



**Press Release**  
**08.02.2022**

Competent Authority under FEMA, Commissioner of Customs Chennai has confirmed the full seizure of Rs 288 Crore done by ED against Chinese owned M/s P C Financial Services NBFC by passing a speaking order dated 04.02.2022

Directorate of Enforcement (ED) had seized Bank/Payment Gateway funds worth Rs 288 Crore belonging to M/s PC Financial Services Private Limited (NBFC) vide 3 Seizure orders issued under the provisions of Foreign Exchange Management Act, 1999 (FEMA). The orders were issued on 26.08.2021, 30.09.2021 & 15.12.2021 for amounts of Rs 106.93 Crore, Rs 131.11 Crore & Rs 51.22 Crore respectively.

ED is investigating a number of NBFCs and Fintech companies under PMLA, 2002 for providing online instant micro-loans using mobile applications (APPs) and then extorting high rate of interest by misusing the personal data of the customers & threatening and abusing them through call centers.

During the course of money laundering investigation, ED also initiated investigation under FEMA against M/s PC Financial Services Private Limited (hereinafter PCFS), an NBFC company, that provides instant personal micro loans through its mobile application 'Cashbean' for suspicious foreign outward remittances. M/s PCFS is ultimately beneficially owned by Chinese National Zhou Yahui. Investigation further revealed that the foreign parent companies of PCFS brought in FDI worth Rs. 173 Crore for lending business and within a short span of time, made foreign outward remittances worth Rs. 429.29 Crore to Chinese controlled foreign related companies, in the name of payments for non-existent software services. PCFS also showed high domestic expenditure of Rs 941 Crore. ED has found that exorbitant payments were blindly allowed by the dummy Indian Directors of PCFS without any due diligence and on the instructions of the Country Head Zhang Hong, who directly reported to Zhou Yahui r/o China. Hence, M/s PCFS had contravened FEMA provisions and equivalent assets were liable for seizure. Hence, seizure orders were issued. Further based on the ED investigation, RBI and IT Department have also initiated enquiry against the said NBFC.

Further investigation is in progress.

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