



Press Release  
10.10.2024

Directorate of Enforcement (ED), Hyderabad Zonal Office, vide Adjudication Order dated 07/10/2024 against M/s. PC Financial Services Pvt. Ltd (PCFS), a subsidiary of M/s. Opera Group, Norway have seized properties worth Rs. 252.36 Crore (approx.) under the provisions of the Foreign Exchange Management Act (FEMA), 1999.

FEMA investigation revealed that PCFS, the overall control of which was held with Chinese beneficial owners, indulged in the business of lending money to the public in India through its mobile app known as "CashBean". Huge amount of remittance to the tune of Rs. 429.30 Crore (approx.) was made by PCFS to its related overseas Group Companies in the garb of 'Import of Software Licenses and Services' which were found to be bogus. Investigation culminated into the seizure of various properties of PCFS held in India, aggregating to Rs. 252.36 Crore, in terms of Section 37A of FEMA vide three Seizure Orders passed during 2021.

The said seizure orders were confirmed by the Competent Authority vide Order dated 04.02.2022, against which PCFS has filed an appeal before the Appellate forum which is pending decision.

Vide Press Release dated 25.02.2022, RBI, having observed that PCFS was found to be charging usurious rate of interest and other charges to its borrowers in an opaque manner apart from indulging in unauthorized use of logos of Reserve Bank and Central Bureau of Investigation for recovery from the borrowers in gross violation of the Fair Practices Code, cancelled the Certificate of Registration of PCFS and debarred it from acting as a Non-Banking Financial Institution.

On 21.06.2022, a complaint was filed by ED before the Adjudicating Authority against PCFS and others, u/s 16 of FEMA, charging them for violations of various provisions of FEMA. The complaint, inter alia, included prayer to confiscate the properties of PCFS seized vide the said Seizure Orders.

Having taken the complaint into consideration, a Show Cause Notice dated 22.06.2022 was issued. Opportunity for personal hearing was offered to the Noticees, which was availed by them. However, one of the Noticees, Mr. Zhang Hong, the then Country Head of PCFS during the contravention period, neither replied to the Show Cause Notice nor availed the opportunity of personal hearing.

Adjudication proceedings have been completed after following due process of law. Upon careful examination of the alleged violations levelled against the Noticees vis-à-vis their written replies and submissions made during personal hearings, it has been found that the alleged FEMA violations have been clearly proved. Accordingly, vide Adjudication Order dated 07.10.2024, properties worth Rs. 252.36 Crore (approx.) of PCFS held in India and seized in terms of Section 37A of FEMA, have been ordered for confiscation, in addition to imposing penalty totaling to Rs. 2146,48,26,480.



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Noticee	Sections Contravened	Amount of Contravention (equivalent INR)	Amount of Penalty (INR)
1	Section 4 of FEMA	429,29,65,295.87	1287,88,95,880
1	Section 10 (6) of FEMA r/w Regulation 6(1) of the Foreign Exchange Management (Realisation, Repatriation & Surrender) Regulations, 2015, r/w Para A-10.1 (ii) of AP DIR (Series) No. 106 dated 19.06.2003 issued by Reserve Bank of India	429,29,65,295	429,29,65,300
2	Vicarious Responsibility in terms of 42 (1) of FEMA	413,72,60,706	413,72,60,700
3	Vicarious Responsibility in terms of 42 (1) of FEMA	15,57,04,589	15,57,04,600
	<b>TOTAL PENALTY</b>	<b>1287,88,95,885.87</b>	<b>2146,48,26,480</b>

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