PRESS RELEASE
03.06.2026

Directorate of Enforcement (ED), Bengaluru Zonal Office has arrested Karuturi Venkateshwara Rao under Section 19 of the Prevention of Money Laundering Act (PMLA), 2002 on 02.06.2026 as part of investigation in the case of M/s Deepak Cables (India) Limited and others in the matter related to defrauding consortium of banks led by SBI.

ED initiated investigation on the basis of FIR registered by CBI against M/s Deepak Cables India Ltd. (DCIL) and its Managing Director, K. Venkateswara Rao and others, for allegedly cheating a consortium of banks led by SBI to the extent of Rs. 899.35 Crore by obtaining large credit facilities and diverting the loan funds. The company allegedly submitted falsified financial statements and manipulated books of accounts to secure and continue availing bank loans.

ED investigation revealed that the accused used multiple entities for fictitious sales and purchases, circular trading, and issuance of fake corporate guarantees. These transactions were utilized to artificially inflate turnover, increase drawing power from banks, evergreen existing loans, and divert the Proceeds of Crime through related companies and personal accounts, thereby concealing their illicit origin. It was also found out that huge amount of loan funds were diverted to the related entities under the control of K. Venkateshwara Rao without any business rationale and doubtful purpose.

On the basis of material in possession there were sufficient reasons to believe that Karuturi Venkateshwara Rao is guilty of the offence of money laundering as defined under section 3 and punishable under section 4 of PMLA, 2002; that he generated the POC; layered and integrated the funds by using various bank accounts belonging to entities operated and associated with him.

Therefore, Karuturi Venkateshwara Rao was arrested and was produced before the Hon’ble Special Court, Bengaluru and the Hon’ble Court was pleased to grant 10 days custody of Karuturi Venkateshwara Rao to ED.

Earlier, in this case searches were conducted wherein gold jewellery and cash amounting to Rs.1.27 Crore were seized and bank accounts having balance of Rs. 18 Crore were frozen.

Further investigation in under progress.