Press Release

10/11/2026

Directorate of Enforcement (ED), Visakhapatnam Sub-Zonal Office has provisionally attached immovable properties worth Rs 18.33 Crore of Kallam Peri Reddy and his family members/associates in the case of Kallam Modern Rice Mills Pvt Ltd and others, under the provisions of Prevention of Money Laundering Act, 2002.

ED investigation was initiated on the basis of FIR registered by CBI, EOW, Chennai on the complaint of State Bank of India (erstwhile State Bank of Hyderabad), Guntur against Kallam Modern Rice Mills Pvt Ltd, Sri Ramabrahma Modern Rice Mills Pvt Ltd, M/s. Sri Vinayaka Traders and others. During 2010-2013 the group obtained credit facilities of Rs 24.57 Crore from SBH, Arundelpet Branch, Guntur by submitting fake/forged title deeds of collateral properties and diverted the funds, causing a loss of Rs 18.33 Crore to the bank.

Investigation has revealed that Kallam Peri Reddy operated and managed about 26 entities registered in the names of his relatives, employees and associates, including the three borrower concerns namely M/s Kallam Modern Rice Mills Pvt Ltd., M/s. Sri Ramabrahma Modern Rice Mills Pvt. Ltd., M/s. Sri Vinayaka Traders.

Analysis of bank accounts revealed that cash of about Rs 23.81 Crore was withdrawn from the cash credit accounts of the three borrower concerns in the names of workers, accountants and Kallam Peri Reddy himself.

Further investigation has revealed that several properties were purchased out of the loan proceeds, partly in cash withdrawn from bank accounts controlled by Kallam Peri Reddy. It is also revealed that Kallam Peri Reddy had transferred some immovable properties to his relatives and associates without receiving any sale consideration. The said properties were only held by them as namesake owners, while he continued to be the actual beneficial owner.

Accordingly, this Directorate has provisionally attached 50 immovable properties valued at Rs 16.88 Crore and 5 flats valued at Rs 1.45 Crore, totalling Rs 18.33 Crore, located in Andhra Pradesh and Telangana, as Proceeds of Crime under PMLA, 2002 or as equivalent value thereof.

Further investigation is under progress.