



Press Release

02.07.2022

Directorate of Enforcement (ED) has attached immovable properties of M/s Sarvana Stores (Gold Palace) Chennai amounting to 234.75 Crore rupees in relation to a Money Laundering case for defrauding Indian Bank. ED initiated an investigation under the PMLA, 2002 based on the FIR dated 25.04.2022 registered by the CBI, EOW, Chennai. The Directorate of Enforcement had recorded the case on 26.05.2022 under the provisions of the Prevention of Money Laundering Act.

It is alleged that Late Shri Pallakudurai, Smt P. Sujatha and Shri Y.P. Shiravan Partners of M/s Saravana Stores (Gold Palace) with the criminal intention to cheat Indian Bank, T. Nagar Branch, Chennai had conspired with unknown Public Servants and unknown others.

Investigation revealed that M/s Saravana Store (Gold Palace) Chennai has applied for sanctioning of loan by fabricating Balance Sheet and projecting sound financial health of the firm. There is a huge mismatch between the sales reported and credit entries of the firm. The said firm has presented a cosmetic picture of expected turnover for upcoming financial years at the time of availing loan. Further, in order to cheat Indian Bank, a significant wrongful loss and deriving personal gain, the firm in collusion with Property Valuer, Bank Officials, and certain private persons proposed to purchase assets at a price which is clearly much higher than the real fair market value. The investigation conducted by Enforcement Directorate under the PMLA, 2002 has adequately established the ill motives of accused individuals and Bank officials from the inception.

Investigation revealed that the accused persons overstated the inventory, transferred the assets without the knowledge of the Bank, used the OCC limits to repay the term loan, misappropriated and diverted the funds for which it was not sanctioned, and committed other irregularities and thereby, the said accused persons and firms cheated the Bank and caused wrongful loss to the Bank and corresponding wrongful gain to themselves. The accused company has generated Proceeds of Crime amounting to Rs 240 Cr out of criminal activities.

Further investigation is in progress.