Press Release
5/2/2026

Directorate of Enforcement (ED), Gurugram Zonal Office, has arrested Arvind Kumar, former Resolution Professional (RP) (Between Dec, 2018 till June, 2025) of M/s Richa Industries Limited (RIL), under the provisions of the Prevention of Money-laundering Act (PMLA), 2002 on 03.02.2026. He was produced before the Hon'ble Special Court, Gurugram, which has granted 8 days of ED Custody. Earlier, the ex-Promoter and suspended Managing Director, Sandeep Gupta has been arrested under Section 19 of the PMLA.

ED initiated investigation on the basis of FIR registered by the CBI under various Sections of IPC, 1860 and PC Act, 1988 for the commission of offences of Criminal conspiracy, cheating and criminal misconduct by the accused persons thereby causing wrongful gain to themselves and causing substantial losses to the public sector banks to the tune of Rs. 236 Crore during the year 2015 to 2018.

The investigation findings reveal the personal enrichment by Arvind Kumar, establishing his direct and active involvement in money laundering. During his tenure as Resolution Professional, substantial funds from Richa Industries Limited were diverted through layered transactions to individuals and entities closely connected to him, including associates and employees linked to his own business interests. Large payments were routed from the corporate debtor's accounts to these intermediaries, who then transferred significant amounts back to Arvind Kumar's personal bank accounts. Bank records further show unexplained cash deposits exceeding Rs. 80 Lakh in his personal accounts during the period of his appointment, along with credits of over Rs. 1 Crore received from his related parties who had earlier been beneficiaries of payments from the company.

Above investigation findings reveals that the arrested RP was a beneficiary of the Proceeds of Crime generated from the original bank fraud, projecting illicit funds as legitimate receipts under the guise of CIRP-related operations.

So far investigation has revealed the following modus operandi adopted by the arrested RP:

- Constitution of illegal and manipulated Committee of Creditors (CoC) by knowingly admitting sham and inflated claims of unsecured financial creditors, many of them dummy/proxies controlled by the ex-promoters who masterminded the bank fraud, thereby handing decisive voting power to the suspended promoters and sidelining genuine public sector bank creditors.
- Enabled continued siphoning and diversion of crores of funds of RIL during CIRP to entities and individuals linked to the suspended directors under the guise of sub-

contracts, remuneration and operational payments, thereby continuing the very money laundering chain that originated from the bank fraud.

- Collusion with ex-promoters by allowing them continued operational control over key projects and assets, authorizing their involvement in decision-making, and failing to intervene in arrangements that diverted valuable opportunities and funds to newly formed entities for personal benefits of suspended directors.
- Deliberate non-filing of avoidance applications under relevant IBC provisions despite clear indicators of preferential, undervalued, fraudulent, and extortionate transactions identified in audit reports, enabling the retention and enjoyment of illicit proceeds by the original perpetrators.
- Forwarded ineligible resolution plans submitted by entities controlled by the promoter-family in blatant violation of Section 29A of IBC, with the clear intent of restoring the company and its assets to the very persons who committed the fraud.
- Grabbing crores of funds from parties on pretext of sale of company or its assets to them without any authorization or proper documentation.

Above findings clearly demonstrates deliberate, conscious and active participation by RP in the offence of money laundering under Section 3 of the PMLA, punishable under Section 4. Due to acts of RP in orchestrating a "pro-promoter" conspiracy, it has resulted in a staggering 94% loss (haircut) to public sector banks. After liquidation of the RIL, banks have just received Rs. 40 Crore against the admitted claims of Rs. 708 Crore.

It is pertinent to mention that earlier, the RP's registration was suspended by the Insolvency and Bankruptcy Board of India (IBBI) for two years on related contraventions.

The ED emphasizes that such alleged misuse of the insolvency framework not only defeats the objectives of creditor recovery and corporate revival but also undermines public confidence in the financial and insolvency systems. The investigation is ongoing to trace the full flow of funds and identify all involved parties.

Further investigation is under progress.