



Press Release

23.08.2022

Directorate of Enforcement (ED) has provisionally attached immovable properties worth Rs 59.94 Crore under the Prevention of Money laundering Act (PMLA), 2002 belonging to directors and promoters of M/s RE Cables & Conductors Pvt Ltd and other entry providers indulged in money laundering activities.

ED initiated money laundering 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 which caused wrongful loss to the tune of Rs 74.83 Crore.

Investigation conducted by ED has revealed that by indulging in the schedule offence M/s. RECC and its Directors have cheated the SBI and RBL banks by availing loans on the basis of false documents and these amounts were rotated and diverted involving 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 the Director Hitesh Jain. Further, commission was also paid to the entry providers. The total loss caused to the banks is Rs.134.22 Crore including interest.

Investigation revealed that the Proceeds of Crime thus generated were majorly utilized in acquiring immovable properties. ED has identified the Properties thus acquired to the tune of Rs. 59.94 Crore which were attached to prevent further alienation.

Previously, in the instant case, ED has arrested Mr Hitesh R Jain, Director of M/s RE Cables & Conductors Pvt Ltd, Mr Khagesh Kachhwal and Mr Varanasi Dileef, the bogus entry providers and also conducted searches on various premises to unearth the financial crime which caused loss to the lender banks.

Further investigation is in progress.