



## Press Release

14/7/2023

Directorate of Enforcement (ED) has seized Rs.3.94 Crore in the case of Pigeon Education Technology India Private Limited under Section 37A of the Foreign Exchange Management Act, 1999. Earlier, an amount of Rs.8.31 Crore was seized by ED in this case. Thus, total seizure under Section 37A of FEMA in the case stands at Rs.12.25 Crore. The company provides online education in the name of Odaclass. ED searches against the company revealed that the company is 100% owned by Chinese nationals and all the affairs of the company including financial decisions are being taken by the persons sitting in China. Investigation further revealed that the company has siphoned off Rs.82.72 Crore to China and Hong Kong, SAR , China under the pretext of advertising and marketing expenses on the instructions of Chinese director Liu Kan , however the company could not produce any proof of receipt of service on its part and proof of any advertisement published against the said expenses. Further, the director and accounts manager of the company has also admitted during investigation that the payment were made only on the instructions of Chinese director Liu Kan.

The Indian director of the company stated that the Chinese director told them that the said advertisements were published through Google and Facebook, however, no confirmation or invoice raised by these platforms has been submitted.

Further investigation is under progress.