



PRESS RELEASE

01.07.2023

Directorate of Enforcement (ED) has carried out search operations on 27.06.2023 under the provisions of the Prevention of Money Laundering Act, 2002 (PMLA) at 05 locations of Bengaluru/Mandya (Karnataka) belonging to M/s Hindustan Infracon India Ltd and related persons in a Ponzi Scheme fraud case.

Earlier, ED had recorded a case of money laundering on the basis of an FIR registered by the Vijayanagar Police Station, Bengaluru City under various sections of IPC, against the M/s Hindustan Infracon India Ltd and its promoters/directors for cheating the investors /common public to the tune an amount of Rs. 191.54 Crore.

Investigation by ED revealed that the promoters/directors of M/s Hindustan Infracon India Ltd lured prospective investors by offering high interest rates on different schemes for their investment. However, the said company did not return the deposit and interest due to the investors, thereby cheating the investors. The said company has collected Rs. 389 Crore approx from about 7.18 lakh investors. However, the said company failed to return the amount to the tune of Rs. 199 Crore (approx) to the investors and thus cheated them of their hard-earned money.

The search operations resulted in the seizure of incriminating documents and records of cash transactions. The diversion of proceeds of crime into the purchase of various immovable properties was detected and the related documents were seized.

Further investigation is in progress.