



Press Release
06/10/2026

Directorate of Enforcement (ED), Mumbai Zonal Office-II has conducted search operations at 9 different locations in Yavatmal district of Maharashtra under the provisions of the Prevention of Money Laundering Act (PMLA), 2002.

ED investigation was initiated on the basis of multiple FIRs registered by Avdhutwadi Police Station, Yavatmal against officials/employees of Babaji Date Mahila Sahakari Bank and its borrowers. Babaji Date Mahila Sahkari Bank Ltd, Yavatmal was originally registered under section 9(1) of the Maharashtra Coop Societies Act, 1960. The license of the bank was cancelled by the RBI in the year 2022. On the basis of multiple complaints of fraud, mis-utilisation of depositors money, a special audit was ordered by the state government wherein it was found that the CEO, Chairperson/Chairman, Directors and bank officials, in connivance with borrowers, valuers and auditors, disbursed loans without proper collateral and without adequate assessment of repayment capacity, and that the loan funds were thereafter diverted contrary to the bank's bye-laws/loan policy and RBI guidelines. It was further found that fraud of Rs. 242 Crore was committed by the Chairperson and bank officials in collusion with loan beneficiaries. The LEA has filed Chargesheet in the case.

The search operation led to unearthing of the existence of large nexus of bank officials and borrowers in perpetration of this fraud. It was found that the money so taken by borrowers was siphoned off for personal uses, withdrawn in cash, ever greening of loans, and transfer to accounts of bank officials as a kickback amongst others. Further it was found that bank officials used credentials of existing borrowers to open dummy loan accounts, manipulated the valuation of the mortgaged properties and siphoned off the loan amount so availed.

The search operation led to the seizure of number of incriminating documents including large number of property documents.

Further investigation is under progress.
