



Press Release
27.10.2023

Directorate of Enforcement (ED) has filed Prosecution Complaint under the Prevention of Money Laundering Act, 2002 (PMLA) in the case of Insurance Medical Services (IMS) scam against 17 accused persons including Dr. Devika Rani, the then Director, Dr. K. Padma, the then Joint Director & others in the court of Hon'ble Metropolitan Sessions Judge cum Special Court (PMLA) Hyderabad. The Hon'ble Court has taken cognizance of the Prosecution Complaint on 26/10/2023.

ED initiated investigation on the basis of 8 FIRs registered by ACB, Hyderabad, Telangana under various sections of IPC, 1860 and Prevention of Corruption Act, 1988 against Dr. Devika Rani & others alleging that Dr. Devika Rani along with other officials of IMS, deviated from the laid down principles for procurement of medicines and medical equipment to benefit select vendors for illegal gratification and thus caused a huge loss to the Government exchequer.

ED investigation revealed that officials of IMS and private persons hatched a conspiracy and deliberately created fake emergency situations and shortage of medical supplies so that they could issue Purchase Orders to select vendors, through local purchase route, in exchange of illegal gratification. Further, payments to various suppliers were deliberately withheld and were released only after acceptance of bribe. Benami entities were also created in connivance with Dr. Devika Rani and medicines/equipment at very high prices were procured through them. The suppliers, who were part of the conspiracy, benefitted from exponential growth in their business, earned abnormal profits and paid bribes to the IMS officials as *quid pro quo*. The bribe money was used by the IMS officials to purchase high value jewellery and immovable properties.

Earlier, ED had provisionally attached movable and immovable properties worth Rs. 143.15 Crore in this case.

Further investigation is under progress.