



PRESS RELEASE

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Directorate of Enforcement (ED), Lucknow Zonal Office has provisionally attached 04 immovable assets in the form of 01 industrial plot and 03 residential flats, worth Rs 6.37 Crore belonging to M/s Vinay Wire and Poly Products Pvt Ltd and its Directors in the matter related to diversion of loan funds by M/s Vinay Wire and Poly Products Pvt Ltd under the provisions of Prevention of Money Laundering Act (PMLA), 2002. The attached properties are situated at Ahmedabad (Gujrat) and Kanpur (Uttar Pradesh).

ED initiated investigation on the basis of FIR registered by CBI, SCB Lucknow under various sections of IPC, 1860 in matter related to Bank of Baroda loan fraud against M/s Vinay Wire and Poly Products Pvt Ltd through its Directors Vinay Kanodia, Brijesh Kanodia, Smt Gayatri Devi Kanodia and CN Malviya.

ED investigation revealed that M/s Vinay Wire and Poly Products Pvt Ltd has mis-utilized the loan funds through opening Inland Letters of Credit in favour of related entities using fake/forged documents, transferring funds availed using credit facilities to the individual accounts for purpose other than it was sanctioned. And this way loan amount was siphoned off by the promoters and directors for the purpose other than the genuine business. Further, the Directors of the said company opened multiple accounts with the non-lending banks in violation of the terms and conditions of loan sanction agreement in order to avoid crediting the sale proceeds/debtor's realization in the CC/loan accounts.

The Bank of Baroda declared the credit facilities sanctioned to M/s Vinay Wire and Poly Products Pvt Ltd as NPA on 01.04.2018 and the outstanding amount as on date of NPA, i.e. on 01.04.2018, was Rs 18.95 Crore. The Bank of Baroda later sold eight properties mortgaged by M/s Vinay Wires for an amount of Rs. 8.35 Crore against the credit facilities sanctioned by the bank and recovered that amount.

Further investigation is under progress.