PRESS RELEASE
28/08/2026

Directorate of Enforcement (ED), Headquarters Investigation Unit, has conducted search operation on 19.08.2026 under the provisions of the Prevention of Money Laundering Act (PMLA), 2002, in connection with the ongoing money-laundering investigation arising out of the loan fraud committed by M/s Dewan Housing Finance Corporation Ltd (DHFL) and its promoters.

ED initiated investigation on the basis of an FIR registered by the CBI, AC-VI, New Delhi, pursuant to a complaint filed by Union Bank of India on behalf of a consortium of 17 banks. FIR mentions that the accused persons, including Kapil Wadhawan and Dheeraj Wadhawan, entered into a criminal conspiracy to cheat the consortium banks, which had sanctioned credit facilities aggregating to Rs. 42,871.42 Crore to DHFL. The loan funds were siphoned off and misappropriated through falsification of the books of accounts of DHFL, resulting in a wrongful loss of approximately Rs. 34,615 Crore to the consortium lenders.

Investigation has revealed that a foreign asset, namely Hurtmore House, United Kingdom, held in the name of Vanita Wadhawan, wife of Kapil Wadhawan, was disposed of through a series of transactions involving creation of a fictitious liability in her name. A purported loan agreement was executed between M/s Al Jalore Trading FZE and Vanita Wadhawan and the said UK property was mortgaged pursuant thereto. Investigation has revealed that the arrangement was used to create an encumbrance over the foreign asset for the purpose of settling a liability in India arising out of the DHFL loan fraud.

The said property was subsequently sold in 2026, and the sale consideration was directed to the bank account of M/s Al Jalore Trading FZE maintained in India, instead of being received by the registered owner, Vanita Wadhawan. The transaction, thus, involved dissipation of proceeds of crime, utilisation and disposal of a foreign asset in a manner intended to facilitate settlement of an Indian liability through a structured transaction involving foreign property and entities.

During the search proceedings, the bank account of M/s Al Jalore Trading FZE was examined and an amount of approximately US$ 5.41 million ~ Rs. 51.75 Crore (approx.) lying in the account of said entity, representing Proceeds of Crime, was frozen under Section 17(1A) of the PMLA, 2002. Other incriminating documents and records relating to the transactions and assets under investigation were also seized/impounded during the course of the search proceedings.

Further investigation is under progress.