Press Release
24/10/2026

Directorate of Enforcement (ED), Hyderabad Zonal Office, conducted search operations on 23.10.2026 at 7 premises located in Hyderabad, Secunderabad and Medchal-Malkajgiri, Telangana, under the provisions of the Prevention of Money Laundering Act (PMLA), 2002. The premises searched include the registered office of M/s Kanakadhara Ventures Pvt. Ltd. (KVPL), the residences of its directors, and the premises of entities and persons who acted as conduits for the diversion of bank funds.

The searches were conducted in connection with an ongoing investigation into the alleged diversion of credit facilities by M/s Kanakadhara Ventures Pvt. Ltd. and its directors. The ED investigation was initiated on the basis of FIR No. RC0782022E0005 dated 08.12.2022, registered by the Central Bureau of Investigation, BS&FB, Bangalore, on the complaint of Punjab National Bank. The FIR alleges offences under Sections 120-B, 420, 468 and 471 of the Indian Penal Code, 1860 and Section 13(2) r/w 13(1)(d) of the Prevention of Corruption Act, 1988, by M/s KVPL, its directors and others.

The case pertains to the defrauding of a consortium of banks led by Punjab National Bank (with IDBI Bank, Union Bank of India, Andhra Bank (now UBI) and Bank of Baroda), causing a loss of Rs. 326.49 Crore. The ED investigation has revealed that the Bank Guarantee and Letter of Credit facilities sanctioned to KVPL were misutilised, and that funds were diverted through related and conduit entities, including on the basis of fabricated steel purchase invoices and transport documents. KVPL is also found to have operated bank accounts outside the consortium arrangement without the knowledge of the lending banks.

During the search operations, incriminating documents, digital devices and other records relating to the diversion and layering of funds were found and seized. Further unaccounted cash of 15 Lakh was seized. In addition, multiple immovable properties and investments have been identified.

Further investigation is under progress.