



**Press Release**

**25.3.2023**

Directorate of Enforcement (ED), Mumbai has arrested three individuals under the provisions of PMLA 2002 during its investigation into the fraud in Seva Vikas Cooperative Bank. ED has arrested Bablu Sonkar, close associate of ex-Chairman Amar Mulchandani, and two contractual staff working in the ED Office.

ED initiated investigation on the basis of multiple FIRs registered by Pune Police on the basis of complaints of the Bank and the Audit conducted by the Registrar of Cooperative Societies which pointed to large scale fraud and misappropriation of public funds causing a loss of Rs 429 Crore to the Seva Vikas Cooperative Bank. ED investigation has revealed that the Cooperative Bank was being run like a family proprietorship without following any prudent financial norms and loans were being sanctioned without any viable security and without ascertaining the credit worthiness of the applicants in return for massive kickbacks. More than 92% of the loan accounts turned NPA and now the Bank has gone bankrupt. ED had conducted searches at multiple locations

During the course of investigation, on the basis of observation that one person was frequently lurking around ED Office premises, he was intercepted and it was found he was Babu Sonkar (employee of Amar Mulchandani) and that he was tasked by Mulchandani family to threaten the witnesses and to pass on bribe amounts to 1 Data Entry Operator and 1 contingent staff working in ED office in lieu of sensitive information the amounts paid have been recovered by ED. Certain incriminating documents have been recovered from the possession of Bablu Sonkar and these staff of ED and the contractual staff of ED have admitted that they were passing sensitive information to Bablu Sonkar. Accordingly, they have also been arrested under PMLA.

Further investigation is going on.

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