



Press Release

16.02.2022

Enforcement Directorate arrested Shri K Ramakrishna, President of M/s. Sri Guru Raghavendra Sahakara Bank Niyamitha under the Prevention of Money Laundering Act, 2002 in connection with mis-appropriation of public deposits to the tune of more than Rs.1000 Crore.

Earlier, an ECIR was recorded by the Enforcement Directorate on 29.02.2020 based on the FIR in Crime No 69/2020 dated 07.02.2020 registered under various sections of IPC and u/s 9 of Karnataka Protection of Interest Depositors in Financial Establishments Act, 2004 by Banaswadi Police Station, Bengaluru against K Ramakrishna and others.

During the investigation under PMLA, it is revealed that officers and employees of the bank siphoned off the money deposited by the public with the bank. The Bank promised to give higher interest rate to the depositors which were not in the line with the prevailing market rate. The money deposited by the depositors was advanced/siphoned off to various persons including employees of the bank without obtaining proper security of the loans. The bank officers created fictitious loan accounts and transferred the money to these accounts which in turn was transferred to overdue loan accounts for evergreening purposes to show strong financial health of the Bank.

Earlier, the Enforcement Directorate had attached movable and immovable properties belonging to the accused persons valuing to Rs. 45 Crore.

The Principal City Civil and Sessions Judge, Bangalore has granted for 4 days' ED custody of the arrestee.

Further investigation in the case is in progress.