



## PRESS RELEASE

**05.04.2025**

Directorate of Enforcement (ED), Cochin Zonal Office has conducted search operations on 04.04.2025 and 05.04.2025 under the provisions of Foreign Exchange Management Act (FEMA), 1999 at 1 location in Kozhikode, Kerala and in 2 locations in Chennai, Tamil Nadu at the residential and business premises of M/s Sree Gokulam Chits and Finance Co Pvt Ltd. The searches led to the seizure of **Rs. 1.50 Crore in cash** and incriminating documents in violations of FEMA, 1999.

ED initiated investigation based on the specific intelligence gathered that M/s Sree Gokulam Chits and Finance Co Pvt Ltd, without due permission from the competent authority, were collecting subscription to chit funds from the persons resident outside India. Further, the subscription amounts from the persons resident outside India were being collected in cash in violation of the regulations framed by the Reserve Bank of India (RBI). This led to the violation of the Regulation 4(b) of Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000 r/w Circular No. 107 dated June 11, 2015 issued by RBI.

ED investigation revealed that M/s Sree Gokulam Chits and Finance Co Pvt Ltd had collected an amount of Rs. 371.80 Crore in cash from the persons resident outside India and Rs 220.74 Crore in cheque from persons resident outside India. It was also revealed that significant amounts were paid in cash to the persons resident outside India in violation of Section 3(b) of FEMA, 1999.

Further investigation is under progress.

