



## **Press Release**

**23/2/2023**

ED arrested Rajesh VR in the case of Sri Guru Raghavendra Sahakara Bank Niyamitha under the Prevention of Money Laundering Act, 2002 in connection with mis-appropriation of public deposits of more than Rs.1000 Crore. He is the major beneficiary of the fund siphoned off from the bank in connivance with the management of the bank.

As per the RBI's Inspection report, he has availed loans of Rs.40.40 Crore from the bank and has not repaid the same. It is also noticed during investigation that there are multiple FIRs against Rajesh VR and his wife in case of public frauds committed by them in other cooperative banks/societies also. Hence, they are habitual offenders.

Earlier, an ECIR was recorded by the ED based on the basis of FIR registered under various sections of IPC and u/s 9 of Karnataka Protection of Interest Depositors in Financial Establishments Act, 2004 by Bengaluru Police against the Bank and others.

During the investigation under PMLA, it is revealed that the said Bank promised to give higher interest rate to the depositors which was not in the line with the prevailing market rate. The bank officers created fictitious loan accounts and transferred the money to these accounts (without proper scrutiny of the loans) which in turn was transferred to overdue loan accounts for evergreening purposes to show strong financial health of the Bank.

Earlier, the Enforcement Directorate has attached movable and immovable properties belonging to the accused persons valuing to Rs.45.32 Crore. The same was confirmed by the Hon'ble Adjudicating Authority (PMLA), New Delhi vide Order dated 10-03-2021.

The Principal City Civil and Sessions Judge, Bangalore has granted 3 days' ED custody of the arrestee.

Further investigation in the case is in progress.