



Press Release

24.05.2023

Directorate of Enforcement (ED) has carried out search & seizure operations under the provisions of FEMA, 1999 on 22.05.2023 and 23.05.2023 at 25 premises in Delhi (11), Gujarat (7), Maharashtra (4), Madhya Pradesh (2) and Andhra Pradesh (1) in relation to investigation being done against foreign registered Online Gaming companies/websites operating in India.

These online gaming companies/websites are registered in small island countries like Curacao, Malta and Cyprus. However, all of them are linked to Indian Bank Accounts opened in the name of proxy persons who have no links with online gaming activity. The amount so collected from general public through gaming websites is then routed through multiple bank accounts and finally remitted out of India by mis-declaring the purpose of remittances against import of services / goods. Remittances out of the income from racing/riding etc., or any other hobby are not allowed under the provisions of FEMA, 1999.

In this connection, searches were conducted at premises linked to several Hawala operators including that of Ashish Kakkar, Neeraj Bedi, Arjun Ashwinbhai Adhikari, Abhijeet Khot and the persons/entities associated with them. Searches have resulted in seizure of several incriminating documents / electronic evidences related to case and revealing of interesting modus adopted by them to evade investigative agencies.

Hundreds of companies have been opened by the key persons in the name of their employees for layering and sending remittances to the tune of Rs. 4000 Crore approx. in the guise of payments for import of goods and services. Several PAN cards, Aadhar cards used for creating such firms, mobiles used for operating bank accounts of these firms and office stamps were also found and seized. Key persons were found using international virtual mobile numbers for instant messaging apps like WhatsApp, Telegram, Signal etc. and using pseudo-names such as Pablo, John, Watson etc. for masking their actual identity. To escape themselves from investigating agencies, they are using remote based server/laptops which are being used through remote access apps like Anydesk, Team viewer etc. In the instant case two such remotely accessed laptops have also been recovered and seized from the premises of entity providing server services located far away from the actual operational places.

Seizures made during searches include incriminating documents and electronic devices establishing foreign outward remittances of thousands of crores collected from public through gaming websites using accounts of dummy firms opened in the name of proxy persons who are not linked with the gaming activities, Rs. 19.55 lacs in cash, US\$2695 and 55 bank accounts of firms being used for layering and remitting income generated from online gaming in the guise of remittances against import of goods and services have also been freed.

Further investigation is under progress.

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