



PRESS RELEASE
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Directorate of Enforcement (ED), in support of the application filed by Indian Bank under Section 8(8) of the PMLA, 2002, restored the properties valued at **Rs. 40 Crore**, attached during the money-laundering investigation against M/s Saravana Stores (Gold Palace) and its partners, to Indian Bank. Earlier, ED has restored three properties valued at Rs. 235 Crore vide order dated 17/02/2025 passed by Hon'ble Special Court. **The total restitution in this case stands at Rs. 275 Crore.**

ED initiated investigation on the basis of a FIR registered by the CBI under various Sections of the IPC, 1860 and Prevention of Corruption Act, 1988, on a complaint filed by Indian Bank. The FIR alleges that the partners of M/s Saravana Stores (Gold Palace) fraudulently availed Rs.240 Crore in credit facilities, diverted funds for unauthorised purposes, submitted false and overstated stock statements, misused working capital limits, routed money to personal accounts, removed hypothecated stock without the Bank's knowledge, and acquired properties through diversion of bank funds. The loan account became NPA on 07.07.2019, was later classified as fraud and wilful default, causing a wrongful loss of Rs. 312.13 Crore to Indian Bank.

During the PMLA investigation, it was found that accused systematically diverted and misappropriated bank funds. ED provisionally attached immovable properties worth Rs. 274.76 Crore vide two Provisional Attachment Orders, which were later confirmed by the Adjudicating Authority on 24.01.2023 and 27.10.2023. ED subsequently filed a Prosecution Complaint before the Hon'ble Special Court (PMLA) on 18.01.2024.

Indian Bank sought restoration of the attached properties under Section 8(8) of PMLA, 2002. ED agreed for the same as the attachment was done for the benefit of the victim bank. The Hon'ble Special Court, by order dated 17.02.2025, restored three properties valued at Rs. 235 Crore. Indian Bank sought additional properties worth Rs 40 Crore before the Hon'ble High Court. ED, considering public interest and the Bank's substantial loss, expressed no objection. The Hon'ble High Court, by order dated 23.10.2025, restored the properties worth Rs 40 Crore to Indian Bank.