



**Press Release**

**04-09-2025**

Directorate of Enforcement (ED), Chennai Zonal Office has conducted search operations on 02-09-2025 at various locations linked to M/s Arvind Remedies Ltd under the Prevention of Money Laundering Act [PMLA], 2002. The search operations covered premises of promoters, dummy Directors and key persons at Chennai, Kancheepuram, Goa, Kolkata and Mumbai. The operations continued till 03-09-2025.

ED initiated investigations under PMLA based on the FIR registered by CBI. The FIR was registered based on the complaint of Punjab National Bank [PNB] wherein it was alleged that Arvind Remedies Ltd and its promoter Arvind B Shah and others cheated the consortium of banks to the extent of Rs. 637 Crore. PNB was the leader of consortium of banks consisting of various banks namely United Bank of India, State Bank of India, IDBI Bank, Allahabad Bank, Karur Vysya Bank, Indian Overseas Bank, Corporation Bank which have extended various credit facilities (cash credit, term loan and non-fund based) to the tune of Rs. 704.75 Crore against which Rs 637.58 Crore was outstanding as per the books of the banks as on 30.09.2016. All the bank loan accounts had been declared as NPA.

ED investigation revealed that the bank funds were siphoned off through shell entities controlled by the promoters. Many dummy Directors were appointed by the Promoter Arvind B Shah through brokers to manage the shell companies. The bank funds were rotated among the shell companies so as to show higher turnover to the banks and thereby induced the banks to lend more funds. The rotation of funds were also made to artificially rig the share price and pocket the gains. Certain part of funds were also diverted to acquire assets. The assets provided as security to the banks were disposed off without the knowledge of the banks and thereby the banks were deprived of the assets to enforce recovery of the loans.

During the search operations, dummy Directors accepted that they were not aware of the affairs of the company and they were paid monthly salaries in cash by brokers. Such dummy Directors signed the cheques of the shell companies for nominal commissions without knowing the purpose. The search operations resulted in identification of certain assets [immovable assets and shares] held by the promoters in the name of family members/ distant relatives, etc so as to prevent the banks from recovery of loans/ assets. About 15 Lakh shares of various listed as well as unlisted companies held by promoters have been freezed. The valuation of these assets are in progress. Several incriminating digital and documentary evidences have been seized.

Further investigation is under progress.