



**PRESS NOTE**  
**14.06.2024**

Directorate of Enforcement (ED), Kochi Zonal Office has conducted search operations on 11/06/2024 at 14 locations in Kerala, Maharashtra and Chattisgarh under the provisions of Prevention of Money Laundering Act (PMLA), 2002 at the premises of Promoters and Leaders of **HighRich Online group**. The searches led to freezing of around Rs. 32 Crore of proceeds of crime in various bank accounts of the company, promoters and their family members, seizure of approx. 70 Lakh in cash, jewellery and 4 number of four wheeler vehicles . The search also led to tracing of immovable properties worth Rs. 15 Crore with promoters and various leaders of HighRich Online group which have been acquired out of the proceeds of crime. Searches have also revealed that the company and its promoters and leaders were involved in trading in crypto currency on few exchanges and sold their own so called crypto coin named HR Crypto Coin. The HR Crypto Coin was sold in exchange for INR and USDT. The HR Crypto Coins were also a part of ponzi scheme where people were lured to invest their money for which they will get 15% interest p.a. and when the customer introduces a new customer, they will get 30% Direct Referral Income.

ED initiated investigation on the basis of FIRs registered by Kerala Police under the provisions of section 420 of IPC, 1860 & multiple complaints received against Highrich Groups and its Directors.

ED investigation revealed that the company was selling the memberships in the form of digital IDs which consist of the user credentials (User name and Password) of the individual investors to access the digital space available on its website [www.highrich.net](http://www.highrich.net) by collecting membership fees. The members would further sell the memberships/digital ids to other people to earn commission. The company would give incentives to these individuals when they refer new members to join the marketing scheme which is nothing but sharing of the commission received on joining of new members. There is no real underlying business of sale of goods. This is the typical modus operandi of a Ponzi scheme. The total amount collected from people at large in this Ponzi type MLM scheme is approximately Rs. 1500 Crore. The collected money was partly redistributed as rewards to the members of the scheme at the top of the pyramid and the profit of around Rs. 250 Crore was siphoned off by the promoters K.D. Prathapan, Smt. Sreena Prathapan through their family members and various entities.

Earlier on 23/24.01.2024, searches were conducted by ED at the premises of M/s. Highrich Smartech Pvt. Ltd., Highrich Online Shoppe Pvt. Ltd., its promoters and associated companies. During the search, proceeds of crime to the tune of Rs 212 Crore was traced and freezed under the PMLA, 2002. The total proceeds of crime freezed/seized in this case till date is Rs. 260 Crore, including the immovable property documents of the accused, traced during the searches.

Further investigation is in progress.