



## **Press Release**

**21/01/2025**

Directorate of Enforcement (ED), Kochi Zonal Office has provisionally attached assets worth Rs.10.98 Crore of various individuals under Prevention of Money Laundering Act (PMLA), 2002 as part of investigation into the **Karuvannur Service Co-operative Bank fraud case**. The attached assets include 1 movable property & 24 immovable properties consisting of land and building in Kerala. The value of the immovable properties attached is Rs. 10.48 Crore (approx.) and the movable property in terms of cash deposit attached is Rs. 50.53 Lakh (approx.).

ED initiated investigation on the basis of FIR registered by Kerala Police under section 420 of IPC, 1860. Kerala Police (Crime Branch) has registered more than 16 FIRs in Thrissur District regarding fraud in Karuvannur Service Co-Operative Bank Ltd.

ED investigation revealed that the loans were illegally sanctioned and disbursed to these persons and their benamis from the Karuvannur Service Co-Operative Bank Ltd in cash without any collateral due to systematic conspiracy hatched and perpetuated by secretary and committee members of Bank in connivance with the them Bank manager since year 2010.

ED investigation has so far revealed that bogus loans were sanctioned by Karuvannur Service Co-operative Bank on same property multiples times without the knowledge of members of the society. ED investigation has also revealed that benami loans were sanctioned to non-members against inflated property valuations in the names of other members and such loan funds were siphoned off and laundered by the accused beneficiaries. The disbursement of benami loans were done as per the instructions of CPI (M) District Committee members who controlled the Karuvannur Service Co-operative Bank Ltd. Governing Body and in return CPI (M) party received funds from the beneficiaries as donations through the governing body. The loan amounts were disbursed in cash and also huge cash deposits were found in books of account of Bank. The Karuvannur Service Co-Operative Bank was under scrutiny of Registrar of Co-Operative Societies in Thiruvananthapuram. After FIR was registered in July 2021, the Registrar in their Audit Report found diversion of more than Rs. 150 Crore.

Earlier, on 10.08.2023, 22.08.2023 & 18.09.2023, ED conducted search at 20 locations and 5 surveys at Co-operative Banks in Thrissur to unearth the Proceeds of Crime (POC).

ED, on 04.09.2023 & 26.09.2023 arrested four individuals namely P. Sathishkumar, Kiran P.P., Aravindakshan P.R & Jilse C.K, under the provisions of the PMLA, 2002, who were beneficiary of illegally sanctioned loans and thereby generated POC.

During the course of investigation, ED had earlier attached properties worth Rs. 117.83 Crore of Bijoy and others who had received illegal loans from bank. The total POC attached in the case is Rs. 128.72 Crore by ED so far.

Further investigation is under progress.