PRESS RELEASE
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Hon’ble Special Court (PMLA), Mumbai Allows Restoration of Attached Property worth Rs 393.79 Crore under PMLA, 2002

The Hon’ble Special Court PMLA, Mumbai vide order dated 04.08.2026 ordered for restitution of the attached immovable properties valued to Rs. 393.79 Crore to the “bonafide legitimate claimants”.

As per the facts of the case, ED, Surat Sub Zonal Office, initiated investigation under the Prevention of Money Laundering Act, 2002 (PMLA) against M/s Nakoda Limited and others for their involvement in the generation and laundering of Proceeds of Crime. The PMLA investigation revealed that M/s Nakoda Limited (a company owned/controlled by Babulal Gumanmal Jain and Devendra Babulal Jain and others) defrauded the bank consortium of approximately Rs. 828 Crore by systematically routing of funds through group entities.

Investigation revealed that 13 banks consortium led by Canara Bank issued Letters of Credit (LCs) to M/s. Nakoda Limited's vendors based on invoices submitted by them. These LCs were later discounted by vendors using fake Bills of Exchange and invoices accepted by Nakoda Limited without actual supply of goods. Out of 1212 LCs worth Rs. 4204.25 Crore were opened in favour of M/s. Nakoda Limited's vendors, 202 Inland LCs amounting to Rs. 827.98 Crore were devolved due to non-payment by Nakoda Ltd.

During the investigation under PMLA, 2002, immovable properties worth Rs. 375.71 Crore were provisionally attached in 2018 and immovable properties worth Rs. 18.08 Crore in 2019. Both the said attachments were subsequently confirmed by Ld. Adjudicating Authority. Moreover, Prosecution Complaint and Supplementary Prosecution Complaint were also filed in the matter before the Special Court PMLA, Mumbai against M/s Nakoda Limited and others for the offence of Money Laundering and prayer for the confiscation of properties attached as PoC was made before the Hon’ble Court.

In the matter, Corporate Insolvency Resolution Process (CIRP) was also initiated against M/s Nakoda Ltd. by the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad. Upon failure of the resolution process, liquidation proceedings were commenced. Subsequently, the Liquidator filed an application before the Hon’ble Special Court (PMLA), Mumbai seeking restoration of the attached property. Considering the intent of PMLA to restitute/ restore the Proceeds of Crime (POC) to bonafide legitimate claimants, the ED submitted no objection before the Hon’ble Special Court PMLA, Mumbai for the release of property attached. Based on the afore-said submission of ED, the Hon’ble Special Court PMLA, Mumbai was pleased to pass an order to release the attached immovable properties amounting to Rs. 393.79 to the Liquidator on 04.08.2026 for further handing over to the bonafide legitimate claimants.