



Press Release

29.06.2024

Directorate of Enforcement (ED), Kochi has provisionally attached assets worth Rs.29.29 Crore of various individuals and entities including the Thrissur District Secretary, Communist Party of India (Marxist) under Prevention of Money Laundering Act (PMLA), 2002 as part of investigation into the **Karuvannur Service Co-operative Bank fraud case**. The attached assets include 18 immovable properties valued at Rs. 28.65 Crore consisting of lands and buildings in Kerala of the beneficiaries of the scam including an immovable property of value Rs 10 Lakh registered in the name of the District Secretary, Communist Party of India (Marxist) for its party office. The attached assets also include 8 movable properties including credit balance of Rs. 63.62 Lakh in 8 undisclosed bank accounts of Communist Party of India (Marxist) Local Area Committees in Thrissur. CPI(M) party received funds from the beneficiaries as donations through the Governing Body. CPI(M) party is in possession of proceeds of crime which has been invested in purchase of immovable properties and credited to the five bank accounts maintained by CPI(M) party in Karuvannur Service Co-operative Bank Ltd.

ED initiated investigation on the basis of multiple FIRs registered by Kerala Police under section 420 of IPC, 1860. Kerala Police (Crime Branch) in Thrissur District regarding the fraud in Karuvannur Service Co-Operative Bank Ltd. The Karuvannur Service Co-Operative Bank was under scrutiny of the Registrar of Co-Operative Societies in Thiruvananthapuram. After multiple FIRs were registered in 2021, the Registrar of Co-Operative Societies in their audit found out diversion of more than Rs. 150 Crore of depositors' money in the scam.

ED investigation revealed that bogus loans were sanctioned by Karuvannur Service Co-operative Bank on same property multiples times without the knowledge of members of the society. Investigation has also revealed that benami loans were sanctioned to non-members against inflated property valuations in the names of other members and such loan funds were siphoned off and laundered by the accused beneficiaries. The loan amounts were disbursed in cash to prevent the trail of the money. Investigation has also revealed that such benami and illegal loans were sanctioned at the behest of the Secretary and the Governing Body of the Society in connivance with the then Bank Manager, at the behest of the Thrissur District Committee, CPI(M). In return, the Thrissur District Committee, CPI(M) collected money in the form of donations and salary cut from the beneficiaries and Society Committee members into their undisclosed and illegally opened bank accounts in the same Society. These funds were utilized for purchase of a land for Rs. 10 Lakh by the Secretary, Thrissur District Committee, CPI(M) for construction of the party office which has now been attached as Proceeds of Crime.

Earlier, ED conducted search operations on 10.08.2023, 22.08.2023 & 18.09.2023 at 20 locations and 5 surveys at Co-operative Banks in Thrissur to unearth the proceeds of crime. Directorate of Enforcement, arrested four individuals namely Sathish Kumar, Kiran P P, Arvindakshan & Jils, on 04.09.2023 and 26.09.2023 under the provisions of the PMLA, 2002, who were beneficiary of illegally sanctioned loans and thereby generated proceeds of crime and are under judicial custody. During the course of investigation, ED had earlier attached properties worth Rs. 30.70 Crore from Bijoy and Rs.57.79 Crore of several others who had received illegal loans from bank. The total proceeds of crime attached so far in this case by ED is Rs. 117.78 Crore. Chargesheet has been filed by ED in November, 2023.

Further investigation is under progress.