PRESS RELEASE
25.12.2025

Directorate of Enforcement (ED), Indore Sub Zonal Office, has conducted search operations under the Prevention of Money Laundering Act (PMLA), 2002 at multiple locations at Indore and Mumbai on 23.12.2025, in connection with the investigationsin the bank fraud cases pertaining to **Ruchi Group**.

ED initiated investigation on the basis ofmultiple FIRs registered by CBI, Bhopal, against Ruchi Group companies viz. M/s Ruchi Global Ltd. (Now, M/s Agrotrade Enterprises Ltd.), M/s RuchiAcroni Industries Ltd. (Now M/s Steeltech Resources Ltd.) and M/s RSAL Steel Pvt. Ltd. (Now M/s LGB Steel Pvt. Ltd.). The companies, promoted by Late Mr. Kailash Chandra Shahra and UmeshShahra, are alleged to have been involved in various instances of bank frauds by means of diversion and siphoning off of funds and other kinds of accounting manipulations, thereby causing wrongful losses to several banks.

ED investigation unearthed a conspiracy wherein a number of shell entities were created to indulge in round-tripping transactions. Spurious Letters of Credit and Cash Credit transactions were entered into by the defaulting companies and shell entities to divert the funds for private gains. Further, bogus sales and purchases were recorded and deliberate losses were caused to siphon off the loan amounts obtained for business purposes. Proceeds of Crime generated through this fraud have been concealed and disguised.

During the course of search proceedings, bank balances of more thanRs.20Lakh belonging to accused persons and their family members were frozen and cash in excess of Rs.23 Lakh was seized. Also, significant incriminating records including digital devices establishing roles of the accused persons have been found& seized.

Further investigation is under progress.