



## **PRESS RELEASE**

**09.10.2023**

Directorate of Enforcement (ED) has seized 6 immovable properties located in the state of Maharashtra and Karnataka to the extent of INR 24.64 Crore of M/s Venkateshwara Hatcheries Pvt. Ltd under the provisions of Foreign Exchange Management Act (FEMA), 1999.

ED initiated investigation in connection with the illegal remittances made by the company since 2010 till date to its Wholly Owned Subsidiary named M/s Venky's London Limited, Cardiff, UK.

ED investigation revealed that M/s Venkateshwara Hatcheries Pvt. Ltd (M/s VHPL) incorporated M/s Venky's London Limited, Cardiff, UK (VLL) as its Wholly Owned Subsidiary in the year 2010 at Cardiff, UK. M/s VHPL declared the business of M/s VLL to RBI as engaged in Recreation activity in the form of running a football club named Blackburn Rovers Football Club PLC (BRFC). After the incorporation of M/s VLL, M/s VHPL remitted huge funds in the guise of equity infusion. Apart from the initial investment, the company kept on infusing money in the form of equity contribution for day to day maintenance of the loss making club without earning any profit out of the said investments.

ED investigation revealed that M/s VHPL made remittances to the tune of GBP 21,90,83,419 equivalent to INR 1963.60 Crore to M/s VLL since its incorporation till date. Out of said investments, M/s Venkateshwara Hatcheries Pvt. Ltd diverted investment to tune of GBP 33,78,378 to acquire 53,00,000 shares of entity named M/s Hitlab Inc. Canada. This Canadian entity is partially owned by an American Singer Akon. Reportedly Akon performed at the private birthday party of one of the promoters of M/s VHPL namely Sh. B Balaji Rao in Pune.

Investigation established that M/s VHPL made investment of GBP 33,78,378 equivalent to INR 24,61,82,405/- in an unrelated loss making entity. It was made with a non-bonafide intention since it goes against their own declared purpose of investment.

Multiple FEMA contraventions were seen in these transactions. Apart from mis-declarations in the remittances, the company M/s Venkateshwara Hatcheries Pvt. Ltd (M/s VHPL) wrongly claimed these remittances as equity infusion in its wholly owned subsidiary, but in reality, the intention was to siphon off huge amount to an unrelated loss making entity. Further the said investments were not declared to RBI.

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.