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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **CRL.M.C. 8224/2025**

CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

.....Petitioner

Through: Mr. Sidharth Luthra, Sr. Adv. with
Mr. Shri Singh, Mr. Nikhil Vashney,
Mr. Vineet Unnikrishnan, Mr. Ishu
Gupta, Mr. Ansh Asawa, Ms. Sonu
Bhasi, Ms. Shruti Bhutaaa, Mr. Nav
Teji, Ms. Arunima, Advs.

versus

DIRECTORATE OF ENFORCEMENT & ANR.Respondent

Through: Mr. Anupam S. Sharma, Special
Counsel, with Ms. Harpreet Kalsi,
Mr. Vashisht Rao, Mr. Ripudaman
Sharma, Ms. Riya Sachdeva, Advs.

CORAM:

HON'BLE MR. JUSTICE RAVINDER DUDEJA

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O R D E R

12.12.2025

1. This is a petition filed on behalf of the petitioner, seeking quashing of supplementary prosecution complaint filed by the Directorate of Enforcement before the Special Judge under Section 45 read with Section 44 of the Prevention of Money Laundering Act, 2002 [“**PMLA**”] as also the proceedings emanating therefrom including the order dated 30.08.2025 and the summons dated 03.09.2025, issued by the Special Court.

2. The complaint relates to the alleged offences committed between 2015 & 2019, when the company was under the control of its erstwhile promoter group, Avantha Group led by Gautam Thapar. In the year 2020,



the company underwent a comprehensive resolution under the RBI directions (Prudential Framework for Resolution of Stressed Assets) resulting in complete change in ownership. Tube Investments of India Ltd. (“**TIIL**”) acquired majority control, replacing the prior promoters.

3. In 2021, an FIR was registered against, *inter alia*, petitioners by CBI on the basis of a complaint from lender banks for offences under Sections 120-B read with Section 406/420/467/468/471 & 477-A IPC & Sections 13(2) read with Section 13(1) (d) of Prevention of Corruption Act, 1988. An ECIR was filed by respondent No. 1, basis which, supplementary prosecution complaint was filed arraigning the petitioner as an accused and flagging seven transactions, whereby, money borrowed in the name of the petitioner were allegedly diverted to the Avantha Group Companies for their benefit.

4. Mr. Sidharth Luthra, learned Senior Counsel, who appears for the petitioner, submits that as per RBI directions, after such a resolution and change in promoters, only criminal actions against the old promoters/management can survive and not against the restructured company. He further submits that upon full and final settlement of debt and restructuring under the RBI directions, petitioner and its assets are granted statutory immunity from criminal liability and Respondent No. 1’s action in arraying the petitioner as an accused, taken in disregard of this immunity, is liable to be quashed and therefore continuation of the criminal proceedings *qua* the present petitioner under the new management, who are completely delinked from the erstwhile promoter group for the acts committed prior to such resolution, would be an abuse of the judicial process and a grave miscarriage of justice.



5. The learned Senior Counsel further submits that RBI directions have statutory force and prohibit prosecution of the borrowed entity after resolution and replacement of the defaulting promoters with a new unrelated promoters. He further states that petitioner has fulfilled all the terms of settlement agreement and all debts have been settled and further criminal proceedings shall serve no legitimate purpose.

6. Mr. Anupam S. Sharma, learned Special Counsel, who appears for the respondent/ED, submits that Prudential Norms do not provide any criminal immunity against the restructured company and therefore petitioner is liable to be prosecuted for the fraud committed during the period 2015 & 2019.

7. Norm 34 of the Prudential Norms provides that:-

“34. Borrowers who have committed frauds/ malfeasance/ wilful default will remain ineligible for restructuring. However, in cases where the existing promoters are replaced by new promoters, and the borrower company is totally delinked from such erstwhile promoters/management, lenders may take a view on restructuring such accounts based on their viability, without prejudice to the continuance of criminal action against the erstwhile promoters/management.”

8. Referring to Norm 34, it has been submitted on behalf of the petitioner that the aforesaid norm provides that once a resolution plan for a borrower entity is implemented in terms thereof, the only criminal action that can continue is against the erstwhile promoters/management and not borrowing entity.

9. Matter requires consideration.

10. Issue notice.

11. Notice accepted by Mr. Anupam S. Sharma, learned Special Counsel appearing for Respondent No. 1, who seeks time to file reply.

12. Reply be filed on or before the next date.



13. Renotify on 24.02.2026.
14. In the meanwhile, the learned trial is directed to adjourn the hearing *qua* the present petitioner to a date subsequent to the date fixed before this Court.

RAVINDER DUDEJA, J.

DECEMBER 12, 2025

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