Enforcement Directorate has provisionally attached assets worth Rs. 18.67 Crore belonging to M/s Kaka Group (Rs. 16.97 Crore), Shashi Goyal w/o B K Goyal (Rs. 1.50 Crore), and M/s Pragati Print Pack Pvt Ltd (Rs. 20 Lakhs) under PMLA, 2002, in a case of trade based money laundering (TBML). The attached assets are in the form of Agricultural lands, Commercial sites and plots (Rs. 16.97 Crore), residential flat (Rs. 1.50 Crore) and Fix Deposit (Rs. 20 Lakhs).

ED initiated money laundering investigation on the basis of FIR registered by Vizag Police against Vaddi Mahesh and others for fraudulently remitting huge foreign outward remittances (FOWR) to various front companies in Singapore, Hong Kong and China, on the pretext of import of non-existent customized software.

Money laundering investigation by ED has revealed that Vaddi Mahesh had floated several shell firms/ companies in India and opened many accounts with banks in Visakhapatnam, Hyderabad and Kolkata. Then based on the instructions of B K Goyal, he remitted FOWR worth Rs. 1500 Crore to around 40 foreign shell companies in Singapore, Hong Kong and China, in the guise of payments for import of non-existent "customized software". Investigation has further revealed that Bhimendra Kumar Goyal @ B.K.Goyal @ Munna Goyal is the mastermind behind the money laundering operation and he had supplied the funds & given instructions to Vaddi Mahesh through 3 persons namely, Vinit Goenka, Ayush Goyal and Vikas Gupta. Funds sent outside India were further layered and parked in various off-shore accounts and could be utilized mainly for making compensatory payments for under invoiced Chinese imports or for creating assets abroad. Bhimendra Kumar Goyal had also incorporated companies in Singapore and Hong Kong with his wife and son namely Shashi Goyal and Rahul Goyal, as the Directors and laundered part of the proceeds of crime to their companies. He used this TBML network not only to remit & park his ill gotten money, but also offered its services to other suspect Indian Importers/smugglers on commission basis.

Fund trail investigation of hundreds of the Bank Accounts was done to trace the source of the domestic funds. It was found that funds were coming to the shell entities of Vaddi Mahesh through layers of Bank Accounts. This was done to conceal the origin of the funds. ED trailed the funds back up to 3-4 layers and has discovered cash infusion points and also came across some Indian Importers who could have infused funds. Bank layer analytics showed how money was layered from cash into obscure accounts of 'jamakharch companies, Multi-state Coop Societies, bogus companies' etc and then sent to the shell entities of Vaddi Mahesh, which then made the FOWR for a paltry commission of few rupees per lakh of dollars.

Investigation into the source of domestic funds revealed that an amount of Rs 59.58 Crore was contributed from the bank accounts of Kaka Group belonging to Yadavendra Kumar Roy and the same was laundered outside India through the shell companies of Vaddi Mahesh. Similarly an amount of Rs 20 Lacs was received from bank account of M/s Pragati Print Pack Pvt Ltd., which was laundered abroad.

ED investigation has revealed that B K Goyal and his family members, Mr Vaddi Mahesh, Indian importers like M/s Kaka Group have indulged in this offence of money laundering. The proceeds of crime are parked abroad. As per the provisions of the PML Act 2002, in lieu of the proceeds of crime parked abroad, equivalent Indian assets are identified and provisionally attached assets worth Rs. 18.67 Crore to safeguard them for the purpose of confiscation.

ED has already filed 2 charge sheets in this case. Earlier B K Goyal was also detained under COFEPOSA by DRI. Later ED arrested him on 03.09.2020 and he is still in judicial custody. Ayush Goyal (Nephew of B.K. Goyal) and Deepak Agarwal, Authorised Signatory of one of the foreign recipient companies - M/s. United Hill (China) Limited, Hong Kong, were also arrested and are presently on bail.

Further investigation in this case is under progress.