



Press Release
19/07/2024

Directorate of Enforcement (ED), Mumbai Zonal Office has arrested Purushottam Chhaganlal Mandhana, ex Chairman and Managing Director of M/s Mandhana Industries Limited (MIL) (since liquidated), on 18.07.2024 under the provisions of Prevention of Money Laundering Act (PMLA), 2002 against MIL and others in a case of bank fraud. He was produced before the Hon'ble Special Court (PMLA), Mumbai on 19.07.2024. The Hon'ble Court has granted ED custody for 6 days.

ED initiated investigation on the basis of FIR registered by CBI, BS&FB, Mumbai against MIL (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. MIL and its Directors hatched 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.

ED investigation revealed that Purushottam Mandhana has hatched a criminal conspiracy along with other Directors of the company and caused a wrongful loss to the banks for personal enrichment. He with an ulterior motive incorporated numerous fictitious entities in the name of his employees and used such entities for layering of funds of MIL including the loan funds. In pursuit of ill motive to dupe the banks, he made bogus sales and purchases with different entities. He has also diverted funds from the accounts of MIL, including the loan funds to pay off his personal debts and those of his family members.

Earlier, multiple Search operations dated 26.06.2024 and 05.07.2024 were carried out in this case which led to unearthing of crucial incriminating documents including numerous property documents, large number of digital devices, etc. Further, gold jewellery worth around Rs. 3 Crore, high end cars including Lexus, Mercedes Benz, multiple expensive watches including Rolex, Hublot were also seized/ frozen.

Further investigation is under progress.