



Press Release
08.10.2026

Directorate of Enforcement (ED), Kochi Zonal office has been investigating multiple co-operative society/ bank fraud cases. There are 27 cases involving about Rs. 550 crore of Proceeds of Crime/ cheating which are under investigation. Public/ thousands of members of co-operative society/ banks are victims of such frauds and have lost their hard earned money. ED has identified co-operative society/ bank frauds as one of the focus areas so to ensure faster recovery of proceeds of crime and restitution to victims. In pursuance of the said objective, ED conducted multiple searches simultaneously relating to co-operative society/ bank frauds under the Prevention of Money Laundering Act (PMLA), 2002 in **3 cases** involving about 17 premises on 07-10-2026.

1. The following is the gist of the 3 cases:

a. **Urban Co-Operative Society, Angamaly:**

- i. The search operations were conducted at 5 premises in Ernakulam and near by places, linked to Urban Co-operative Society Ltd., Angamaly, Roy Kurian, Kurian Joseph, Shiju [persons connected with the alleged fraudulent loan transactions]. ED investigations were initiated on the basis of FIR registered by Kerala Police, Angamaly Police Station, alleging preparation of fake loan applications, sanction of loans to ineligible persons and misappropriation of funds of the Society by the office bearers of the society. The FIR reported fraud amounting to Rs. 55 Crore (approx.).
- ii. Investigation has revealed that 422 loans amounting to approximately Rs. 96.74 Crore were sanctioned against 108 immovable properties belonging to 65 members. Serious irregularities were identified in 159 loans amounting to Rs. 33.82 Crore (approx.), including absence of original title deeds, use of photocopies of deeds, absence of registered mortgage, incomplete loan applications and loans sanctioned in the names of ineligible/non-existent persons.
- iii. During the searches, various incriminating documents relating to fraudulent loan transactions and documents relating to 38 immovable properties, digital devices/mobile phones and other evidentiary records were seized. Two Fixed Deposits amounting to approximately Rs. 1.82 Crore were also frozen. Statements of relevant persons were recorded during the search proceedings.

b. Thennela Service Co-operative Society:

- i. The search operations were conducted at 7 premises linked to former office-bearers/directors of Thennela Service Co-operative Bank Ltd., Malappuram, Kerala and Kozhikode. The premises searched were linked to former President M.P. Kunji Moideen, former Secretary K.A. Vasudevan Moossad, former President U.K. Saithalavi, former Director V.P. Ali Hassan, former Director N.M. Saithalavi, former Director V.P. Raveendranath and former Director Sajitha P. Investigation under the PMLA was initiated on the basis of 10 FIRs registered under section 420 of the IPC by the Kottakkal Police Station. About 53 other FIRs are also registered during in 2023 & 2024 in and around Kottakkal Police Station. As per the FIRs, Thennela Service Co-operative (TSC) Bank had promised higher interest rates/returns on fixed deposits (FDs) to its customers. However, the bank failed to pay principal and interest/return amount to its customer even after the stipulated maturity date. Further, fake KCC loans and Gahan (land) loans were disbursed to non-existent individuals as well as relatives & family members of the Board of Directors / Secretary and others bank officials. The total suspected proceeds of crime are to the tune of around Rs. 10 Crores.
- ii. During the course of investigation under the PMLA, 2002 it was revealed that Kisan Credit Card loans were sanctioned in the names of fictitious/benami members. These loans were sanctioned beyond prescribed limits and without requisite approvals, and loan funds were diverted towards deposits, repayment of earlier liabilities and other unauthorised transactions. The investigation also revealed irregularities relating to property-mortgage loans and diversion/misuse of bank funds.
- iii. During the search operations, incriminating documents/details of 2 immovable properties were recovered. Freezing Orders have also been issued in respect of 20 Fixed Deposits/Bank Accounts having an aggregate balance of ₹24.50 lakh (approx.) pertaining to K.A. Vasudevan Moossad and Rajani, wife of Vasudevan Moossad.

c. Kuttanellur Co-op Bank:

- i. Searches were done at 5 locations in Thrissur and nearby places linked to the bank and its formal President, Secretary and other officials who are involved in the fraud. Investigation under the PMLA originates from four FIRs registered by Ollur Police Station, Thrissur City, Kerala. The FIRs were registered against Rikson Prince, along with other office bearers, staff and persons associated with the Kuttanellur Service Cooperative Bank, under Sections 420 (cheating) and 471 (using a forged document as genuine) of the Indian Penal Code, 1860. It is alleged that the accused defrauded the customers of the bank by mortgaging their properties as security for loans without the owners'

knowledge or consent. The loans were sanctioned in the names of third parties rather than the actual property owners, and were obtained by utilizing the forged documents such as death certificates, identity documents and valuation reports.

- ii. Investigations under PMLA showed that the Members of the Board granted membership to individuals outside the bank's jurisdictional limits/ third parties and provided loans by adopting illegal means to them. They inflated the valuation of the collateral security properties and forged documents belonging to the loan applicants with an intention to make unlawful and undue pecuniary gain to them, causing the bank financial loss of amounting to more than Rs. 27 Crores. Thus, the accused persons cheated the Bank and its shareholders.
- iii. During the search, incriminating digital evidences and documents relating to the loans provided by the accused persons by illegal means were seized.

Further investigations is under progress.