



## **Press Release**

**29.11.2024**

Directorate of Enforcement (ED), Hyderabad Zonal Office has provisionally attached assets worth Rs 5.34 Crore (approx.) belonging to private medical colleges under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 in connection with a case of cheating by private medical colleges by indulging in blocking of seats for PG medical admissions.

ED initiated investigation on the basis of FIR registered by the Matwada Police Station, Warangal, filed on the basis of complaint of Registrar, Kaloji Narayana Rao University of Health Sciences (KNRUHS) alleging that candidature of certain students with high NEET PG ranks were being used to block seats for PG Medical admissions under the Management Quota. In response to warning of legal action given by KNRUHS to such suspected seat blockers, some candidates claimed they had not applied for registration under the Management Quota at KNRUHS.

ED investigation revealed that some private medical colleges, in active collusion with consultants/ middlemen, were engaged in seat blocking using the certificates/ documents of high-ranking students. The blocked seats would be retained until the mop-up round/ last phase of counselling and later the students were shown as exited and the penalty imposed by the University for exit at the last stage was paid. Investigation has revealed such penalty was arranged for by the private medical colleges themselves and were paid either directly through the college's bank accounts or through middlemen. Such seats, shown as vacated, would be intimated by the colleges to the University and would be declared as stray vacancies.

The stray vacancies were then released by the KNRUHS to the respective colleges to be filled up on their own akin to institutional quota seats and the fees charged for such stray vacancies could be upto three times that of the regular fees for MQ1 management quota category. ED investigation revealed that the private medical colleges were charging additional fee up to three times and, in some cases, were also collecting capitation fee in the form of cash over and above the inflated fee. The excess fees and capitation fee so collected by the colleges over and above the regular MQ1 category fees against deliberately blocked seats are the Proceeds of Crime (POC) in this case.

The assets attached by ED are in the form of bank balances in the bank accounts of Chalmeda Ananda Rao Institute of Medical Sciences (Rs. 3.33 Crore) and MNR Medical College (Rs. 2.01 Crore). In case of Malla Reddy Institute of Medical Sciences, ED had earlier seized unaccounted cash worth Rs. 1.475 Crore and had frozen bank balance worth Rs. 2.89 Crore. So far, the total value of seized / frozen / attached assets in this case stands at Rs. 9.71 Crore.

Further investigation is under progress.