



Press Release

07.09.2024

Directorate of Enforcement (ED), Mumbai Zonal Office has conducted search operations on 04.09.2024 under the provisions of Prevention of Money Laundering Act (PMLA), 2002 at 6 locations in Pune and Delhi-NCR, as part of an ongoing probe in the case of ex-employees of HUF India Pvt. Ltd. During the course of search operations, movable assets i.e., Bank funds, Fixed Deposits, Demat account holdings, mutual fund holdings to the tune of Rs. **9.62 Crore** (approx.) have been frozen and various incriminating documents including details of property documents purchased by the accused persons and those related to misappropriation of funds within the company have been recovered.

ED initiated investigation on the basis of FIR registered by Chakan Police Station based on the complaint made by MD of HUF India Pvt Ltd., which is an subsidiary of German based company HUF Halswerk & Furst GMBH & Co. KG, engaged in the production of electronic remote-control systems for four-wheeled vehicles for the past 14 years and it had an annual turnover ranging from INR 100 to 300 Crore. In the Complaint, it has been alleged that from 2010 and 2020, ex-employees of M/s HUF India Pvt. Ltd. collectively diverted company funds to the tune of Rs. 139 Crore approximately for their personal financial gain by withholding information from the parent Company in Germany by manipulating and misusing Purchase Orders, creating false invoices, using M/s HUF fake stamps to generate Goods Receipts Notes (GRNs) and further making payments in lieu of these sham/ bogus invoices. Consequent to registration of FIR, Chargesheets have been filed before the Hon'ble 1st Class Judicial Magistrate, Khed, Pune under various sections of IPC, 1860. Further, audit of the company was conducted and as per audit report, financial irregularities were noticed in M/s HUF India Pvt. Ltd., particularly related to purchase of raw material recorded in the SAP system of the company in the name of fictitious entities.

The search operation was conducted at the residential and office premises of ex-employees of the company involved in the scam and also at the premises of the vendors who worked hand in gloves with these employees. The search operation unveiled the modus operandi of the perpetrated fraud resulting in seizure and freezing of aforementioned documents, properties etc.

Further investigation is under progress.