



Press Release

22.06.2023

Directorate of Enforcement (ED) conducted searches at 16 locations in Hyderabad, Khammam, Karimnagar and other places across Telangana under the provisions of the Prevention of Money Laundering Act (PMLA) on 21.06.2023 in connection with PG Medical Seat Blocking Scam.

Earlier in February 2023, ED had recorded a case of money laundering on the basis of an FIR registered by the Matwada Police, Warangal upon a complaint filed by the then Registrar of the Kaloji Narayana Rao University of Health Sciences (KNRUHS) against unknown persons alleging that some agencies are involved in seat blocking in collusion with students / private institutions in Telangana & other states and in obtaining relevant documents of candidates required for registration under KNRUHS.

Investigation by ED revealed that the University, during its own inquiries, detected five candidates who informed that they had not even applied for counselling with the KNRUHS. Investigation by ED further revealed that seats were blocked using credentials of high scoring PG NEET candidates from other states and after the mop-up round of counselling and the last date of admission, the seats were reported to the University as vacant and such vacant seats were declared as stray vacancies by the University and given to the respective private medical colleges for admission under the management/ institutional quota. These seats were then sold off at exorbitant premiums ranging anywhere between Rs. 1 – 2.5 Crores.

To curb the menace of seat blocking, the University had provisioned penalty on the defaulting candidates. However, ED investigation revealed that penalty was being paid by/on behalf of the seat blocking candidates out of the premium collected for sale of the PG Medical seats.

The search operations resulted in seizure of incriminating documents, digital devices and records of cash transactions running into hundreds of crores of rupees relating to collection of cash fees and premium from PG medical candidates as well as MBBS students. In addition, unaccounted cash of Rs. 1.4 Crore was recovered and seized from the premises of Malla Reddy Institute of Medical Sciences. During the search, ED also freezed Rs. 2.89 Crore in a bank account of Malla Reddy Institute of Medical Sciences wherein the cash collected against the medical PG admissions was suspected to be deposited.

Further investigation in the matter is under progress.

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