasarala, Poreddy Chandrasekar Reddy, Director & others for alleged cheating and defrauding Public Sector Banks to the tune of Rs. 402 Crore.

Investigation by ED revealed that SIPL had availed loans from consortium of banks including Letters of Credits, Bank Guarantees and working capital loan and then diverted the same and did not use the loans for the stated purposes and did not repay the loans. Fund trail investigation revealed that the company had got issued LCs in the name of its related shell entities & without supply of any material got the LCs discounted and routed back the proceeds of LC discounting and the promoters used it for their personal gain or to invest as share capital/advance loan in their businesses. Further, money was also withdrawn in cash and through accounts of its petty employees. During investigation, 2 benamidars namely Atluri Prasad and J. Rajesh of M/s Maruthi Travels admitted to the laundering of the proceeds of crime. Despite liquidation of SIPL via NCLT, the accused promoters managed to alienate POC and purchase assets in the names of their family members and benami entities.

ED identified 15 landed properties in & around Hyderabad and has attached the same under PMLA on 14.03.2022. Earlier A V Rao was arrested under PMLA on 17.01.2022 and is in judicial custody.

Further Investigation is in progress.
