



Press Release
02.12.2023

Directorate of Enforcement (ED) has conducted search operations at six locations in Andhra Pradesh and Telangana on 29.11.2023 under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 in connection with investigation regarding fraud in sanction of loans under Kisan Credit Card (KCC) to farmers for construction of fish tanks.

ED initiated investigation on the basis of FIR registered by CBI, ACB, Visakhapatnam under various sections of the Indian Penal Code, 1860 and Prevention of Corruption Act, 1988 alleging large-scale fraud at IDBI Bank, Rajahmundry Branch, East Godavari District, Andhra Pradesh in connection with processing and sanctioning of short term loans /KCC to farmers of fish farming/pisciculture for the construction of ponds/tanks.

ED investigation revealed that the accused persons took KYC documents, blank cheques etc. from their employees, known persons, farmers etc. on the pretext of salary payment through banking channels, medical reimbursement, provident fund, etc. On the basis of these documents, they took loans in their names to the tune of Rs. 311.05 Crore with the connivance of bank officials and valuers. The loan amounts credited into the accounts of workers, farmers, etc. were transferred to the accused persons' accounts and in many cases, the entire loan amount was withdrawn in cash. The accused persons thus acted as loan aggregators and ultimately used the loan amounts for their personal gains including investment in their businesses and acquisition of properties in the names of family members and other persons.

The searches were conducted at the residences and office premises of loan aggregators which resulted in the recovery & seizure of digital devices and incriminating documents revealing numerous immovable / movable properties acquired from the proceeds of crime.

Further investigation is under progress.
