



PRESS RELEASE

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Directorate of Enforcement (ED), Bengaluru Zonal Office has provisionally attached immovable property to the extent of Rs. 75 Lakh of M/s Velohar Infra Private Limited, under the provisions of Prevention of Money Laundering Act (PMLA), 2002, in a case related to misappropriating Government funds from the accounts of M/s Karnataka State Handicraft Development Corporation Limited (KSHDCL).

Investigation under PMLA, 2002 revealed that Rs. 3.74 Crore was diverted to M/s Venture Cottage Industrial Trade Corporation at Allahabad Bank, Chennai. The proceeds were then withdrawn in cash and siphoned off by the conspirators. Sateesh V Vambashe, Bank official, in conspiracy with J.R. Pradhan, Mohammed Rafi, Mohammed Aboobacker and Sarath Chandran, fraudulently opened two current accounts in the name of M/s KSHDCL at SBI, Hesaraghatta Branch, using forged resolutions and fabricated authorization letters. An amount of Rs. 5.01 Crore belonging to KSHDCL was transferred to these fake accounts. While only Rs. 25 Lakh was placed in a genuine FD, a forged FDR of Rs. 5.01 Crore was created and handed over to KSHDCL, thereby concealing misappropriation of the funds. Out of the balance, Rs. 1 Crore was transferred to M/s Velohar Infra Pvt. Ltd., Chennai and Rs. 3.74 Crore was diverted to M/s Venture Cottage Industrial Trade Corporation at Allahabad Bank, Chennai. The proceeds were then withdrawn.

ED investigation revealed that Rs. 1 Crore was credited into the account of M/s Velohar Infra Pvt. Ltd. on 30.07.2018 through three RTGS transactions from the SBI account of Corporation. Out of this, Rs. 25 Lakh was withdrawn in cash and handed over to one of the accused, while the remaining Rs. 75 Lakh was utilised by the company and its Director, Smt. Vijayalakshmi S, for personal and business expenses, despite being aware that the funds were Proceeds of Crime.

Further, investigation revealed that M/s Velohar Infra Pvt. Ltd. owns a parcel of land admeasuring 32.55 cents at "Sunrise Avenue", Sholinganallur Village, Kancheepuram District, with sale consideration of Rs. 3.80 Crore. Thus, the said property of M/s Velohar Infra Private Limited has provisionally been attached to the extent of Rs. 75 Lakh in value thereof, under Section 5(1) of PMLA, 2002.

Further investigation is under progress.