



Press Release
17.01.2025

Directorate of Enforcement (ED), Mumbai restituted immovable properties worth Rs. 289.54 Crore to Competent Authority, MPID appointed by Government of Maharashtra in the case of **M/s Pen Co-operative Urban Bank Ltd.**

The assets were provisionally attached by ED under Section 5 of Prevention of Money Laundering Act (PMLA), 2002 as the erstwhile Office bearers had cheated the Banks and siphoned off the bank funds for private investments. The investigation was initiated based on the FIR registered by Pen Police Station, District Raigad, Maharashtra. It was alleged by the LEA in its chargesheet that office bearers of the bank entered into criminal conspiracy with the then Auditors of the Bank willfully and intentionally manipulated the books of accounts of Pen Bank and fraudulently reported profit and caused a loss of Rs. **651.35 Crore** to the bank.

ED investigations revealed that the proceeds generated out of crime of forgery and cheating was diverted and routed through the bogus cash credit accounts opened in the said bank using the services of cheque discounters in the market. Part of such Proceed of Crime (POC) was utilized for purchase of immovable properties at different locations in Raigad District of Maharashtra in the names of third parties (Benami properties). These Benami properties measuring 70.9 acres worth Rs. 25.20 Crore were attached u/s 5 of PMLA on 26.05.2014 and 03.12.2014. Further Prosecution Complaint dated 20.06.2018 has been filed in the subject case before Hon'ble Special Court, PMLA and the trial is underway.

In the meantime, a Criminal Writ Petition bearing was filed by one of Depositor of Pen Urban Cooperative Bank Ltd before the Hon'ble Bombay High Court praying for release of the properties attached under the PMLA. The Hon'ble Bombay High Court vide order dated 07.10.2016 directed the ED to hand over the properties to MPID. Against the said order, ED filed a SLP before the Apex Court vide order dated 03.11.2017 which granted a stay on the order of Hon'ble Bombay High Court. MPID authorities filed an application u/s 8(8) of PMLA dated 01.02.2019 before Hon'ble Special Court (PMLA), Mumbai to confiscate the attached property to MPID for its restitution.

Pen Co-operative Urban Bank Ltd had 2 lakh depositors and 42,000 shareholders who have lost their hard earned money. In the **larger interest of depositors and currently ongoing restitution efforts**, ED took a pragmatic view and decided to withdraw the SLP before the Apex Court. Consequently an affidavit was filed before the apex court which was allowed vide order dated 13.12.2024 and SLP was withdrawn.

ED thereafter filed an affidavit before the Hon'ble Special Court (PMLA), Mumbai expressing willingness to restitute the properties covered by the Hon'ble High Court order dated 07.10.2016. Vide order dated 14.01.2025, the Hon'ble Special Court (PMLA) allowed the ED's application and ordered the restoration of **29 immovable properties which are presently valued at Rs. 289.54 Crore** to the Competent Authority under MPID Act.

