

SUBJECT	CBI GIVES CLEAN CHIT TO VGN IN GUINDY PROPERTY CASE
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CBI gives clean chit to VGN Property Developers on Fairmont case

The CBI court here has allowed the CBI closure report in the VGN Fairmont (Guindy-HTL property) case that admitted no charges had been made out against the VGN Property Developers Pvt Ltd and its Managing Director V Pratish Devadoss. The court has thus treated the case as closed.

The CBI closure report said the agency's probe into the case could not establish any of the allegations against VGN and its MD, whereas the FIR had stated that the accused persons had caused wrongful loss to the Government of India to the tune of Rs.115 crore. It has turned out that the FIR could not be substantiated with prosecutable evidence, said the CBI explaining its closure report.

According to the contents of the FIR, the public sector enterprise HTL had decided to sell 10.46 acres of its land at Guindy in 2006 to settle debts due to a consortium of banks consisting of SBI, Indus Ind Bank, Axis Bank and South Indian Bank Limited.



**V. Pratish Devadoss,
MD, VGN Property Developers**

It also obtained approval from the Department of Telecommunications for selling the land.

The property was auctioned online on March 7, 2007 and a firm based in Bangalore emerged as a successful bidder by offering Rs298

crore. However, that deal could not fructify due to objections raised by the State government and consequent litigations.

Finally, SBI initiated proceedings under the SARFAESI Act and the land was sold to VGN in 2013 for Rs272 crore.

Claiming that even the guideline value of the property was as high as ₹ 387 crore in 2013 and that it ought not have been sold by way of a private treaty without holding a public auction, the CBI alleged that a conspiracy had been hatched to cause wrongful loss to the Centre and a consequent wrongful gain to the individuals involved in the sale. However, now, the investigating agency concluded that it did not have sufficient evidence for proceeding ahead with prosecution.

"We are immensely happy. We will now speed up the project and deliver to our esteemed customers in quick time", said VGN general manager H Sureshkumar, pointing out that this development would provide big relief to the 500. "VGN now plans to deliver the project as per the revised RERA timelines. The sales and construction is in full swing. 7 blocks are nearing completing which is part of Phase 1" he added.