



Press Release

06.10.2026

Directorate of Enforcement (ED), Mumbai Zonal Office, has filed the 3rd Supplementary Prosecution Complaint on 01.10.2026 before the Hon'ble Special Court (PMLA), Mumbai, against Mehmood Abdul Samad Bhagad @ Challenger King, under the provisions of the PMLA, 2002, in connection with the investigation into an organised syndicate that misused stolen identities to open mule bank accounts for routing the proceeds of cyber fraud and illegal online gaming and betting activities.

ED investigation was initiated on the basis of an FIR registered by the Malegaon Chhawani Police Station, Nashik, subsequently re-registered by the Anti-Terrorism Squad (ATS), Maharashtra, regarding the deposit of more than ₹ 100 crore in newly opened accounts with the Nashik Merchant Co-operative Bank (NAMCO Bank), Malegaon.

ED investigation has revealed that, on the instructions of Mehmood Bhagad, other accused established shell entities and opened bank accounts, which together received more than ₹ 157 crore. These funds were layered through bank accounts of further sets of shell entities controlled by Mehmood Bhagad, and on his instructions hundreds of crores were withdrawn by other accused and moved through hawala channels to other places. Evidences gathered during the investigation revealed the modus operandi of money laundering through trading of USDT (cryptocurrency) by Mehmood Bhagad and his associates and how he used to sell the crypto currency to the persons engaged in cyber fraud and illegal online gaming and betting, who paid in Indian rupees into mule accounts controlled by him.

Earlier, the ED had conducted searches in the said case at multiple premises in Surat, Malegaon, Ahmedabad and Mumbai, which resulted into recovery of incriminating documents and cumulative seizure of total cash amounting to approx. Rs. 15 Cr and freezing of an amount of Rs. 34 Cr. lying in multiple accounts. Further, a Provisional Attachment Order was also issued in the said case attaching movable and immovable properties valued at Rs. 95 Lakhs. In the said case, the ED had arrested 06 persons till date and filed a Prosecution Complaint followed by two Supplementary Prosecution Complaint and Hon'ble Special Court (PMLA) has taken cognizance of all these complaints.

The Enforcement Directorate remains steadfast in its mission to trace and dismantle illicit financial networks and ensure strict enforcement of the PMLA, 2002.

Further investigation is under progress.

