



Press Release
1/11/2024

Directorate of Enforcement(ED), Chennai Zonal Office conducted investigation under the provisions of FEMA, 1973 against M/s. GI Retail Pvt. Ltd. and others, unearthed the modality of dubious transfer of shares of Indian entity M/s. Hermes I Ticket Pvt. Ltd. (owned by GI Retail Pvt. Ltd.) to a Mauritius based Fund Structure Emerging Markets Investment Fund (EMIF) 1A, which in turn, within weeks, transferred the said shares to a German entity M/s. Wirecard AG, at exorbitantly enhanced value. The entire gamut of transactions is found to have been fraudulently designed in such a manner so as to conceal the fact that the shares of M/s. Hermes I Ticket Pvt. Ltd. were always meant to be bought by M/s. Wirecard AG at an already fixed price. It was further found that the transactions through M/s EMIF 1A were meant merely to facilitate the delinquent shareholders of GI Retail to hold and conceal the excessive amount of the actual sale price outside India which was Rs. 195 Crore (Approx.). The said excess amount of Rs. 195 Crore (approx.) was parked in the accounts of two UAE based entities (indirectly controlled by the Indian Beneficiaries) under the guise of fictitious services provided by these entities. Having found the beneficiaries to have acquired and held huge amount of foreign exchange but failing to repatriate the same into India, the ED invoked provisions of Section 37A of FEMA seizing various equivalent properties belonging to the perpetrators in India to the tune of Rs. 195 Crore (approx.).

The complaint filed by ED regarding various FEMA contraventions by the Noticees along with prayer to confiscate the seized properties, was taken up for adjudication. In due process of law, vide Adjudication Order dated 30/10/2024, total penalty of Rs. 566.5 Crore (approx.) has been imposed by the Adjudicating Authority upon various Respondent Noticees in addition to the confiscation of their properties worth Rs. 195 Crore (approx.).