PRESS RELEASE
4/11/2025

Directorate of Enforcement (ED), Headquarters Investigation Unit, New Delhi, has conducted search operations on 29/10/2025 at multiple locations in Mumbai under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 in connection with ongoing investigations against M/s Varanium Cloud Ltd., its promoter Harshavardhan Sabale and other associated entities. The searches were undertaken based on credible information indicating large-scale manipulation of financial records, circular fund movements, and suspected laundering of Proceeds of Crime.

M/s Varanium Cloud Ltd. and its associated companies raised about Rs. 40 Crore through their September 2022 IPO, claiming it would be used to set up edge data centers and digital learning centers in smaller towns. The company projected itself as a fast-growing technology firm in the fields of digital media, blockchain, and EdTech, and even invoked the names of prominent business groups and media outlets to promote the IPO, thereby gaining public trust. However, the promised projects were never executed, and the funds were diverted through false transactions and circular movements to inflate turnover and market value. Subsequent trading patterns showed artificial price escalation followed by heavy offloading of shares, consistent with a *"pump and dump"* scheme, where the stocks of the company were deliberately inflated through misleading claims and later dumped at high prices, duping the public and causing losses to genuine investors.

Preliminary analysis of the seized material reveals that a vast network of mule bank accounts, opened using forged KYC documents and dummy SIM cards, was being operated from Mumbai. Over 400 cheque books linked to such mule bank accounts and more than 200 SIM cards, contained in more than 100 dual SIM mobile phones, mostly issued in the names of persons from Mumbai, were recovered during the search. These accounts were used for layering and routing funds through over 150 shell and dummy companies, concealing the origin of illicit money. Other electronic devices such as Laptops, Hardrives, etc. containing incriminating evidence has also been recovered from the search proceedings. The findings expose a well-coordinated racket operating "*Drawer companies"* from a few small rooms, wherein fake identities, multiple mule bank accounts, and proxy communication channels were systematically used to dupe the public and launder their hard-earned money.

ED have identified several other connected persons and entities under scrutiny.

Further investigation is under progress.



A huge cache of Dual SIM phones found and seized from a single premise with name & number (atleast 2 each) carefully stuck on each such phone. Such phones are linked to Mule bank accounts for the purpose of OTP, etc.



The seizure of over 400 cheque books, more than 200 SIM cards and 110 Dual SIM mobile phones linked to mule bank accounts, more than 500 fake company stamps, electronic devices containing incriminating evidence.