



Press Release
10/11/2023

Directorate of Enforcement (ED has arrested K K Abraham, former President of the Pulpally Service Coopertative Bank, Wayanad on 07.11.2023 (1530 Hrs) in connection with an ongoing investigation in a money laundering case of fraud which occurred in Pulpally Service Cooperative Bank, Pullpally, Wayanad. K K Abraham happened to be the overall In-charge of the bank as President who played a key role in sanctioning various loans by overvaluing the properties to the applicants.

ED initiated investigation on the basis of FIR registered by the Vigilance and Anti-Corruption Bureau(VACB), Wayanad, Kerala against the Governing Body members and bank officials of the Pulpally Service Cooperative Bank, Pulpally Wayanad.

ED investigation revealed that bank officials and its governing body members sanctioned enhanced loans without the consent and knowledge of the loan applicants by overvaluing the properties offered as collateral and the over and above amount of the loans were given to Sajeevan Kollappallil (Private Person). The loans were not repaid by the applicants and thus caused total loss of Rs.5.62 Crore to the Pulpally Service Cooperative Bank.

The proceeds of crime in form of overvalued loan were deposited in bank account of Sajeevan Kollappallil, maintained with Pulpally Service Cooperative Bank, Pulpally and subsequently withdrawn in cash and sipped off. Sajeevan Kollapallil was arrested by ED on 26.09.2023 and he is presently in judicial custody.

ED investigation further revealed that Sajeevan Kollapallil utilized the said PoC for ginger farming in Karnataka where K.K.Abraham was agreed for profit sharing of 10% without any investment. Unexplained cash deposits in bank account of K K Abraham and transfer of funds from the account of sajeevan into his bank account have been revealed during investigation. Since K K Abraham had knowingly assisted Sajeevan Kollappallil in acquiring and using the PoC and thereby committed the offence of money laundering as defined u/s 3 of PMLA, 2002 punishable under section 4, K K Abraham has been placed under arrest on 07.11.2023. He has been produced before the Hon'ble Special Court, PMLA Kozhikode on 07.11.2023. The Hon'ble Court has granted ED custody on 08.11.2023 for 2 days.

Further investigation is under progress.