



## **Press Release**

**18.09.2024**

Directorate of Enforcement (ED), Kochi Zonal Office has conducted search operations in Thrissur District at 11 locations related to Abdul Salam (Former President of District Cooperative Bank – Thrissur) and the defaulted Loanees of District Cooperative Bank – Thrissur (now merged into Kerala State Co-Operative Bank) on 06.09.2024 under the provisions of Prevention of Money Laundering Act (PMLA), 2002 in a bank fraud case involving illegal sanction of Rs 100 Crore of loans and other activities connected with the offence of money laundering.

ED initiated investigation on the basis of FIRs registered by the Vigilance and Anti-Corruption Bureau (Thrissur Division), Kerala under various sections of IPC, 1860 and Prevention of Corruption Act, 1988.

ED investigation revealed that Abdul Salam (Former President of the Bank) had entered into criminal conspiracy with other bank officials and fraudulently sanctioned huge loans to several persons/entities violating the norms and guidelines prescribed in the Loan Manual of the Bank.

In order to unearth Proceeds of Crime (POC), ED conducted search operations at residential premises of Abdul Salam (Former Bank President) and office/residential premises belonging to loanees M/s. Nandhanam Gold and Diamonds Pvt. Ltd.; M/s Vastuhara Developers & Real Estate Limited.; M/s. Jaiya Jewellers Pvt. Ltd.; M/s Jeekey Purifiers Pvt. Ltd.; M/s Manford Exporters Pvt. Ltd.; M/s. Lisha Regency Hotel Pvt. Ltd.; M/s Krishna Retreat & Health Care Pvt. Ltd. These entities had overdue NPA amount of more than Rs. 10 Crore as on 30.06.2024. As a result of search, ED has seized several incriminating documents related to the illegal sanction of loan and further diversion of loan proceeds etc. These entities were sanctioned loans to the tune of Rs. 46.5 Crore during the tenure of Abdul Salam as the Bank President i.e., between the years from 2013 to 2017. The loan proceeds were diverted by the loanees for other purposes, which resulted in their loan accounts becoming NPA with overdue of Rs. 143.42 Crore (approx) as on 30.06.2024, which caused wrongful loss to the District Cooperative Bank – Thrissur and corresponding wrongful gain to loanees who were illegally sanctioned huge loans. In addition to that, ED has also identified various other immovable properties with present market value of Rs. 70 Crore (approx.) belonging to defaulted loanees for further attached under the provisions of PMLA, 2002.

Further investigation is under progress.