

13 cooperative banks deposited Rs 1,600 crore in banned notes post demonetisation

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7
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NEW DELHI:



An ongoing investigation by the [Enforcement Directorate](#) against 50 bank branches of ten leading banks across the country has raised suspicions of big [money laundering](#) operations across the country post [demonetisation](#), using dormant and newly opened accounts. In one case, 13 cooperative banks had deposited around Rs 1,600 crore in the Mumbai branch of a commercial bank. Another cooperative bank in Surat deposited Rs 20 crore in demonetised notes in its account with the [Bank of Baroda](#) [BSE -2.27 %](#).

These 14 cooperative banks are among 300 the ED is currently investigating for suspected money laundering. According to sources, an ED audit of the ICICI Bank's BKC branch revealed that Rs 1,596 crore in banned currency notes were deposited by 13 cooperative banks between November 16 and 21 in accounts they had with the bank.

Within a week of the announcement of the demonetisation of Rs 500 and Rs 1,000 on November 8, the central bank had restricted these cooperative banks from accepting banned notes.

In another case in Mumbai, the agency had detected irregularities in deposits of Rs 196 crore in a cooperative bank which had earlier reported deposits of Rs 1,400 crore in banned notes to the [Reserve Bank of India](#), after the demonetisation.

The agency has, meanwhile, started registering cases under the Prevention of Money Laundering Act and made some arrests. The ED registered a case in Delhi and arrested two managers of [Axis Bank](#) [BSE -0.74 %](#) and a chartered accountant for laundering Rs 39 crore, after they were found misusing the banking channels.

The audit of bank branches revealed dormant accounts were used for deposit of banned notes. For instance, at the [Punjab National](#) [BSE -2.24 %](#) Bank's Allahabad branch, the ED found details of 205 newly opened accounts where huge deposits in Rs 500 and Rs 1,000 notes were detected.

At the Axis Bank's Ranchi branch, details of 16 newly opened accounts were found which were used for deposits of banned notes. In Axis Bank's Jaipur branch, 11 cases of third party deposits without

proper authorisation were found. The agency could not find any documents pertaining to Rs 17 lakh in the branch. Similarly, the ED could not find any documents relating to exchanges of [old notes](#) in 43 cases at the same branch.

The ED is also probing 34 Jan Dhan accounts having cash deposits of more than Rs 10 lakh each. It has also examined bank accounts of top 80 jewellers spread over 16 cities with suspicious transactions.