



**Press Release**  
**28/03/2023**

ED has provisionally attached properties worth Rs.114.19 Crore pertaining to the various defaulter borrowers of Sri Guru Raghavendra Sahakara Bank Niyamitha under the Prevention of Money Laundering Act, 2002 in connection with mis-appropriation of public deposits to the tune of more than Rs.800 Crore. The attached assets are in the form of 21 immovable properties consisting of vacant lands, residential houses, commercial and industrial buildings and movable properties in the form of bank balance of Rs.3.15 Crore.

Earlier, the ED has attached movable and immovable properties belonging to the accused persons valuing to Rs.45.33 Crore and the same was confirmed by the competent authority. ED has also arrested four persons in the case including the then President of the bank.

ED initiated investigation under PMLA in the year 2020 based on the FIR registered under various section of IPC, 1860 and Karnataka Protection of Interest Depositors in Financial Establishments Act, 2004 by Bengaluru Police against various defaulter borrowers of the bank.

During the investigation under PMLA, it is revealed that the defaulter borrowers in connivance with the management and employees of the bank taken huge loans from the bank on the basis of bogus deposits and fake Fixed Deposits and siphoned off the money deposited by the public with the bank. The Bank promised to give higher interest rate to the depositors which was not in the line with the prevailing market rate. Most of the depositors of the bank are senior citizens who have deposited their retirement funds with the bank for their financial security in their dotage which was advanced to various persons by the bank without obtaining proper security of the loans. The borrowers who have taken the loans without giving adequate security, did not repay the same and the loans become overdue. The bank management created fictitious loan accounts and transferred the money to these accounts which in turn was transferred to overdue loan accounts for evergreening purposes to show strong financial health of the Bank to lure more depositors.

Further investigation is under progress.