



Press Release
01.04.2026

Directorate of Enforcement (ED), Gurugram Zonal Office, has provisionally attached immovable properties of Rs. 112 Crore (approx.), held by the Ex-promoters, their family members, their associated business entities and the Ex-RP of M/s Richa Industries Limited. The immovable properties provisionally attached include residential plots, flats/villas, agricultural lands and commercial space situated in Faridabad, Rohtak, Mohali etc.

Earlier, ED Gurugram has also filed a Prosecution Complaint on 19.03.2026 before the Hon'ble Special Court (PMLA), Gurugram under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 against Sandeep Gupta, Ex-Promoter and Suspended Managing Director of M/s Richa Industries Limited, and Arvind Kumar, former Resolution Professional (RP) of the company, along with 25 other individuals and entities.

ED initiated investigation on the basis of an FIR registered by the CBI under various provisions of the IPC, 1860 and the Prevention of Corruption Act, 1988, pertaining to allegations of criminal conspiracy, cheating and criminal misconduct. The offences resulted in a wrongful loss of approximately Rs. 236 Crore to public sector banks. M/s Richa Industries Limited, was engaged in the business of manufacturing textile products and pre-engineered buildings. The company had availed substantial credit facilities from multiple banks, including Indian Overseas Bank and Union Bank of India. Subsequently, the loan accounts were declared Non-Performing Assets (NPAs) and later classified as fraud.

ED investigation revealed that prior to the initiation of CIRP, the promoters falsified the company's books to inflate its financial position. This included fictitious transactions, bogus sales and purchases, manipulation of debtors and creditor balances, and misrepresentation of stock statements submitted to banks. Funds were siphoned off through undervalued sales, bogus purchases, and off-book cash transactions, leading to the generation and layering of Proceeds of Crime. These funds were routed through related entities and shell companies for the benefit of the promoter group.

The company entered CIRP in December 2018, with Arvind Kumar appointed as Resolution Professional (RP). The investigation found that the RP acted in connivance with the ex-promoters by admitting fraudulent unsecured creditor claims into the Committee of Creditors, thereby diluting the voting power of legitimate financial creditors. Ineligible resolution plans were also considered to enable the ex-promoters to regain control. During CIRP, funds were found to be diverted from the Corporate Debtor (CD) to the related entities of the promoters, assets were siphoned off in the name of entities of family members wherein the benefits were enjoyed by Sandeep Gupta and other promoters. It was also revealed that during personal insolvency of Sandeep Gupta, assets have been concealed in the disguise of family members and other associates.

During investigation, it was also revealed that funds of CD were diverted even to RP's personal accounts through his employees and associates, compromising the resolution process and causing additional losses to banks. The Insolvency and Bankruptcy Board of India suspended the RP for two years due to misconduct.

Liquidation began in June 2025, and by November 2025, the company was sold as a going concern for approximately Rs. 96 Crore. Lender banks recovered around Rs. 40 Crore against claims of nearly Rs. 700 Crore, resulting in a haircut of about 94%.

Further investigation is under progress.