



PRESS RELEASE

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Directorate of Enforcement (ED), Hyderabad has provisionally attached an immovable property worth Rs. 68.78 Lakh of Praveen Kumar Kommineni under the Prevention of Money laundering Act (PMLA), 2002 in the case of M/s RE Cables & Conductors Pvt Ltd (RECC).

ED initiated investigation on the basis of FIR registered by the CBI, EOB, Chennai, against M/s RE Cables & Conductors Pvt Ltd (RECC) and others for alleged misappropriation of the funds of SBI and Ratnakar Bank Ltd.

ED investigation revealed that RECC and its Directors cheated the SBI and RBL by availing loans on the basis of false documents and these amounts were rotated and diverted using various modus operandi like accommodated LC (Letter of Credit) transactions, bogus turnover entries, round tripping of loan funds etc. with the help of shell entities floated by the directors/promoters of accused company as well as the shell entities of entry providers. Some of the funds were also diverted to Sh. Hitesh Jain, Director of RECC. Further, commission was also paid to the entry providers. The total loss caused to the banks is Rs.134.22 Crore which includes interest.

Subsequent investigation revealed that the Praveen Kumar Kommineni colluded with other accused persons and assisted the company M/s RE Cables & Conductors Pvt Ltd in generation of Proceeds of Crime by way of discounting of accommodated letters of credit, some of which also got devolved. During investigation, ED identified a property worth Rs. 68.78 Lakh with beneficial owner as Praveen Kumar Kommineni. Accordingly, the same has been attached to secure the same for further proceedings under the Act.

Previously, in this case, ED attached properties to the extent of Rs. 56.19 Crore on 20.08.2022 and filed prosecution complaint against 13 accused persons on 23.08.2022.

Further investigation is under progress.