



Press Release
27.09.2022

Directorate of Enforcement (ED) has conducted searches in 3 premises pertaining to M/s Coda Payments India Pvt Ltd in connection with an ongoing investigation under Prevention of Money laundering Act (PMLA), 2002 against M/s Coda Payments India Pvt. Ltd and 'Garena Free Fire' mobile game, on the basis of multiple FIRs registered against M/s Coda Payments India Pvt. Ltd and 'Garena Free Fire' mobile game. It is alleged that M/s Coda Payments India Pvt. Ltd. which facilitates and collects payments from end users (mostly unsuspecting children) of games like Garena Free Fire, Teen Patti Gold, Call of Duty etc., in the name of monetising and generating revenue for web/game publishers, is resorting to unauthorized deductions from the end users of these games in the name of selling digital tokens to end users which are used by the end users to enhance their playing experience in the game.

It is further alleged that the game developers like Garena and M/s Coda Payments India Pvt Ltd have intentionally designed the payment mechanism in such a way that after first successful transaction, a notification pops-up which seeks permission to make subsequent payments without any authentication. As the children are not aware of these technical terms, they just click on the notification in a routine manner and end up giving authorization to make all future payments without any further authentication. Garena which publishes 'Free Fire' does not have a company or presence in India and is operated from Singapore.

During the course of Search, it has been found that Coda Payments India Pvt. Ltd. was incorporated only to act as an agent of Coda Payments Singapore Pte. Ltd. for collecting money from the users and remitting it to the parent company. M/s CPIPL has been collecting money in the name of sale of digital content and remitting it to its parent company in Singapore in the name of sale and purchase of digital content, however the entire operations of Codashop which sells the tokens are being managed by Coda Singapore only and there is no actual sale or purchase of digital content by CPIPL. It is only a conduit to remit funds outside India. Till date the amount collected by CPIPL is Rs. 2850 Crore, out of which, Rs. 2265 Crore has been remitted outside India after retaining certain percentage of revenue for payment of taxes and nominal profits.

To prevent the company from alienating the Proceeds of Crime which it has collected through unauthorized deductions from the accounts of unsuspecting customers, all the bank accounts, merchant Ids in Payment gateways and Fixed Deposits of CPIPL with balance as on date of Rs. 68.53 Crore have been frozen under PMLA, 2002.

Further investigation is going on.