Press Release
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NCLT Recalls CIRP in Alchemist Group Case; ED Intervention Prevents Misuse of Insolvency Process to Launder Proceeds of Crime

Directorate of Enforcement (ED) has secured a significant judicial outcome, as the Hon'ble National Company Law Tribunal (NCLT), New Delhi, vide its order dated 03.02.2026, recalled the Corporate Insolvency Resolution Process (CIRP) initiated against M/s Alchemist Limited, upon holding that the insolvency proceedings were vitiated by fraud, collusion, and malicious intent.

The Hon'ble NCLT, exercising its powers under Section 65 of the Insolvency and Bankruptcy Code, 2016 (IBC), has categorically held that the insolvency framework cannot be misused as a shield to legitimize proceeds of crime or frustrate proceedings under the Prevention of Money Laundering Act, 2002 (PMLA).

Brief of ED investigation in the case

ED initiated investigation against M/s. Alchemist Limited under the provisions of PMLA based upon the FIRs registered by the Kolkata Police and UP Police. PMLA investigation revealed that Alchemist Holdings Limited and M/s Alchemist Township India Ltd had collected more than Rs. 1840 Crore from the general public on the pretext of offering high returns/ plots/villas/flats to the investors/victims, however, neither plots/villas/flats/high returns were provided nor the money was refunded to the investors. The funds were diverted to other group companies of Alchemist Group including M/s Alchemist Ltd in the form of ICDs.

ED has filed a Prosecution Complaint dated 02.03.2021 against M/s Alchemist Limited and others and supplementary prosecution complaints on 19.07.2024 and 11.09.2025 before the Hon'ble Special Court (PMLA). ED had also provisionally attached movable and immovable properties worth Rs. 492.72 Crore vide seven (07) separate provisional attachment orders.

IBC Proceedings and ED's Intervention

ED's investigation revealed that an application under Section 9 of IBC was filed to initiate CIRP against M/s Alchemist Limited by M/s Sai Tech Medicare Pvt. Ltd. Subsequently, a Committee of Creditors (CoC) was constituted, dominated almost entirely by Alchemist Group entities themselves, with M/s Technology Parks Limited holding approximately 97% voting rights. ED placed before the Hon'ble Tribunal detailed material demonstrating that:

a) The dominant CoC members were group entities accused of money laundering and beneficiaries of proceeds of crime including M/s Technology Parks Limited (voting share 97%), M/s Alchemist Township India Limited (voting share 1.74%) and M/s Alchemist Realty Limited (voting share 0.61%). It was also highlighted that the above-named companies are recipient of Proceeds of Crime in the case and have been arrayed as accused in the Complaint filed by ED in the case.
b) The insolvency process was being used as a device to reclaim attached assets and invoke immunity under Section 32A of IBC.
c) An ex-employee of the Alchemist Group namely Shri Gaurav Misra was appointed as Resolution Professional, raising serious concerns regarding independence and fairness.
d) Despite specific directions of the Hon'ble NCLT, ED was deliberately not impleaded in a timely manner, indicating mala fide intent.

Key Findings of the Hon'ble NCLT

Accepting the submissions of ED, the Hon'ble NCLT held that:

- IBC is a beneficial legislation meant for genuine insolvency resolution, not a mechanism to sanitize tainted transactions or launder proceeds of crime.
- Section 32A of IBC cannot be invoked to extinguish criminal liability or frustrate proceedings under the PMLA.
- A CIRP dominated by accused group entities fundamentally erodes the independence and commercial wisdom of the CoC.
- Permitting such a CIRP to continue would result in legitimization of proceeds of crime, dilution of PMLA attachments, and abuse of insolvency immunity.

- The insolvency process in the present case was initiated and conducted with fraudulent and malicious intent, squarely attracting Section 65 of IBC.
- There is no quarrel with the settled proposition that the IBC and the PMLA operate in distinct fields and may, in appropriate cases, proceed in parallel. However, the doctrine of parallel operation cannot be stretched to permit abuse of one statute so as to defeat the object and purpose of another.

The Hon'ble Tribunal recalled the CIRP, lifted the moratorium as declared under Section 14 of IBC, 2016 and nullified the appointment of the Resolution Professional and all the actions taken by the Resolution Professional consequent to his appointment. On the gross abuse of the process of law, the Court imposed a penalty of Rs 5 Lakh in the hands of the Operational Creditor, Sai Tech Medicare Private Limited.

The order of Hon'ble NCLT reaffirms the settled legal position that PMLA proceedings and insolvency proceedings operate in distinct fields, and that the insolvency framework cannot be mis-used to defeat criminal law, confiscation, or investor restitution.