Press Release

25.07.2026

Directorate of Enforcement (ED), Lucknow Zonal Office, has conducted search operations under Section 17 of the Prevention of Money Laundering Act (PMLA), 2002 at ten premises located in Delhi, Uttar Pradesh and Punjab, including premises linked to promoters, associated companies and facilitators in connection with the investigation against M/s Santosh Overseas Ltd. (SOL), its promoters, directors and associated entities.

ED initiated investigation on the basis of FIR registered by CBI, on the complaint of IDBI Bank on behalf of a consortium of banks. Investigation relates to fraudulent diversion and siphoning of bank loans availed by SOL, resulting in a wrongful loss of approximately Rs. 450 Crore to the consortium banks.

Investigation has revealed that the promoters of SOL diverted and laundered the Proceeds of Crime through a network of shell entities, accommodation entry operators and related concerns by using bogus purchase and sale transactions, fake invoices and circular movement of funds without any genuine business activity. Investigation further revealed that several shell entities were created using forged or misused identity documents solely for routing funds and generating accommodation entries. Investigation has further revealed round-tripping of funds through multiple entities controlled by the promoters and their family members, indicating layering and integration of Proceeds of Crime.

The searches were conducted at the premises of the promoters, their family members, associated entities, accommodation entry operators and the statutory auditor connected with the laundering of Proceeds of Crime. During the search operations, cash amounting to Rs. 10.5 Lakh was seized. Further, records relating to assets valued at approximately Rs. 75 Crore standing in the names of family members and their entities were recovered. Besides, various incriminating documents, digital devices and financial records relating to diversion, layering and siphoning of funds were also recovered and seized.

Further investigation is under progress.