



## **Press Release**

**22.08.2024**

Directorate of Enforcement (ED), Hyderabad has provisionally attached properties worth Rs. 19.39 Crore in the form of bank balances and fixed deposits belonging to various entities connected with Instant Loan Apps cases under the provisions of Prevention of Money Laundering Act (PMLA), 2002.

ED initiated investigation on the basis of 118 FIRs registered by Telangana Police under the provisions of IPC, 1860 and Information Technology Act, 2000 against as many as 242 instant loan mobile applications. Fintech companies were running numerous loan apps and were charging very high processing fees, exorbitant interest rates and penal charges from the borrowers. The loan apps were being used for running non-banking finance business without valid licenses from RBI/Government authorities or by using the licences of defunct/dormant/non-functional NBFCs. While sanctioning the loans, all contact details, photos and personal data of the customers/borrowers were being taken through the loan apps. This data was then misused through tele-caller companies to recover outstanding loan amounts by abusing the borrowers as well as their family members and also by sending objectionable images of the borrowers to their contacts with derogatory remarks. The borrowers were also suggested to repay their existing loans by taking loans from other related loan applications resulting in the borrowers falling in debt traps.

ED investigation revealed that certain mobile apps such as 'Online Loan', 'Rupiya Bus', 'Flip Cash', 'Rupee Smart', etc. were linked to M/s Nimisha Finance India Private Limited [an NBFC] and M/s Skyline Innovation Technology (India) Private Limited (fintech company having Chinese directors) and proceeds of crime were generated by lending business through these mobile apps. Further, M/s Skyline entered into an MOU with Rajkot Investment Trust Limited (RITL), an NBFC, for doing similar activity and in this process transferred proceeds of crime totalling Rs. 20 Crore to RITL. However, on account of arrest of Directors of M/s Skyline by the Police and initiation of criminal proceedings, the said amount of Rs. 20 Crore, which was Proceeds of Crime (POC) generated by M/s Skyline, was not used by M/s RITL for lending business or returned back to M/s Skyline. Instead, M/s RITL retained the said POC and thereafter with an intent to conceal & layer the same, transferred the POC to the accounts of various related persons & entities controlled by them. A part of the proceeds of crime was also withdrawn in cash to obfuscate the trail of funds. The money trail done during PMLA investigation led to the attachment of these POC totalling Rs. 19.39 Crore in the bank accounts / fixed deposits of M/s Nimisha Finance India Private Limited, M/s Rajkot Investments Trust Limited, M/s Mahananda Investment Limited and M/s Baskin Management Consultancy Private Limited and others.

Further investigation is under progress.