Press Release

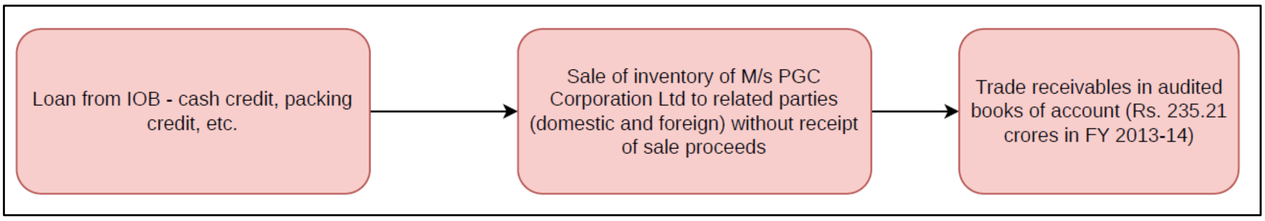
21.09.2026

Directorate of Enforcement (ED), Chennai Zonal Office II has conducted search operations on 18.09.2026 at 6 residential and office premises located at Tiruppur and Chennai under the Prevention of Money Laundering Act (PMLA), 2002 in connection with money laundering investigation related to bank fraud case involving M/s PGC Corporation Ltd. & others.

ED initiated investigation on the basis of FIR registered by the CBI, EOB Chennai under various sections of the IPC, 1860 and Prevention of Corruption Act, 1988 for cheating the Indian Overseas Bank (IOB) by Rs. 116.79 crores (Approx.) by M/s PGC Corporation Ltd and its directors D. Prem, Aadith D. Vikram, K. Kaleeswaran and unknown public servants & private persons.

ED investigation revealed that M/s PGC Corporation Ltd had availed loan facility from IOB and the account was declared as NPA in 2013 and as fraud in 2020 by the bank. Investigation further revealed that the accused submitted falsified and manipulated financial statements for FY 2011–12 to IOB to fraudulently avail enhanced credit facilities and misused the loan funds by diverting them to personal accounts, foreign entities and round tripping of funds.

Investigation revealed that D. Prem and Aadith D. Vikram created a network of companies and firms (both domestic and foreign) in which they diverted the loan funds as investments. Investigation further revealed that substantial loan funds, which were remitted abroad in the guise of investment, were then round tripped and used for local business expenses in India. Further, the inventory valued at over Rs. 235 crores (Approx.) of M/s PGC Corporation Ltd was sold to related entities without actual receipt of sale proceeds after the bank initiated recovery of loan. Subsequently, these related entities were permitted to close without approval from lenders.



During the search action, it was found that D. Prem and Aadith D. Vikram were living a luxurious lifestyle having properties and assets in the names of their spouses and relatives. It was further found that they had established new businesses in the names of their spouses and employees but were ultimately managing and controlling the affairs of these businesses. Further, during the search action, unexplained cash amounting to Rs. 82 lakhs (Approx), two luxury vehicles, digital devices such as laptops, pen drives and mobile phones, property documents and incriminating documents were recovered and seized.

Further investigation is under progress.