



**Press Release**  
**05.07.2023**

Directorate of Enforcement (ED) has arrested Amar Sadharam Mulchandani, Ex-Chairman of Seva Vikas Co-operative Bank on 01-07-2023 under the provisions of the Prevention of Money Laundering Act, 2002. The arrest is made in connection with the ongoing investigation in Seva Vikas Co-operative Bank fraud case in which the Bank has suffered a loss of Rs 429 Crore in 124 NPA loan accounts. This has caused the Bank to go bankrupt causing loss to thousands of small depositors.

ED initiated investigation on basis of multiple FIRs registered in Pune against Amar Mulchandani, ex-chairman of the bank along with its directors/officials and loan defaulters. Investigation has revealed that bank was being run like a family proprietorship by Amar Mulchandani. Amar Mulchandani treated public deposits in the Bank like his personal fiefdom & violated all prudent Banking norms to illegally sanction loans to his favoured borrowers in arbitrary manner, without checking their creditworthiness & without adequate collateral securities & after taking bribes at the rate of 20 percent commission of the sanctioned loan amounts. He made his family members as Directors in the bank with a clear motive to have brute majority in Board of Directors to sanction loans as per his whims & fancies. More than 92% of the loan accounts had turned NPA which ultimately led to the collapse of the bank. RBI has cancelled the license of the bank.

After arrest, on production before the Hon'ble Court, Mumbai, he has been sent to ED Custody for 6 days, till 07.07.2023.

Earlier properties worth Rs 122.35 Crore were provisionally attached in this case including various benami assets of Amar Sadharam Mulchandani.

Further investigation in the case is under progress.

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