



Press Release

06.10.2026

Directorate of Enforcement (ED), Kolkata Zonal Office-II conducted searches at 12 locations at Mumbai and Ahmedabad under PMLA, 2002 on 30.09.2026 in a matter connected with bank fraud, laundering of proceeds of crime and misuse of the provisions of the IBC by the promoters/Directors of Tayal group Pravin Tayal, Saurabh Tayal and others in connivance with Resolution Professionals.

During the searches, various documents and records pertaining to incorporation and use of shell companies, possession and operation of a large number of bank accounts in cooperative banks opened in name of associates by the accused persons have been recovered and seized. A total of 215 bank accounts linked to the accused entities and associated persons have been frozen under section 17(1-A) of PMLA, 2002. Cash amounting to Rs. 20 lakh was also recovered and seized from the residential premises of Pravin Tayal. In addition to this, records/documents related to various immovable properties, related to the accused promoter/directors have also been identified which were concealed by them from action of ED and bank. Fresh NPAs by the group companies has also been unearthed during the searches.

Investigation is based on ECIRs recorded by ED, Kolkata Zone-II relating to large-scale bank fraud committed by Tayal Group companies, including M/s K. Lifestyle & Industries Ltd., M/s Actif Corporation Ltd., and M/s Jaybharat Textiles & Real Estate Ltd. The proceeds of crime in these cases amount to Rs. 820.86 Cr. (approx.). The group had generated and availed bank funds through falsified stock statements, inflated production claims, and unauthorized sale of hypothecated machinery. The funds were layered through shell companies and diverted into real estate assets, including Empress Mall, Nagpur which was also provisionally attached during investigation having value of Rs 483 Cr. (approx.) along with other immovable properties.

Misuse of IBC

The accused persons through their associated shell entities indulged in processes with the Resolution Professionals (RPs) to regain control over properties derived from bank funds by engineering sham financial transactions and initiating CIRP proceedings through related parties. Searches were also carried out at the premises of these RPs namely Kiran C. Shah, Vinod P. Ambavat, Ravi Kapoor and certain associated entities.

It is revealed that after attachment of assets by ED, CIRP proceedings were initiated by the accused promoters/directors of Tayal group through their shell entities under Section 7 of the IBC. These entities were entirely under the control and occupation of the accused persons and were used as sham creditors, only to protect the assets of the group. The Resolution Professionals assisted the borrowers/promoter directors of Tayal group companies by fraudulently admitting unverified and inflated claims of the above stated related parties, thereby reducing the voting share of secured banks (lenders) and frustrating the real purpose and the intent behind the insolvency process. The RPs also filed multiple applications to set aside PMLA attachments, suppressed adverse orders in such matters before the Courts/Tribunals and also created encumbrance and prevented ED from taking possession of the rent generated from the attached properties which was worth several crores, on behest of the promoters/Directors, although the same continued to be received by the companies floated by the accused persons.

A nexus between promoter-directors, shell companies, and Resolution Professionals has been uncovered during the investigation. These entities were found to be working together to siphon off bank funds, conceal proceeds of crime, and frustrate legal action under PMLA.

In another investigation conducted by ED, Ahmedabad Zone against the Tayal Group, it was revealed that they had indulged in the same modus operandi to frustrate the attachment under PMLA by initiating insolvency proceedings under IBC against their group entity M/s Vidhant Realty Private Limited through another group entity M/s Kausar Textiles Pvt Ltd. In the said case M/s Cubical Realty Pvt Ltd had become the Successful Resolution Applicant (SRA) in clear violation of Section 29A of IBC as the SRA company was beneficially owned by Tayal family viz Pravin Kumar Tayal, Navin Kumar Tayal etc.

Further investigation is under progress.