



Press release

17/10/2022

Directorate of Enforcement (ED) has provisionally attached 28 immovable properties and other assets worth Rs 80.65 Crore belonging to Mr. Nama Nageshwar Rao and his family members in an ongoing money laundering case against M/s Ranchi Expressway Ltd, Madhucon Projects Limited and its director and promoters under the provisions of PMLA Act 2002. Mr. Nama Nageshwar Rao is promoter and director of Madhucon group of companies and a personal guarantor to the Bank loan defaulted by the company. ED has also attached the registered office of Madhucon group of companies and residential property at Jubilee Hills, Hyderabad.

ED has identified and attached immovable assets of Rs. 67.08 Crore at Hyderabad, Khammam and at Prakasham District and movable assets of Rs. 13.57 Crore including shareholding of the Mr. Nama Nageshwar Rao and his family members in M/s Madhucon Projects Ltd, M/s Madhucon Granites Limited and in other Madhucon group of companies, totalling to Rs 80.65 Crore.

Earlier in July 2022, ED had also provisionally attached 105 immovable properties and other assets worth of Rs. 73.74 Crore belonging to Madhucon Group of companies and its directors & promoters, which included the properties of Madhucon Projects Limited and group companies, Mr. Nama Nageshwar Rao and other promoter and director of company after conducting multiple searches and recording multiple statements of Promoters, sub contractors, bankers, engineers, forensic auditors etc.

ED investigation has revealed that the Madhucon Group promoters siphoned off the loan funds of this project by taking the entire EPC Contract from its SPV, and then taking huge mobilisation and material advances, but instead of using those advances for the work, used it in their other projects. Also, direct cash of amount Rs 75.50 Crore was generated by paying money and then receiving back the amount through 6 Shell Entities (M/s. Usha Projects, M/s Shree BR Visions, M/s. Sri Dharma Sastha Constructions, M/s. Sree Nagendra Constructions, M/s. Ragini Infrastructure and, M/s. Varalakshmi Constructions) which were completely under the control of their Chairman Mr Nama Nageshwara Rao and Mr Nama Seethaiah. These sub-contractors did no work, had no sufficient expertise, were based in AP/Telangana, whereas the project was in North India, and they took large advances from MPL from the loan funds and then paid back huge amounts to Madhucon Group on the pretext of using the



equipments & labour of Madhucon Group. So the funds came back to the Madhucon Group. ED has identified direct diversion of Rs 361.29 Crore from the bank loan obtained by Ranchi Expressways Limited.

Further investigation is going on.