



**Press Release**  
**13.02.2022**

Enforcement Directorate has arrested Sanjay Agarwal, Managing Partner of Ghanshayamdas Gems & Jewels, under the Prevention of Money Laundering Act (PMLA) 2002 on 11.02.2022 in a loan fraud case in which State Bank of India, Hyderabad, suffered a loss of Rs 67 Crore.

ED initiated money laundering investigation on the basis of FIR registered by CBI, BS&FB, Bangalore under various sections of IPC. Subsequently, CBI registered another FIR against Sanjay Agarwal and others relating to fraudulently removing gold and jewellery hypothecated to PNB against gold loan availed by his firm and thereby causing a loss of Rs 31.97 Crore to the PNB.

Investigation by ED revealed that Sanjay Agarwal is the Managing Partner in M/s Ghanshayamdas Gems and Jewels which is engaged in wholesale trading of gold. In 2010 and 2011, he fraudulently procured gold bullion from SBI by producing fake & forged Bank Guarantees and covering letters purportedly issued by PNB and sold the gold bullion in local market to various jewellers and small traders in cash. The cash so generated was diverted to several other firms floated by Sanjay Agarwal in the name of his wife, brothers and his employees. Later, after default on the gold loan happened, SBI found that the BGs & letters were forged. On 17.08.2011, Sanjay Agarwal and his brothers Ajay and Vinay clandestinely removed the entire stock of gold and jewellery kept at their store in Abids, Hyderabad. The stock was already hypothecated to the PNB against gold loan availed by the firm.

Sanjay Agarwal was already lodged in Kolkata Jail in another ED case related to diversion of 'duty-free export bound gold' into domestic market. He was produced before the PMLA Special Court Hyderabad on 11.02.2022 on a Production Warrant and the Hon'ble Court has remanded Sanjay Agarwal to 15 days of judicial custody.

Further investigation is under progress.

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