



## **Press Release**

**09.03.2022**

Enforcement Directorate (ED) has provisionally attached movable and 376 immovable properties worth more than Rs 268 Crore in M/s Akshaya Gold Farms & Villas India Limited (M/s AGFVIL) Ponzi scam case. The attached properties are in the name of M/s AGFVIL & sister concerns, its directors, relatives of directors and their *benamidars*.

ED initiated money laundering investigation on the basis of FIR dated 09.04.2012 registered by Ongole I Town PS, Andhra Pradesh Police, under sections of Prize Chits & Money Circulation Scheme Act and Section 420 of IPC against M/s AGFVIL, its promoters/ directors namely Bhogi Subramanyam, Devaki Harnath Babu, M Sudhakara Rao & others for alleged cheating and defrauding lacs of gullible public through their money circulation pyramid scheme. In total 29 FIRs were filed in different police stations and were investigated by AP CID which has filed charge sheet in 26 FIRs. CBI Orissa has also filed a FIR against Akshaya Gold group.

Investigation by ED revealed that M/s AGFVIL deliberately cheated the public by collecting deposits without any legal permission from RBI & SEBI. Accused collected investments from lacs of gullible investors who were encouraged to join by organized agents who were given handsome commission to enrol new clients. A hierarchy of agents was created in a pyramidal manner to earn high commissions. Investors were lured into investing their life savings by promising sites in advertised real estate ventures and offering high rate of return in various deposit schemes (weekly, monthly & lump sum). In order to earn handsome commission, agents did promotional programmes and encouraged investors with a promise of handsome return on maturity or owning a plot of equivalent amount. Fund trail investigation revealed that the money collected from the public was diverted and utilized for investment into group companies of promoters and other companies owned by family members and for purchase of personal properties by Directors in their personal/benami/family member's names, and also illegally withdrawn by Directors in form of commission etc. The company never had enough land, but still kept on collecting deposits from newer members. The investments received from newer members were used to pay commissions to the agents and the scheme was unsustainable and bound to collapse. The accused collected deposits from 19.17 lac gullible investors spread across 10 States and collected a total of Rs 857 Crore via their illegal schemes. Out of the collected amount, M/s AGFVIL has failed to return nearly Rs 384 Crore to customers, which is total proceeds of crime in this case. ED has identified the properties purchased from the proceeds of crime and issued the provisional attachment order on 08.03.2022.

Further Investigation is in progress.

