



Press Release

19/06/2024

Directorate of Enforcement (ED), Hqrs. Office has arrested Manideep Mago under the provisions of Prevention of Money Laundering Act (PMLA), 2002 in the illegal foreign remittances case. Manideep Mago was produced before the Hon'ble Court on 18.06.2024, and the Hon'ble Court has granted 5 days ED custody till 23.06.2024.

ED initiated investigation on the basis of source information that a Delhi based company has sold Crypto Currencies worth more than Rs. 1858 Crore on crypto exchanges. During preliminary investigation, it was revealed that foreign outward remittances worth more than Rs 3500 Crore have also been made by the company and its related entities. Further, cash deposits of more than Rs. 1300 Crore have also been made in the bank accounts of related entities. Based on the preliminary findings a search action under FEMA was conducted by the Directorate.

During search proceedings, it was revealed that an International Hawala syndicate has been active in Delhi and was collecting cash from exporters/ importers; and remitting the same to foreign countries against bogus invoices. As part of this large operation, foreign outward remittances worth more than Rs. 3500 Crore have been sent to Canada and Hong Kong against bogus invoices raised for 'online lease of GPU servers for crypto mining', educational softwares, lease of Bare Metal servers etc. It is revealed that the members of the syndicate incorporated companies in Hong Kong and Canada, for facilitating International Hawala. The syndicate has invested heavily in illegal Crypto Mining and arbitrage trading as part of their International Hawala operations. ED has found evidence of involvement of Chartered Accountants and few Bank officials. Bogus invoices were generated and forged invoices in the name of 70000 random names were entered into the tally database to justify the deposit of cash. The source of the crypto was not revealed by the accused persons.

A complaint was made to the Crime Branch, Delhi Police sharing the findings unearthed during search operations conducted by ED. Consequently, the Crime Branch, Delhi Police registered FIR against the syndicate members, pursuant to which an ECIR was recorded by the ED for investigating the case under provisions of PMLA, 2002. Delhi Police had earlier also arrested the accused Manideep Mago in the matter. ED has got 5 days for custodial interrogation of Manideep Mago.

Further investigation is under progress.