



Press Release
19/02/2025

The Hon'ble Court for PMLA Cases, Bangalore has restituted 16 immovable and 46 movable properties having approximate market value of Rs.50 Crore in favour of The Competent Authority, appointed under the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 (KPID) for Sri Gurusarvabhauma Souharda Credit Co-operative Limited, Bengaluru. This has paved the way for recouping the loss incurred by the victims in the form of their deposits along with the assured returns on the said deposits which were diverted by the Society. The recent order by the Court restituting these properties would enable the Competent Authority to distribute the proceeds of sale of attached properties having cumulative value of Rs.85.79 Crore amongst the bonafide claimants.

This case pertains to misappropriation of depositor's money by the top officials of the bank in connivance with the borrowers. The errant Society had floated and was running a well-designed "ponzi scheme", under the ruse of effecting highly profitable return on investment and has induced lakhs of gullible depositors to invest in the said society and diverted the said funds through fictitious loan accounts and failed to return the same to the depositors as assured and promised.

During the investigation under PMLA, in this case, search and seizure actions were conducted and 4 accused persons including the Chairman of the Society were arrested, 4 PCs were filed and 2 Provisional Attachment Orders were issued vide which movable and immovable properties valuing Rs.159.51 Crore were attached.

Based on ED's initiative and meetings with the Competent Authority, restitution application under Section 8(8) of the PMLA, 2002 was filed before the Special PMLA Court, Bangalore for release of immovable and moveable properties seized by the ED, Bangalore. ED urged the Hon'ble Court to release the attached properties in favour of Competent Authority to resituate the same to the rightful claimants, i.e. the victims of the fraud. The Hon'ble Court vide orders dated 17.02.2025 allowed the said petition and ordered for release of immovable and moveable properties.

This marks a significant step in ED's ongoing efforts to restore properties to their rightful claimants and to ensure that POC are returned to those affected. ED continues to uphold its commitment to combating financial crimes and ensuring justice for victims of such crimes.