Press Release
21/02/2025

Directorate of Enforcement (ED), Kochi Zonal Office has arrested two accomplices namely Sayid Muhammad and Varghese T G on 20.02.2025 under the provisions of Prevention of Money Laundering Act (PMLA), 2002 in connection with fake Chinese loan app scam ongoing across the country.

The case originates from multiple FIRs filed by victims in Kerala and Haryana with Police that they were extorted in the name of loan facilitation and/or blackmailed for excess repayment. The loan app operators used to extort money from victims adopting various methods such as seeking advance EMIs and blackmailing using the private data hacked from mobile phones while installing their loan apps and also by threatening to share the victim's morphed obscene pictures with their contacts.

ED investigation revealed that on the instructions of loan app fraudsters, these suspects have arranged approx. 500 mule bank accounts, witnessing total credit of Rs. 719 Crore, used in the process of acquisition of Proceeds of Crime (POC) generated from victims of Loan app scam and they also arranged 26 Crypto currency accounts on "WazirX", a Crypto Trading Platform, linked to above mentioned mule bank accounts, facilitating cross-border remittances in the form of crypto currencies to the tune of Rs. 115.67 Crore to crypto wallets based in foreign countries. The arrested persons Sayid Muhammad and Varghese T G are a part of the larger international network which generated POC from victims and remitted money outside India and they have received remunerations of Rs. 2 Crore and Rs. 70 Lakh respectively for arranging the mule bank accounts and WazirX Crypto accounts. A part of such generated POC has also been remitted to Singapore through normal banking channels as well as through M/s Nium India Pvt. Ltd, a cross-border remittance platform and a wholly owned subsidiary of M/s Nium Pte Ltd., Singapore against fake import of software/digital goods and services.

ED also conducted extensive searches at over 10 locations across Mumbai, Chennai and Kochi in February 2024 to unearth POC and evidence thereof. During the searches, multiple mobile phones, laptops, and other electronic devices containing substantial incriminating evidence were seized. During search proceedings, an amount totaling to Rs. 123.58 Crore lying in various bank accounts of entities involved were freezed. Further, 4 other persons hailing from Tamil Nadu, involved in remitting money to Singapore through banking channels and Nium India, were arrested on 30.01.2025 in the same case.

Further investigation is under progress.