



## **Press Release**

**21.10.2022**

Directorate of Enforcement (ED) has carried out search operations under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 on 19.10.2022 at 05 premises in Bengaluru, in respect to an investigation relating to the Chinese Loan App Case.

The case is based on 18 FIRs registered by Cyber Crime Police Station, Bengaluru City against numerous entities/persons in connection with their involvement in extortion and harassment of the public who had availed small amounts of loans through the mobile apps being run by these entities/persons.

During PMLA investigation, it has emerged that these entities are controlled/operated by Chinese Nationals. The modus operandi of these entities is using forged documents of Indians and making these Indians dummy directors of those entities and generating proceeds of crime. It has come to notice that the said entities were doing their suspected/illegal business through various Merchant IDs/Accounts held with Payment Gateways/banks.

Based on the investigation conducted and inputs received from the Central Crime Branch, Bengaluru city, the search operation was carried out in this case. The premises of Razorpay Pvt Ltd and the Bank's compliance offices related to these entities were covered in the search operation. During the search operation, it was noticed that the said entities were generating proceeds of crime through various Merchant IDs/Accounts held with Payment Gateways/banks and they have submitted fake addresses in KYC documents.

An amount of Rs 78 Crore has been seized u/s 17(1) in merchant IDs and bank accounts of these Chinese persons-controlled entities. Total seizure, in this case, now stands is Rs 95 Crore.

Further investigation is in under progress.