



Press Release

8.5.2023

Directorate of Enforcement (ED) has seized 3 immovable properties located at Ceejay house, Worli, Mumbai to the extent of **Rs 41.64 Crore** under the provisions of **FEMA 1999** in its investigation against Zavareh Soli Poonawalla & his family members.

ED is investigating a case of misuse of Liberalized Remittance Scheme (LRS) under the provisions of the FEMA 1999 against Zavareh Soli Poonawalla and his family. His name was found in the Panama Papers revelations regarding off-shore entities. ED investigation revealed Zavareh Soli Poonawalla and his family members had remitted foreign exchange abroad by mis-utilizing the provisions of LRS scheme. They used the maximum permissible limit and from the year 2011-12, they remitted money abroad via mis-declarations under the pretext of 'family maintenance and self-maintenance' etc, however none of their family members was residing abroad or holding NRI status. The entire funds remitted by Zavareh Soli Poonawalla and his family members under LRS were invested into M/s Stallast Limited based in BVI. The funds remitted by Zavareh Soli Poonawalla and his family members were utilized by M/s Stallast Limited to purchase 4 properties at UK. These properties include 4 apartments at Paddington, London. Multiple FEMA contraventions were seen in these transactions. Apart from mis-declarations in the remittances, Zavareh Soli Poonawalla and his family members wrongly claimed these investments as foreign portfolio investments, but in reality, the foreign entity was completely controlled by them and thus, they did ODI in a foreign WoS without due permission of the RBI. The foreign assets were not declared to RBI. They continued to hold above foreign assets till date and are in continuous enjoyment of the same.

The properties abroad were acquired through the funds remitted under LRS to avoid reporting requirements to RBI and thus, Zavareh Poonawalla has mis-utilized the Liberalized Remittance Scheme. Therefore, the equivalent value of properties held by them in India have been seized under the provisions of Section 37A of FEMA. ED has seized Office space at Ceejay House, Worli, Mumbai, by passing an order under FEMA 1999 on 8.5.2023.

Further investigation is going on.

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