



Press Release
30.07.2025
(Restitution)

Directorate of Enforcement (ED), Mumbai Zonal office has restituted immovable properties worth Rs. 386 Crore to **Competent Authority, MPID** (appointed by Government of Maharashtra) in the case of M/s Karnala Nagari Sahakari Bank Ltd., Panvel for distribution of the same amongst the depositors of the bank who have lost their money.

The assets were provisionally attached by ED under Section 5 of Prevention of Money Laundering Act (PMLA) as the erstwhile Chairman in connivance with other officials of the bank had cheated the Bank and siphoned off the bank funds for private investments. The investigation under PMLA was initiated based on the FIR dated 17.02.2020 registered by EOW, CID, Pune. It was alleged by the LEA in its chargesheet that chairman and other officials of the bank entered into criminal conspiracy and prepared 63 bogus loan accounts using forged documents without following the guidelines of RBI and standard banking norms and siphoned off Rs.560 Crore for personal gains.

Investigation under PMLA revealed that the proceeds generated out of crime of forgery and cheating was diverted to various entities controlled by Vivekanand Shankar Patil and his relatives. He purchased various properties and assets using the funds siphoned off from Karnala Nagari Sahakari Bank Ltd. Such Proceeds of Crime (POC) were utilized for purchase of immovable properties at different locations in Raigad District of Maharashtra. These properties worth **Rs. 386 Crore** were attached u/s 5 of PMLA on 17.08.2021 and 12.10.2023. Further, Prosecution Complaint dated 12.08.2021 was filed in the subject case before Hon'ble Special Court, PMLA and the trial is underway.

In the meantime, the liquidator appointed by RBI filed an application u/s 8(8) of PMLA before Hon'ble PMLA Special court, Mumbai for its restitution for which ED has given consent. The Hon'ble PMLA Special Court, Mumbai has passed an order dated 22.07.2025 to release the property at Karnala Sports Academy, Panvel to liquidator and to put it for auction. The Court also ordered the Competent Authority, MPID to realise the land at Posari, Raigad by auction for distribution amongst the depositors.

Karnala Nagari Sahakari Bank Ltd., Panvel had more than 5 lakh depositors having total deposits of Rs.553 Crore who have lost their hardearned money. In the **larger interest of depositors and currently ongoing restitution efforts**, ED took steps to expedite the process resulting in the restitution.