



Press Release

18/07/2023

Directorate of Enforcement (ED) has conducted Search operations on 17/07/2023 at seven locations connected to K. Ponmudy, a Member of the Legislative Assembly (MLA) and a serving Minister of Higher Education in the Govt. of Tamil Nadu, and his son, Gautam Sigamani, who is a Member of Parliament under PMLA, 2002.

The case involves the alleged issuance of red sand mining licenses at five locations illegally by Ponmudy, who was the Minister of Mines at that time, to his son, relatives, and benami holders. The proceeds obtained from illegal mining were deposited in benami accounts and were layered through multiple transactions and accounts. Eventually, two overseas entities, namely PT Excel Mengindo in Indonesia and M/s Universal Business Ventures FZE in the UAE, were acquired. The Indonesian company, was shown to have been purchased for a nominal amount of Rs. 41.57 lakh, was later sold for over Rs. 100 Crore in 2022. It is suspected that huge amounts of cash was transferred through hawala & infused in purchase of these overseas entities.

During the search operation, unaccounted cash amounting to Rs. 81.7 lakh was seized, along with unexplained foreign currency primarily in British pounds equivalent to approximately Rs. 13 lakhs from the residence of Ponmudy. In order to mislead the probe, a claim that the cash belonged to a family-owned hospital was made, and an attempt to falsify accounting records to introduce cash was detected by ED and prevented. A corroborating statement attesting the above facts was obtained from one concerned person. Thus, there is no plausible explanation for this unexplained cash seized from the residence of Ponmudy.

ED investigation has identified a trail of illegal proceeds derived from these illicit activities, being used to acquire properties, companies, and channelling into other investments. Various incriminating documents have been found, seized and are currently under analysis. Furthermore, an amount of Rs. 41.9 crore, identified as direct proceeds of crime, was freezed under Section 17(1A) of PMLA as it was held in the form of a Fixed Deposit.

Further investigation is in progress.