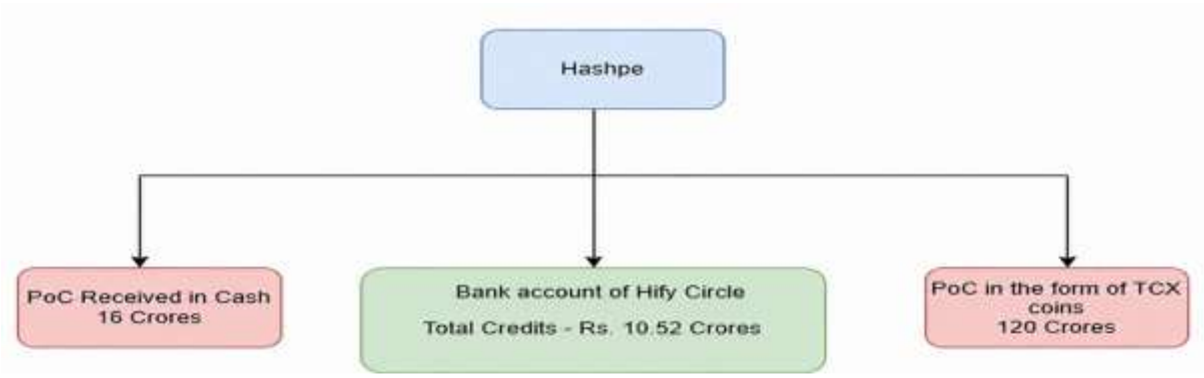
Press Release
24.09.2026

Directorate of Enforcement (ED), Chennai Zonal Office–II, arrested Syed Usman alias Babu and Dhamodharan Balachandran on 22.09.2026 under Section 19 of the Prevention of Money Laundering Act (PMLA), 2002, in connection with money-laundering investigation into the Hashpe cryptocurrency fraud case. Both the accused produced before the Hon'ble Special Court, PMLA, which granted three days' judicial custody of both of them.

ED investigation had initiated on the basis of an FIR registered by the Cyber Crime Police Station, Puducherry, under various provisions of the Bharatiya Nyaya Sanhita, 2023 and the Information Technology Act, 2000.

ED investigation revealed that Syed Usman, Imran Basha and their associates had floated an investment scheme under the name "Hashpe", projecting it as a cryptocurrency trading platform. Investors were induced to invest on the promise of lucrative returns through a purported cryptocurrency named "TCX". Investors who trusted the scheme invested through bank transfers, cryptocurrency and cash. Syed Usman, Dhamodharan and their associates lured innocent investors by organising a launch event and a car award ceremony featuring Bollywood celebrities to make the investment scheme appear credible and attract investors. The scheme also used referral commissions, social-media promotion and an event on a cruise ship in Mumbai to attract investors.

Investigation further revealed that funds to the tune of ₹146 crore were collected from investors through three major methods, as shown below:



Further investigation revealed that Syed Usman, along with Dhamodharan, played a key role in the acquisition, layering and diversion of Proceeds of Crime (POC). Syed Usman handled large cash investments. He was also involved in operating the bank account held in the name of Hify Circle, which was used to receive investors' funds. Dhamodharan developed and managed the Hashpe software, database and cryptocurrency-related operations, including the platform's wallet functions.

It was further revealed that the POC were diverted into the personal bank accounts of Syed Usman, Dhamodharan, their family members and related entities. The POC were also invested into cryptocurrency and immovable properties.

Earlier, ED conducted searches at 11 premises in Chennai, Coimbatore and Kolkata on 01.09.2026 in the case, arrested accused Imran Basha and Hitesh Kumar are presently in judicial custody.

Further investigation is under progress.