Press Release
03.08.2022

Directorate of Enforcement (ED) has provisionally attached immovable properties in the form of residential apartment/plots and agriculture land and movable properties in the form of bank balances and fixed deposits worth Rs. 40.14 Crore belonging to directors and promoters of Bangalore based company Kavveri Telecom Infrastructure Limited under the Prevention of Money Laundering Act (PMLA), 2002.

ED initiated money laundering investigation on the basis of FIR dated 27.07.2017 registered by Anti-Corruption Bureau of CBI, Bangalore under various sections of Indian Panel Code, 1860 and Section 13(2) r/w Section 13(1)(d) of Prevention of Corruption Act 1988. The said FIR was registered on the basis of complaint filed by the then DGM, Dena Bank alleging cheating done with the bank by the company and its directors in respect of loan taken by them.

During investigation, it was noticed that the company and its directors have taken loan from the erstwhile Dena Bank to the tune of Rs.45 Crore in the name of purchase of equipment, however, the same was diverted through its sister concerns and conduit entities controlled by them. For availing the loan, the directors of the company submitted fake and fabricated tax invoices and lorry receipts etc. with the bank.

The said loan amount was diverted using various accounts of group entities which include conduit entities and the personal saving accounts of promoters/directors. Further, the diverted loan amount was rotated among the bank accounts of group entities and directors and a web of transactions was created to project this money as untainted. Subsequently, a part of this money to the tune of Rs. 27.14 Crore was siphoned off to abroad and parked there. Also, the proceeds of crime were used to acquire movable and immovable properties in the name of directors and their family members. Thus, they have cheated the bank and caused loss to the bank. When the account became NPA, the outstanding loan was of Rs. 40.18 Crore.

Further investigation is under progress.

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