



PRESS RELEASE

17/09/2025

Directorate of Enforcement (ED), Bengaluru Zonal Office has filed a Prosecution Complaint (PC), on 12.09.2025, before the Hon'ble Special Court (PMLA), Bengaluru against M/s Associate Lumbers Private Limited (ALPL) and 17 other accused in money laundering investigation related to bank fraud of Rs. 122 Crore (including interest).

ED initiated investigation on the basis of an FIR registered by the CBI, ACB, Bengaluru against M/s. ALPL, its Directors and others under various sections of IPC, 1860 and Prevention of Corruption (Amendment) Act, 1988.

ED investigation revealed that the company M/s Associate Lumbers Pvt Ltd, represented by its directors viz., Mohamed Farouk Suleman Darvesh, Manoharlal Satramdas Agicha, Srichand Satramdas Agicha, Ebrahim Suleman Darvesh entered into criminal conspiracy by siphoning off the loan amount sanctioned by the Union Bank of India (erstwhile Corporation Bank) to either the sister concerns of M/s ALPL in form of unsecured loans or to other firms for purchase of property in the name of M/s ALPL and M/s Touchwood Real Estate Private Ltd. etc., thereby causing loss to the Union Bank of India to the tune of Rs. 56 Crore (approx.) as on date of NPA and total loss to the Bank is Rs. 122 Crore (approx.) including interest as on date of complaint filed by the Bank.

ED investigation has further revealed that M/s. ALPL had made numerous 'accommodative entries' without any genuine business relationship with its sister concerns solely to enhance its drawing power (DP) by inflating its turnover. Consequently, M/s ALPL obtained renewed credit facilities of Rs. 60 Crore from the complainant bank. Therefore, it is concluded that M/s. ALPL and its sister concerns engaged in accommodative entries that facilitated the renewal of credit facilities of M/s. ALPL based on inflated turnover and also facilitated the diversion of loan proceeds to sister concerns. Further, funds were also diverted for purchase of immovable properties and settlement of loans of sister concerns/OTS with banks on behalf of sister concerns and revenue from sale of stocks was not routed through the loan account. Also, stock worth Rs. 7 Crore (approx.) was disposed off by Directors and claimed as washed away in Chennai floods. Further, funds have also been diverted to entities in Panama and Costa Rica, which are controlled by relatives of one of the Directors of ALPL, as advance paid for import of timber.

Through such criminal activities, accused persons generated and acquired POC in crores of rupees. Properties worth Rs. 4 Crore (approx.) have been attached vide Provisional Attachment Order dated 11.09.2025. Earlier in 2024, ED had also attached immovable properties held by the Directors of M/s ALPL worth Rs. 43 Crore (approx.) leading to cumulative attachment of Rs 47 Crore in the case.

Further investigation is under progress.