



PRESS RELEASE

01.08.2025

Directorate of Enforcement (ED), Kochi Zonal Office has conducted search operations on 31.07.2025 under the provisions of the Foreign Exchange Management Act (FEMA), 1999 at two locations in Kasaragod, Kerala, in connection with suspected violations of provisions of FEMA and receipt of foreign contributions by Kunhahmed Musliyar Memorial Trust, a charitable organization, and its Chairman Ibrahim Ahmad Ali, an NRI.

ED investigation revealed that the Trust had received over Rs. 220 Crore during the period 2021 till date from Ibrahim Ahmad Ali, which was reflected in the books of accounts as unsecured loans. However, no loan agreement, interest rate terms, or repayment schedule was available, and no repayment had been made till date. Further, Ibrahim Ahmed Ali received the said funds from M/s Universal Lubricants LLC, a company incorporated in UAE. In the absence of supporting documentation and in view of clarification given under Section 2(1)(h) of the Foreign Contribution Regulation Act (FCRA), 2010, the said "loan" prima facie qualifies as foreign contribution under FCRA.

The Trust is not registered under FCRA and does not possess the mandatory permission or a designated FCRA bank account to receive foreign contributions. Further, a part of these foreign contributions were found to have been utilized for purchase of agricultural land in India, in violation of existing regulations.

It was also revealed during the search that the Trust had received Rs. 2.49 Crore in cash from Shri Ibrahim Ahmad Ali, an NRI, violating provisions of FEMA, 1999.

During the search, incriminating documents, ledger accounts showing unsecured loans of Rs. 220 Crore, the cash book of the Trust, and a hard disk containing financial data were seized.

The investigation conducted so far indicates contravention provisions of FEMA, 1999. Further investigation is under progress.
