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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ W.P.(C) 7966/2023

VENKATESHWARA HATCHERIES PRIVATE LIMITED

.....Petitioner

Through: Mr. Dayan Krishnan, Sr. Adv., Mr.
Vishal Khattar, Ms. Aneesha and Ms.
Vandana Kapoor, Advs.

versus

**UNION OF INDIA, MINISTRY OF FINANCE, DEPARTMENT OF
ECONOMIC AFFAIRS & ORS.**Respondents

Through: Mr. Zoheb Hossain, Spl. Counsel, Mr.
Vivek Gurnani, Panel Counsel, Mr.
Azeez Mushtaque and Mr. Karthik
Sabharwal, Advs. for ED.
Mr. Rachit Bigghie and Mr.
Diwanshu Thakuar, Advs. for R-6 /
ICICI Bank (through v/c)

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

ORDER

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26.05.2025

CM APPL.23948/2025 (for directions)

1. The present application has been filed by the petitioner seeking that the petitioner be allowed to remit a sum of GBP 4,850,000 to its wholly owned subsidiary, namely Venky's London Limited, situated in London, United Kingdom.
2. It is submitted that the petitioner has received a communication dated 26.03.2025 from the Chief Financial Officer of Blackburn Rovers Football Club, which is owned by the abovementioned wholly owned subsidiary of the petitioner.



3. It is further submitted that in terms of the abovementioned communication dated 26.03.2025, the aforesaid amount is required to be remitted to the said Football Club in order to enable it to fulfil its statutory and contractual obligations for the period April-June, 2025.

4. It is noticed that *vide* order dated 31.10.2023 passed by this Court, it was directed as under:

“CM APPL. 53927/2023

1. This application has been filed on behalf of the Petitioner seeking permission for making outward financial remittances for the sum of GBP 11 Million for meeting the Petitioner’s financial and contractual obligations.

2. The break-up of the aforesaid amount which is required by the Petitioner towards expenses to be borne by it reads as under:

S.NO	NATUE OF EXPENSE/FINANCIAL COMMITMENT	AMOUNT (GBP)
1.	Payroll Liabilities-Salary and Wages-October-December-2023	3,834,192
2.	Payroll Liabilities (PAYE)-(Tax payable on Salaries and Wages)-September 2023	1,028,229
3.	Payroll Liabilities (PAYE)-(Tax payable on Salaries and Wages)-October-December 2023	3,085,000
4.	VAT Liability-October 2023	900,000
5.	Repayment of Loan-October-December 2023	217,251
6.	Agent Fee (Commission)	1,808,836
7.	Utilities	572,000
	Total	11,445,508



3. *The facts of the case reveal that the Petitioner has three wholly owned subsidiaries companies in England, namely, Venky's London Limited, Venkateshwara London Limited and Venky's Overseas Limited. Since certain discrepancies were found regarding the outward remittances in respect of Venky's Overseas Limited, proceedings under the Foreign Exchange Management Act, 1999 (FEMA) were initiated against the Petitioner.*

4. *Rule 10 of the Foreign Exchange Management (Overseas Investment) Rules, 2022 which was brought into effect on 22nd August, 2022 stipulates that any person being the resident of India who is under investigation by a financial service regulator or by any investigative agency in India, namely, the Central Bureau of Investigation (CBI) or Directorate of Enforcement (ED) or Serious Frauds Investigation Office (SFIO) shall before making any financial commitment or undertaking disinvestment under these rules or the Foreign Exchange Management (Overseas Investment) Regulations, 2022, has to obtain a No-Objection Certificate from the lender bank or regulatory body or investigative agency, by making an application in writing to such bank or regulatory body or investigative agency concerned.*

5. *The Petitioner made an application dated 17.01.2023 under Rule 10 of 2022 Rules seeking a No-Objection for remittance for financial commitments to its WOS for the year 2023-24 which has been rejected vide an Order dated 06.03.2023 passed by the Enforcement Directorate, which is the subject matter of the instant writ petition.*

6. *Notice has been issued in the writ petition.*

7. *During the pendency of the writ petition, the Petitioner has filed the present application for fulfilling its commitments, regarding the payments to be made by it for Venky's Overseas Limited which is a Special Purpose Vehicle (SPV) holding 99.99% ordinary shares of Blackburn Rovers Football Club PLC (BRFC).*

8. *Replies have been filed by the Respondents objecting to the remittances to be made by the Petitioner.*

9. *Mr. Dayan Krishnan, learned Senior Counsel for the Petitioner, draws attention of this Court to an Order dated 23.06.2023 passed by this Court in the instant writ petition i.e., W.P.(C) 7966/2023 wherein*



this Court permitted the Petitioner to remit a sum of GBP 3.54 Million for meeting its financial commitments on furnishing a Bank Guarantee for equivalent amount. He, therefore, states that in view of the said Order dated 23.06.2023, there should not be any impediment for this Court to permit the Petitioner to remit a sum of GBP 11 Million. He states that the said remittances will be covered by 100% Bank Guarantee. He further states that the said remittances will be backed by the statutory auditor certificate along with an end use certificate issued by the statutory auditors.

10. Per contra, Mr. Zoheb Hossain, learned Counsel for ED, vehemently objects to the present application of the Petitioner by contending that the deposit of 100% Bank Guarantee does not fulfil the object of FEMA because the object of FEMA is to manage and maintain the foreign exchange of the country and release of foreign exchange cannot be substituted by depositing the Bank Guarantee. He further states that the investigation is being conducted on the activities of the Petitioner and, therefore, the remittance of amount should not be permitted.

11. In rejoinder, Mr. Dayan Krishnan, learned Senior Counsel for the Petitioner, contends that the functioning of the club has not been in the cloud of suspicion and the inquiry which is going against the Petitioner is only at the nascent stage, cannot choke the entire commercial activities of the Petitioner.

12. Undoubtedly, the functioning of the club is yet not under any cloud of suspicion. In view of the fact that the Petitioner has assured this Court that the remittances will be covered by 100% Bank Guarantee and also will be backed by the statutory auditor certificate along with an end use certificate issued by the statutory auditors, this Court is inclined to permit the Petitioner to remit the sum of GBP 11 Million which is equivalent to INR 111,10,00,000/- (Rupees one hundred eleven crores and ten lakhs only), subject to the following conditions:

- a) An unconditional Bank Guarantee to be provided by Petitioner in favour of ED for an equivalent amount GBP 11 Million which is equivalent to INR 111,10,00,000/- (Rupees One Hundred Eleven Crores and Ten Lakhs only)*
- b) After every remittance made by Petitioner to its WOS (Wholly owned Subsidiary) an Affidavit to the effect regarding the purpose and use of the funds shall be filed by Petitioner within 1*



(one) working day.

c) After every remittance made by Petitioner to its WOS (Wholly owned Subsidiary) an End use Certificate issued by the statutory auditors of the Football club shall be filed within three working days.

d) An intimation for every remittance shall be sent by Petitioner Company to Mr. Praduman Sharma, Assistant Director, Zone-II on his email ID admbzoi51-ed@gov.in.

e) In addition to the above proposed conditions, the petitioner should be directed to submit bank statements of WOS and BRFC substantiating the purpose and end use of the funds.

f) The Bank Guarantee will be kept alive during the period of investigation.

13. In view of the above, the application is disposed of.”

5. It is pointed out that the necessary remittance in terms of the said order was duly made by the petitioner. However, it is pointed out that the furnishing of 100% bank guarantee of the amount sought to be remitted is not only onerous but also unnecessary inasmuch as the amount attached by the respondent no. 2 / Directorate of Enforcement is to the extent of Rs.89 Crores. In addition, bank guarantees to the tune of Rs.195.87 Crores have already been submitted by the petitioner to the respondent no. 2 in terms of the aforesaid order dated 31.10.2023.

6. Learned counsel for the respondent no. 2 submits that the remittance sought to be made by the petitioner be permitted upon the petitioner providing adequate security.

7. Considering the circumstances, including the extent of security already submitted by the petitioner and the extent of properties already attached, it is directed that the petitioner would furnish a bank guarantee (on the same lines/ terms as directed vide the aforesaid order dated 31.10.2023) to the extent of 50% of the amount sought to be remitted, as a pre-condition



for repatriation of the said amount for the purpose indicated in the present application. The same shall be subject to the further orders in the writ petition.

8. Learned counsel for the respondent no. 2 informs that a complaint has now been filed before the Adjudicating Authority which will be taken up for adjudication expeditiously.

9. Learned senior counsel for the petitioner emphasises that in respect of future remittances, the petitioner be relived from the obligations offinishing bank guarantee as a pre-condition for making such remittances. The said prayer shall be considered at the appropriate stage.

10. List on 05.08.2025.

SACHIN DATTA, J

MAY 26, 2025/cl