



PRESS RELEASE

09.04.2025

Directorate of Enforcement (ED), Bengaluru Zonal Office has arrested former Chairman of Shimoga DCC Bank, R M Manjunatha Gowda under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 on 09.04.2025 for being found involved in the offense of money laundering. After the arrest, he was produced before the Hon'ble Special Court and the Hon'ble Court was pleased to grant ED custody of the accused for 14 days.

Earlier on 08.04.2025, search operations on various locations across Shimoga and Bengaluru, including the office of the Shimoga DCC Bank, City Branch, were carried out u/s 17 PMLA, 2002 in connection with gold loan scam and diversion of funds resultant thereto. Various evidences including digital evidences have been seized during the searches.

ED investigation revealed that large-scale misappropriation of funds took place at the Shimoga District Co-Operative Central Bank, City branch which was orchestrated primarily by the branch manager, Ms B. Shobha on the instructions of R M Manjunatha Gowda. As per the chargesheet filed by Lokayuktha Police, Ms Sobha in conspiracy with other co-accused diverted a significant amount of bank funds, totalling Rs. 62.77 Crore (approx.). The modus operandi involved opening fraudulent gold loan accounts without the knowledge of the individual account holders, utilizing fake, fabricated, and forged documents.

ED investigation revealed that Proceeds of Crime (POC) generated by Ms. B. Sobha in conspiracy with other co-accused from the commission of schedule offense were laundered and also handed over to R M Manjunatha Gowda. He had acquired various movable and immovable properties and was found to be in possession of various such properties acquired from POC generated from schedule offense. As per chargesheet filed by the Lokayuktha Police, he was also found to be in possession of assets disproportionate to his known sources of income.

Therefore, R M Manjunatha Gowda was arrested u/s 19 of the PMLA, 2002 on 09.04.2025. Subsequently, the Hon'ble Special Court, PMLA Bengaluru sent him to ED Custody for 14 days.

Further investigation is under progress.