



**Press Release**  
**01.08.2024**

Directorate of Enforcement (ED), Hyderabad conducted search operations on 31.07.2024 under the provisions of Prevention of Money Laundering Act (PMLA), 2002 at 7 locations in Hyderabad in the case of bank fraud in AP Mahesh Cooperative Urban Bank Ltd. During the search operations, cash amounting to Rs. 1 Crore, jewellery worth Rs. 4.27 Crore, foreign currency USD 6256, property documents, bank locker keys, incriminating documents and digital devices were seized.

ED initiated investigation on the basis of various FIRs registered by Banjara Hills PS against Ramesh Kumar Bung, Chairman of A.P. Mahesh Co-operative Urban Bank, Umesh Chand Asawa, Puroshatamdas Mandhana and others for disbursing loans of more than Rs. 300 Crore to various persons & entities against illegal collaterals such as Wakf Board lands and non-existent properties by charging a commission of up to 10% from the loanees for disbursement of such illegal loans. The FIRs also alleged siphoning off Rs. 18.30 Crore in construction of Head Office building of the bank; siphoning off Rs. 6.5 Crore through false bills; disbursal of gold loans to 1800 dummy persons & entities through fraudulent means, enrolling them as members and getting votes casted in their favour whereas such gold loanees were ineligible for voting.

ED investigation revealed large scale irregularities in the sanction of loans, operation of the loan accounts and their closure. Properties were found to be acquired by the accused & their family members at values significantly lower than the prevailing market rates and in some instances, at rates lower than the valuation arrived at by the bank at the time of sanction of the loans in the past. Investigation also revealed suspicious transactions between loanees and the accused & their family members. Routing of loan funds back to the accused & their family members from the loanees accounts was revealed. In several cases, properties of loanees were found to have been acquired by the accused & their family members at rates much below their actual values. Properties pledged as collateral securities were also found to be acquired by the accused & their family members at very low rates.

In addition to the main accused, searches were also conducted at the premises of their accomplices who were identified during investigation and are suspected to be involved in the offence of money laundering.

Further investigation is under progress.