



Press Release

17/11/2025

Directorate of Enforcement (ED), Mumbai Zonal Office has initiated the process for restitution of immovable properties worth Rs. 55.85 Crore (as per valuation done in 2021) to State Bank of India in the case of M/s Varron Aluminium Private Limited. These assets were provisionally attached by ED under Section 5 of Prevention of Money Laundering Act (PMLA) as M/s Varron Aluminium Private Limited and other group companies/ persons had cheated the Bank and siphoned off the bank funds for their personal benefits.

ED initiated investigation on the basis of FIRs registered by the CBI, BS&FC, Mumbai against M/s Varron Aluminium Private Limited (VAPL) and others for defrauding Bank of India and SBI to the tune of Rs. 293.74 Crore and Rs. 401.25 Crore respectively. It was alleged by the LEA in its chargesheet that Manual Letter of Credit of Rs. 300 Crore was issued by Canara Bank on behalf of M/s VAPL in favour of its group company M/s VACPL and the same was discounted by Bank of India against fake documents without proper verification.

ED investigation revealed that payment of every Letter of Credit was made by opening new letter of credit in favour of VAPL, VIPL and other shell entities and the said process was adopted since opening of the very first Letter of Credit. Credits were taken in a cyclical manner to repay old loans, to reduce cash credit liability availed by VAPL and group companies from other banks and to inflate the books of accounts. During investigation, the ED identified the Proceeds of Crime (POC), and issued two Attachment Orders for attachment of immovable properties worth Rs. 179.27 Crore in total.

The provision of Section 8(8) of the PMLA, mandates for restitution of attached/ confiscated properties to the rightful owners/ legitimate claimants and victims of money laundering, which has to be utilized for the objective of restoration of assets to rightful owners when it is determined that the properties have been acquired through illicit means but legally belong to innocent parties.

ED has been making continuous efforts for restitution of properties to the rightful owners/ legitimate claimants and victims of money laundering and encourages all affected parties including Banks and other financial institutions to use the provision of Section 8(8) of PMLA, for restitution of properties, attached/ confiscated by ED and restoration of their claim in respect of such properties.

Due to the continuous efforts taken by the ED for restoration of claims of legitimate claimants, SBI filed a miscellaneous application in the Court of Hon'ble Sessions Judge, Special Court, Bombay, under Section 8(8) of PMLA, for claiming three attached properties worth Rs. 55.85 Crore, as per valuation done in the year 2021.

In pursuance of the afore-mentioned objectives, during the Court proceedings, ED filed an affidavit before the Hon'ble Special Court PMLA, Mumbai expressing its willingness for restitution of the attached properties claimed by SBI through its miscellaneous application, and accordingly, the Hon'ble Special Court PMLA, vide Order dated 26.09.2025, has allowed the application of SBI and ordered the restoration of 3 immovable properties valued at Rs. 55.85 Crore to it.