



Press Release

02.10.2026

Directorate of Enforcement (ED), Chandigarh Zonal Office-II has conducted search operations at 14 premises across Chandigarh, Mohali and Panchkula in connection with its money laundering investigation into the alleged embezzlement of ₹645 Crore of public funds belonging to the Government of Haryana, Chandigarh Municipal Corporation and other government accounts.

ED investigation was initiated on the basis of an FIR registered by the Haryana Police in February 2026 concerning discrepancies in the balances of bank accounts of the Development and Panchayat Department, Haryana, maintained with IDFC First Bank and AU Small Finance Bank.

The searches covered various jewellers and their associated entities, including Malik Jewellers, KLG Jewels and its associate entities, M.B. Gold Traders, Sham Jewellers and Sunder Jewellers, besides Gourav Kansal who allegedly acted as a middleman in routing and layering the proceeds of crime (PoC).

Investigation has revealed that the embezzled public funds were routed and layered through the bank accounts of various jewellers and projected as business transactions. These transactions were carried out in connivance with the accused persons to conceal and project the proceeds of crime as legitimate funds.

The investigation revealed that Malik Jewellers, KLG Group (KLG Jewels, KLG Infra and KLG & Co.), M.B. Gold Traders, M/s Sham Jewellers and M/s Sunder Jewellers allegedly received ₹ 58 Crore, ₹26 Crore, ₹5 Crore, ₹ 3.66 Crore and ₹3.15 Crore (approx.) respectively, from intermediate shell entities purportedly floated by Ribhav Rishi, the mastermind in the case.

Further investigation has revealed that the jewellers were involved in laundering the proceeds of crime generated from the bank accounts of various departments of the Government of Haryana and the Chandigarh UT Administration. The proceeds of crime have been laundered by jewellers which reached accused IAS officers and other government servants involved in the IDFC First Bank fraud. In this regard, the CBI has filed a third chargesheet before the Special Court in Panchkula, naming six Haryana-cadre IAS officers and other government servants in connection with the bank fraud case.

The search proceedings resulted in substantial recovery and seizure of cash amounting to ₹4.30 Crore and freezing of bank balances of ₹22 Crore (approx.) lying in the bank accounts of jewellers' and associates entities. Further, various incriminating documents and digital evidence were also recovered and seized during the searches.

Earlier, in the same case, ED had arrested four accused persons for their involvement in the offence of money laundering. The agency has also attached, seized and frozen movable and immovable assets worth ₹211 Crore (approx.) in connection with the investigation.

ED has further filed a Prosecution Complaint against 14 accused persons before the Ld. Special Court (PMLA), Panchkula.

Further investigation is under progress.

