Press Release
25.08.2026

Directorate of Enforcement (ED), Lucknow Zonal Office has conducted Search operations on 24.08.2026 at 11 premises located in the states of Uttar Pradesh and Haryana under the provisions of Prevention of Money Laundering Act (PMLA), 2002 connected with utilization and passing of fake Input Tax Credit (ITC) without actual supply of goods/services.

ED has initiated the investigation in the matter based on the FIR registered by the Uttar Pradesh Police under various sections of the Indian Penal Code, 1860, which are scheduled offences under the PMLA, 2002. It is alleged by the predicate agency that the accused company and its directors fraudulently availed and passed on Input Tax Credit on the strength of fabricated invoices and forged e-way bills, without any actual supply or receipt of goods, thereby causing wrongful loss to the Government exchequer to the tune of Rs. 27.02 Crore. It was further stated that forged bilties were prepared in a pre-planned manner by the said company with the intention of obtaining fake Input Tax Credit and thereby causing loss to Government revenue. Investigation has revealed that fake Input Tax Credit of about Rs. 10.28 Crore was availed and passed on by the said company during the Financial Year 2018-19 through a chain of non-existent and bogus entities, and that the funds received from the beneficiary firms were transferred to such entities on the very same day, layered through a maze of accounts and finally withdrawn in cash.

During the search, documents recovered were analysed and statements of key persons including beneficiaries were recorded in which it has been revealed that the network of fake ITC spreads to many other such units. Further, unaccounted cash amounting to Rs 3.80 Crore along with the incriminating documents/digital devices were recovered and seized.

Further investigation is under progress.