



**PRESS RELEASE**

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Directorate of Enforcement (ED) has seized 9 immovable properties located in the state of Maharashtra and Karnataka to the extent of INR 65.53 Crore of M/s Venkateshwara Hatcheries Pvt Ltd (M/s VHPL) under the provisions of ForeignExchange Management Act (FEMA),1999.

ED had initiated investigation in connection with the illegal remittances made by the company since 2011 till date to its wholly owned Subsidiary named M/s Venky's Overseas Limited (M/s VOL), UK.

ED investigation revealed M/s VHPL declared the business of M/s VOL to RBI as Agriculture and Mining (Rearing of ducks, hens etc).After the incorporation of M/s VOL, M/s VHPL remitted huge funds in the guise of equity infusion. However, no such business activity was ever initiated by M/s VOL even after lapse of more than 11 years from its incorporation.

ED investigation further revealed that M/s VHPL had made remittances to the tune of GBP 73,96,069 equivalent to INR 65.53 Crore to M/s VOL since its incorporation till date. M/s VOL immediately after its incorporation, had purchased an immovable property named "Alexander House" having total area of 90 acres in United Kingdom through the funds remitted by M/s VHPL with a view to provide convenience to the Directors and employees of VHPL. Further all the funds remitted by M/s VHPL to M/s VOL subsequently were utilised for repayment of loan obtained by M/s VOL from Barclays Bank, UK which was taken for acquisition of said immovable property.

Investigation established that M/s VHPL had no intention to conduct bonafide business through its subsidiary M/s VOL and it was created as a front to purchase an immovable property in the UK for the ultimate enjoyment by the directors, employees and family member of M/s VHPL.

Therefore, the equivalent value of properties held in India have been seized under the provisions of Section 37A of FEMA.

Further investigation is under progress.