



## **Press Release**

**13.10.2023**

Directorate of Enforcement (ED) has provisionally attached assets worth Rs.57.75 Crore belonging to various individuals, as proceeds of crime under the Prevention of Money Laundering Act (PMLA), 2002 as part of investigation into the Karuvannur Service Co-op Bank fraud case. The attached assets include 117 immovable properties consisting of land and buildings in Kerala, Karnataka and Tamil Nadu, movable properties including 11 Vehicles, fixed deposits and credit balances in 92 bank accounts of individuals found actively involved in the offence of money laundering.

ED initiated investigation on the basis of FIR registered by Kerala Police under Section 420 of IPC, 1860. Kerala Police (Crime Branch) has registered more than 16 FIRs in Thrissur District in 2021 regarding the fraud in Karuvannur Service Co-Operative Bank.

ED investigation revealed that the loans were illegally sanctioned and disbursed to these persons and their benamis from the Karuvannur Service Co-Operative Bank Ltd in cash without any sufficient collaterals as part of a systematic conspiracy hatched and perpetuated by the Secretary and Committee members of Bank in connivance with the then Bank Manager.

ED investigation has so far revealed that bogus loans were sanctioned by bank on same property multiple times without the knowledge of members of Society. Investigation has also revealed that benami loans were sanctioned to non members against inflated property valuations in the names of other members and such loan funds were siphoned off and laundered by the accused beneficiaries. The Karuvannur Service Co-Operative Bank was under scrutiny of Registrar of Co-Operative Societies in Thiruvananthapuram. The Registrar of Cooperative Societies, in their audit, found diversion of funds of more than Rs. 150 Crores in the above manner.

Earlier on 10/08/2023, 22/08/2023 & 18/09/2023, ED conducted searches at 20 locations including said Bank in Irinjalakuda, Thrissur and also conducted 5 surveys in related other cooperative banks to unearth the proceeds of crime and the evidences of laundering. Earlier on 04.09.2023 & 26.09.2023 four individuals namely, Sathish Kumar, Kiran P P, Arvindakshan & C.K. Jils were arrested under the provisions of the PMLA, 2002, who were beneficiaries of the illegally sanctioned loans. ED had earlier attached properties worth Rs. 30 Crore including a resort in Thekkady, Kerala from one Bijoy who had also received illegal loans from bank and invested in the resort. Total properties worth Rs. 87.75 Crore are attached by ED so far.

Further investigation is under progress.