



**Press Release**  
**01.09.2022**

Directorate of Enforcement (ED) has seized immovable property at Thanjavur valued at Rs. 8.94 Crore belonging to M/s G V Films Limited, Chennai under the provisions of Section 37A of the Foreign Exchange Management Act (FEMA), 1999 in connection with siphoning off foreign exchange in the guise of issuance of 6.4 million number of Global Depository Receipts (GDR) to the tune of Rs. 345.6 Crore.

The investigation under provisions of the FEMA, 1999, revealed that M/s G V Films Limited with an intention to misuse the proceeds of Global Depository Receipts opened a bank account in Banco Efisa S.A. (Bank), Lisbon, Portugal for the purpose of handling the GDR proceeds.

Further, they had conspired with M/s Whiteview Trading Corporation, a British Virgin Island Company. In line with conspiracy, M/s Whiteview entered into a 'Credit Agreement' with the Banco Bank and availed a loan of US\$ 40 million for the purpose of subscribing the GDRs of M/s G V Films Limited.

Then as a part of conspiracy, M/s G V Films Limited entered into an 'Account Charge' Agreement with the Banco, the bank, and pledged entire GDR proceeds as collateral against the loan availed by M/s Whiteview. By availing loan, M/s Whiteview Trading Corporation subscribed to the entire 6.4 million number of GDRs of M/s G V Films, and GV Films pledged entire proceedings of US\$ 40 million against the loan availed by M/s Whiteview Trading Corporation.

By doing so, M/s G V Films Limited has siphoned off US\$ 40 million equivalent to Rs.172.8 Crore which is supposed to be repatriated to India and utilized the same for the intended purpose as mentioned above.

Further, M/s G V Films Limited as a part of the pre-plan to siphon off Foreign Exchange, issued 16,00,00,000 nos. of underlying Equity Shares having the value of Rs. 172.8 Crore representing the said 6.4 million number of GDRs and the same were sold in Indian market through the subscriber entities.

The property seized is a multi-screen theatre complex namely G V Complex at Thanjavur with a value of Rs. 8.94 Crore as per the Annual Reports of M/s G V Films. However, the market value of the said property appears to be much higher which is being ascertained from the Competent Authority.

Further investigation under the Foreign Exchange Management Act, 1999 is under process.