



PRESS RELEASE

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Directorate of Enforcement (ED), Lucknow Zonal office has provisionally attached funds to the tune of Rs 32 Lakh lying in bank accounts belonging to Sharad Gupta and Smt Sheetal Gupta in matter related to diversion of loan funds by M/s Shree RR Pipes under the provisions of Prevention of Money Laundering Act (PMLA), 2002.

ED initiated investigation on the basis of FIR registered by CBI, Dehradun under various sections of IPC, 1860 in matter related to Union Bank of India loan fraud against M/s RKD Pipes Pvt Ltd (proprietor company of M/s Shree RR Pipes) through its Directors Sharad Gupta and Smt Ritu Agarwal and officers/officials of Union Bank of India.

ED investigation revealed that M/s Shree RR Pipes availed credit facilities fraudulently by submitting forged provisional balance sheets, profit and loss accounts and debtors list to Union Bank of India, Mid-Corporate Branch, Kaushambi. M/s Shree RR Pipes purportedly with the intention of diverting funds made fictitious transactions with the entities controlled by/linked to Sharad Gupta and his associates. M/s Shree RR Pipes got the credit limit enhanced from Rs. 10 Crore to Rs. 20 Crore and frequently availed ad-hoc credit limits on the basis of forged provisional balance sheets, profit & loss statements, bogus sales turnover and projection of sales. The Union Bank of India declared the credit facilities sanctioned to M/s Shree RR Pipes as NPA on 31.03.2018 and the outstanding amount as on date of NPA i.e. on 01.04.2018 was Rs. 20.45 Crore. The Union Bank of India later sold the properties mortgaged by M/s Shree RR Pipes against the credit facilities sanctioned by the bank and recovered Rs. 6.07 Crore.

Further investigation is under progress.