2025:KER:49922

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE BECHU KURIAN THOMAS

TUESDAY, THE 8TH DAY OF JULY 2025 / 17TH ASHADHA, 1947

BAIL APPL. NO. 7278 OF 2025

CRIME NO.ECIR/KCZO/06/2024 OF ENFORCEMENT DIRECTORATE KOCHI, ERNAKULAM

AGAINST THE ORDER DATED 11.04.2025 IN CRMP NO.54 OF 2025 OF SPECIAL COURT FOR PMLA CASES, ERNAKULAM

PETITIONER/5TH ACCUSED:

SAYID MUHAMMED
AGED 36 YEARS, S/O. MOIDU M.M.,
MECHERIMETHAL (H),
PONMERIPARAMBIL P.O., VILLIAPPILLY,
VADAKARA, KOZHIKODE, PIN - 673542

BY ADVS.
SRI.LIJIN THAMBAN
SMT.ANJU GIREESH

RESPONDENT/COMPLAINANT:

THE DIRECTORATE OF ENFORCEMENT
REPRESENTED BY SHEKHAR KUMAR,
ASSISTANT DIRECTOR, KOCHI ZONAL OFFICE,
KANOOS CASTLE, A.K. SHESHADRI ROAD,
COCHIN ZONE, KOCHI – 682 011
REPRESENTED BY SPECIAL PUBLIC PROSECUTOR ED,
HIGH COURT OF KERALA,
ERNAKULAM, PIN - 682031

SRI. JAISHANKAR V. NAIR, SC

THIS BAIL APPLICATION HAVING COME UP FOR ADMISSION ON 01.07.2025, THE COURT ON 08.07.2025 DELIVERED THE FOLLOWING:

BECHU KURIAN THOMAS, J.

B.A. No.7278 of 2025

Dated this the 8th day of July, 2025

ORDER

Petitioner seeks regular bail under section 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023.

2. Petitioner is the fifth accused in ECIR No.06 of 2024 of the Enforcement Directorate, Kochi. He along with other accused were alleged to have committed offences punishable under sections 3 and 4 of the Prevention of Money Laundering Act, 2002 (for short ‘PML Act’).

3. According to the prosecution, various Chinese loan applications were circulated on social media platforms, which were not listed in the Play Store or App Store, as they were non-compliant with the existing Laws and Regulations. These illegal loan applications were advertised and contacted with probable customers directly through WhatsApp and after the applications were installed, the accused took control of crucial data through the Android mobile phones including the ID, precise location through GPS, contacts, photographs, files, e-mails, ST cards etc., which were later used for extorting money. The prosecution also alleges that proceeds of crime generated through the above method were subsequently layered by using mule bank

accounts arranged by the petitioner and other accused which were debited to payment aggregators who had collected funds from various merchants. A portion of the proceeds of crime were routed through bank accounts of shell entities in India and the aggregated proceeds of crime were remitted outside India through normal banking channels showing fake import of software, analysis of which revealed that there were credits from various dummy entities and debits to the tune of Rs.121 Crores. Petitioner had arranged 289 bank accounts in the name of individuals and shell business entities in return for financial remuneration from cyber fraudsters.

4. Sri. Lijin Thamban, the learned counsel for the petitioner contended that the entire prosecution allegations are false and the petitioner is innocent. According to the learned counsel, the petitioner had seen an advertisement on social media that certain bank accounts were required for a game application and unaware about the intricacies involved, he supplied his bank account details, which cannot be termed as an offence to attract the provisions of PML Act. It was also submitted that petitioner has no connection with the offences alleged and he has been made a scapegoat without arresting the real culprits involved in the crime. Learned counsel submitted that the interrogation of the petitioner has been completed and considering the long period of detention already undergone by the petitioner, further detention ought not to be permitted.

5. Sri. Jaishankar V.Nair, the learned Standing Counsel for the respondent on the other hand submitted that petitioner's involvement in the crime has already been identified and he had provided several mule bank accounts to the cyber fraudsters for the purpose of layering and also to commit the fraud. It was further revealed that petitioner had arranged 289 bank accounts to the fraudsters, the details of which have been specifically mentioned in the objection filed by the respondents. It was further submitted that the economic offences like the crimes under the PML Act ought to be viewed differently as there is a deep rooted conspiracy involving huge loss of public funds and therefore petitioner ought not to be released on bail.

6. I have considered the rival contentions.

7. Petitioner is alleged to have enabled various Chinese loan Apps to be circulated on various social media platforms and mule bank accounts were opened. Thereafter, the public were defrauded. The investigation has revealed that the petitioner had approached Sri. Nitin Varghese to arrange different bank accounts and offered Rs.5,000/- per bank account on the basis of which 154 bank accounts were opened in different banks like Punjab National Bank, Canara Bank, ICICI Bank, HDFC Bank, Axis Bank etc., and thereafter the details of bank accounts provided by the said Nitin Varghese were digitally submitted by the petitioner, who also managed to arrange another 290 bank accounts and forwarded the details to a lady by name

Leema, who had contacted him online. These bank account details supplied by the petitioner were utilized for operating the instant illegitimate loan apps and cheated the public of large amounts of money.

8. The investigation has also revealed that the proceeds of crime collected by the accused from the victims of online platforms were collected in the mule accounts and the amounts were routed through those bank accounts and ultimately they were parked in different companies which were only shell companies. Petitioner is alleged to have arranged the mule accounts, in which the proceeds of crime generated from the scheduled offence were collected and parked and thereafter diverted to different bank accounts maintained outside India.

9. The investigation conducted so far revealed that mule accounts were opened within Kerala with the assistance of persons including the petitioner. Debits from such accounts were made to a third party and its trail has also been identified, indicating that an amount of Rs.121 Crores were collected from the victims through exploitation of online platforms which were ultimately transferred to four foreign wallets situated outside India. During investigation, the role of the petitioner has been identified and he is alleged to have been involved in the acquisition of the proceeds of crime by providing as many as 289 mule bank accounts to the cyber fraudsters through two ladies by name Smt.Leema and Smt.Angel through their WhatsApp number. Investigation

has also revealed that petitioner had arranged crypto accounts on a platform by the name WazirX and he was actively involved in remitting proceeds of crime to the tune of Rs.3.47 Crores outside India to four foreign crypto wallets and he received a remuneration of Rs.2 Crores in his bank accounts maintained with the IDBI, Kotak Mahindra Bank and Bank of Baroda and out of that amount, he distributed Rs.30 lakhs to different persons who had arranged such bank accounts.

10. The above details brought out during investigation clearly indicate the involvement of the petitioner as well as his active connection with the acquisition of proceeds of crime. The materials collected by the respondents indicate the involvement of the petitioner in the offence under section 3 r/w section 4 of the PML Act. As petitioner's involvement is quite evident, the rigour under section 45 of the PML Act will apply. In the absence of any material before this Court to come to the conclusion that petitioner is not guilty of the offences alleged, I am of the view that petitioner cannot be released on bail.

Accordingly this bail application is dismissed.

Sd/-

BECHU KURIAN THOMAS
JUDGE

vps

APPENDIX OF BAIL APPL. 7278/2025

PETITIONER ANNEXURES

Annexure-A1	**TRUE COPY OF THE COUNTER AFFIDAVIT FILED BY THE RESPONDENT IN F. NO. ECIR/KCZO/06/2024**
Annexure-A2	**CERTIFIED COPY OF THE ORDER DATED 11.04.2025 IN CRL.M.P 54/2025 OF THE SPECIAL COURT FOR PMLA CASES, ERNAKULAM**