



PRESS RELEASE

27/8/2025

Directorate of Enforcement (ED), Bengaluru Zonal Office has provisionally attached properties, in the form of immovable properties and bank balance, to the extent of Rs. 5 Crore (approx.) under the provisions of PMLA, 2002 in the case of Karnataka Maharshi Valmiki Scheduled Tribes Development Corporation Limited (KMVSTDCL). The attached immovable properties are in the form of land and flats worth Rs. 4.45 Crore belonging to Nekkenti Nagaraj, Chandra Mohan, Golapalli Kishore Reddy, Etakeri Satyanarayana and movable property is in the form of bank accounts to the extent of Rs. 50 Lakh (approx.) in First Finance Credit Cooperative Bank Limited.

ED initiated investigation on the basis of FIRs registered by the Karnataka Police and CBI after the tragic suicide of KMVSTDCL employee Shri Chandrashekhar on 26.05.2024 wherein it is alleged that the accused persons illegally transferred the money from the account of the KMVSTDCL and misappropriated the funds with the intent to cheat and defraud the Corporation of public money amounting to Rs. 89.63 Crore by forging the valuable securities and documents.

ED investigation revealed that KMVSTDCL's account was transferred to a new fraudulently opened account at MG Road branch of Union Bank of India in collusion with bank officials. Subsequently, funds from other accounts and the treasury were pooled into this account. From the pooled funds, an amount of Rs. 89.63 Crore was diverted from this fraudulently opened Corporation's accounts to 18 fake bank accounts opened with First Finance Credit Cooperative Bank Limited in Hyderabad, in connivance with the bank's Chairman. The diverted funds were then layered through fictitious and shell accounts, with cash and bullion distributed among the accused.

Further investigation by the ED uncovered that a significant portion of these funds was used in the general elections. Additionally, luxury vehicles, including a Lamborghini, were bought using proceeds from the scam. These facts were corroborated by the accommodation entry providers, bullion traders, gift card trader and luxury car dealer.

Moreover, the Proceeds of Crime acquired by the accused persons out of the siphoning off funds from the account of Corporation have been utilised by them for personal purposes. Therefore, properties in the form of immovable properties and amount available in the bank accounts of accused persons/entities, to the extent of Rs. 5 Crore (approx.) have been attached vide PAO No.22/2025.

Further investigation is under progress.