



Press Release
27/06/2024

Directorate of Enforcement (ED), Mumbai Zonal Office has conducted search operations at 12 different locations across Mumbai under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 on 26.06.2024 against M/s Mandhana Industries Limited and others in a case of bank fraud. The Search operation led to freezing of shares and securities worth Rs. 5 Crore, freezing of numerous bank accounts & lockers and seizure of high end vehicles & expensive watches.

ED initiated investigation on the basis of FIR registered by CBI, BS&FB, Mumbai against Mandhana Industries Ltd (now GB Global Ltd), Purushottam Mandhana, Manish Mandhana, Biharilal Mandhana and others based on complaint filed by Bank of Baroda for defrauding consortium of banks to the tune of Rs 975.08 Crore. Mandhana Industries Ltd and its Directors hatched a criminal conspiracy to cause loss to banks and corresponding wrongful gain to themselves by diverting loan funds through fraudulent transactions and circular trading. CBI has not filed the Charge sheet in the case yet.

ED investigation revealed that the various fictitious entities were incorporated by the Directors of Mandhana Industries limited in the name of employees of the company for the purpose of layering of funds through the bank accounts of such entities. Suspicious third-party transactions were made to divert funds to the accounts of Promoter/ Directors and their family members. Bogus purchases were booked against payments made to different entities providing accommodation entries.

The search operation led to unearthing of crucial incriminating documents including numerous property documents. Further, during the search operation, more than 140 bank accounts, 5 lockers and shares & securities worth Rs. 5 Crore were also found which have been frozen. Also three high end cars including Lexus, Mercedes Benz; multiple expensive watches including Rolex, Hublot; large number of digital devices alongwith several incriminating documents have been seized.

Further investigation is under progress.