



PRESS RELEASE

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Directorate of Enforcement (ED), Bengaluru Zonal Office has conducted search operations on 17.07.2025 under the provisions of Prevention of Money Laundering Act (PMLA), 2002 at 15 locations across Bengaluru and Ramanagara Districts including the office of Shushruti Souharda Sahakara Bank Niyamitha and residential premises of its chairman N Srinivasa Murthy and other accused/suspected persons. During search proceedings incriminating documents, details of properties acquired out of Proceeds of Crime generated out of commission of offence of money laundering have been collected.

ED initiated money laundering investigation on the basis of various FIRs registered by Karnataka Police wherein it was alleged that the bank neither paid interest nor returned principle amounts to its customers on their Fixed Deposits or Savings Accounts held with the bank. It was also alleged that the Chairman and Directors of Shushruti Souharda Sahakara Bank Niyamitha in collusion with the employees of the bank, had siphoned off the deposits made by the customers of the bank and cheated them.

During the investigation under PMLA, 2002, it was found that N Srinivasa Murthy, his wife Smt. Dharini Devi and their daughter Ms. Mokshatara, Chairman, Director and Functional Director, respectively, of Shushruti Souharda Sahakara Bank Niyamitha were instrumental in the diversion of funds from the bank. ED investigation also revealed that S N Srinivasa Murthy floated different financial entities viz. Shruti Souharda Credit Co-operative Society, Shree Lakshmi Mahila Co-Op Society (Managed by Ms. Rathnamma, close relative of Srinivasa Murthy) etc. and accepted deposits from various depositors with an intention to cheat them.

It was also revealed that Srinivasa Murthy and others used to sanction loans in the names of their close associates, without following proper procedure and at times without any collateral. The loan account was later turned into NPA and N Srinivasa Murthy and others used to get properties registered in their names from the said amount.

ED investigation also revealed that Ms. Mokshatara, D/o Srinivasa Murthy used to take employees of Shushruti Souharda Sahakara Bank Niyamitha to the office of SROs and purchase properties in their names and simultaneously get General Power of Attorney in her name.

Further investigation in under progress.