



Press Release

17/07/2024

Directorate of Enforcement (ED), Bengaluru Zonal Office has arrested B Nagendra, the former Minister of Scheduled Tribal Welfare and Youth & Sports of the Karnataka government on 12.07.2024 under the provisions of Prevention of Money Laundering Act (PMLA), 2002 in case of Karnataka Mahrishi Valmiki ST Development Corporation Limited. This arrest is part of an ongoing probe into the misappropriation of Corporation funds totalling to Rs. 89.62 Crore. Earlier, on 10.07.2024, the ED conducted search and seizure operations across 23 premises in four states, uncovering crucial evidence.

ED initiated investigation on the basis of FIRs registered by the Karnataka Police and CBI after the tragic suicide of Corporation employee Chandrashekhar on 26.05.2024.

ED investigation revealed that approximately Rs. 90 Crore were diverted to 18 fake accounts in Andhra Pradesh and Telangana. The diverted funds were then layered through fake and shell accounts, with cash and bullion dispersed among the accused. B Nagendra, the former minister, also resigned following the exposure of the scam. Furthermore, during the course of the investigation, ED uncovered that a substantial amount of funds were utilized to procure a significant quantity of liquor just prior to the general elections. Additionally, high-end vehicles, including a Lamborghini, were purchased using proceeds from the scam.

During the search operations at B Nagendra's and Basanagouda Daddal's (Corporation's Chairman) premises, ED recovered incriminating documents linking them to the handling of diverted funds during recent general elections. Additionally, associates closely connected to B Nagendra were implicated in fund diversion and cash management. Incriminating evidence related to the handling of these illicit funds was also discovered at the residence of the Corporation's chairman, Basanagouda Daddal.

B Nagendra has been produced before the Hon'ble Special Court for MPs and MLAs and the Hon'ble Court has granted ED custody until 18/7/2024.

Further investigation is under progress.