



PRESS RELEASE

02/06/2023

Directorate of Enforcement (ED) has conducted searches at Pune & Ahmednagar on 25.05.2023 in connection with FEMA violations by VIPS Group of Companies and M/s Global Affiliate Business managed & controlled by Vinod Khute & his relatives which has resulted into seizure/ freezing of cash as well as bank balances totally amounting to Rs.18.54 Crore.

ED initiated investigation under FEMA,1999 against Vinod Khute & others, who is presently residing in Dubai and is the mastermind of various illegal trade, crypto exchange, wallet services being operated through VIPS Group of companies and the proceeds were being siphoned off through Hawala to various foreign countries.

During the investigation, it is has come to light that M/s Global Affiliate Business which is an affiliate programme that markets business in affiliate marketing by selling products through E-Commerce Shopping Portal, was being operated through an application namely “Global Affiliate Business” available on Google Play Store as well as Apple Store. However, it was revealed that M/s Global Affiliate Business has been running an illegal & unauthorized multi level marketing schemes wherein if a person opt for the scheme as a member and refer other consumers/ clients on the application/ website, a commission on his investment/ expense on the application is credited in his account/ wallet. In this manner, funds to the tune of Rs.125 Crore have been collected from various investors. Further, M/s Global Affiliate Business has also been found to be marketing the business of M/s Kana Capital which is engaged into brokerage under which various clients trade forex, crypto, stocks etc. M/s Kana Capitals in consultation with directors of VIPS group of companies also conduct various weekly training programmes for clients of M/s Global Affiliate Business for investment in VIPSWALLET, VIPSFINSTOCK for purchase of sale and purchase of crypto, stocks, and how to lure other consumers/ clients into illegal and unauthorized Multi level Marketing Schemes.

Further, M/s D Dhanashree Multi State Co-op Credit Society Limited, Pune is another venture recently floated by Vinod Khute to lure investors in fake schemes wherein he was offering 2 percent to 4 percent interest per month.

Investigation revealed that investment to the tune of Crores of rupees from various clients/ investors had been collected in cash also and the proceeds so collected by M/s Global Affiliate Business, had been siphoned off out of the country through Hawala Channels as well as to various shell companies/firms. Investigation conducted so far has revealed that more than Rs.125 Crore have been collected through banking channel as well as in cash, from various investors in the garb of investment for earning interest/ commission income. During further course of investigation, ED, based on the trail of money, has further freezed a sum of Rs.17.22 Crore in the form of bank balances, under the provisions of FEMA, 1999.

Thus, the purported action has resulted into seizure/ freezing of cash as well as bank balances totally amounting to Rs.18.54 Crore.

Further investigation is under progress.