



PRESS RELEASE

3/6/2026

Directorate of Enforcement (ED), Indore Sub-Zonal Office, has arrested three key accused persons, namely Abhay Singh Rathore, Mohd. Zakir and Rahul Badera, on 01.06.2026 under the provisions of the PMLA, 2002, in connection with a money laundering investigation based on the multi-crores Indore Municipal Corporation (IMC) fake bill scam.

The arrested accused persons were produced before the Hon'ble Special Court (PMLA), Indore. The Hon'ble Court has granted ED custody of the accused persons till 05.06.2026 for further investigation.

ED initiated investigation on the basis of multiple FIRs registered and chargesheets filed therein by Police Station MG Road, Indore under various provisions of the IPC, 1860 relating to fraudulent withdrawal of funds from the treasury of Indore Municipal Corporation through fake bills, forged work orders, fabricated records and non-existent project works.

Investigation conducted by the ED has revealed that during the period from 2018 to 2023, fake and bogus bills amounting to approximately Rs. 119.53 Crore were submitted before the Indore Municipal Corporation (IMC) in respect of completely non-existent works. On the basis of such forged and fabricated bills, fraudulent disbursements amounting to approximately Rs. 86.54 Crore were made from the IMC treasury. Further investigation under PMLA, 2002 revealed that prior to 2018, public funds amounting to approximately Rs. 6.22 Crore were siphoned off through a similar modus operandi. Accordingly, the total fraud amount has been quantified at approximately Rs. 92.76 Crore, which constitutes Proceeds of Crime under PMLA, 2002. The investigation has revealed that the accused individuals submitted fabricated bills to the IMC, which were subsequently disbursed to firms under their control. However, these firms carried out no actual work in return for the payments, thereby causing wrongful loss to the IMC and unlawful gain to the accused persons.

It was further revealed that Abhay Singh Rathore, then Assistant Engineer, IMC, emerged as one of the principal conspirators in the scam and played a key role in facilitating preparation and processing of fake work orders. That contractors Mohd. Zakir and Rahul Badera, through firms owned and controlled by them, received approximately Rs. 71.78 Crore from the treasury of Indore Municipal Corporation against fake and bogus bills forming part of the present investigation, thus playing an active role in preparation, submission and processing of such fake bills and the subsequent distribution of fraud proceeds amongst various beneficiaries involved in the conspiracy.

Earlier, ED had conducted searches under Section 17 of the PMLA, 2002, resulting in seizure of cash and valuables worth approximately Rs. 22.04 Crore. Subsequently, immovable properties having an approximate value of Rs. 34 Crore were provisionally attached vide Provisional Attachment Order dated 03.07.2025 under the provisions of the PMLA, 2002.

Further investigation is continuing to trace the remaining Proceeds of Crime, identify additional assets acquired therefrom and ascertain the complete money trail.

Further investigation is under progress.