IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 07.08.2024

PRONOUNCED ON : 22.08.2024

CORAM:

THE HONOURABLE MR. JUSTICE **G.K.ILANTHIRAIYAN**

Crl.O.P.No.17954 of 2024
and Crl.M.P.No.11278 of 2024

Muthuperumal Kalaiselvi ...Petitioner

-Vs -

State Represented by
Deputy Superintendent of Police,
Economic Offences Wing (H.Q),
Ashok Nagar, Chennai.
(C.C.No.10/2023) ... Respondent

Prayer: Criminal Original Petition filed under Section 439 of Cr.P.C., prayed to enlarge the petitioner on bail in C.C.No.10 of 2023 pending on the file of the learned Special Judge, Special Court under TNPID Act, Chennai.

For Petitioner : Mr.N.Muralikumaran, Senior Counsel
For Mr.MC Gan Law firm

For Respondent : Mr.R.Muniyapparaj
Additional Public Prosecutor,
Assited by Mr.M.Sylvester John

For Intervenor : Mr.D.Selvam

ORDER

The petitioner, who was arrested and remanded to judicial custody on 30.03.2023 at the hands of the respondent police for the offence punishable under Sections 409, 420, 120(B) r/w 109, 34 of IPC and Section 5 of the Tamil Nadu Protection of Interest of Depositors (In Financial Establishments) Act, 1997 (hereinafter referred to as "TNPID Act") and Section 21(3), 22, 23, 24 and 25 of Banning of Unregulated Deposit Schemes Act (hereinafter referred to as "BUDS Act"), in Crime No.21 of 2022, seeks bail.

2. The case of the prosecution is that through one Viswanathan, the defacto complainant came to know about the company called M/s Hijau Associates Pvt. Ltd., and the said company is paying 15% returns/payout every month per Rs.1,00,000/- of deposit and the company is also paying additional 2% returns/payout, if deposits are brought in by introducing others. She was also informed that one Ramesh has floated SG Agro Products and through the said concern, they are collecting money on behalf of M/s Hijau Associates Pvt. Ltd and are issuing receipts for the payments so received through M/s SG Agro Products and M/s Ram Agro Products. Believing the words of the said Viswanathan and Ramesh, the defacto complainant along with her relatives deposited huge amount. It is further alleged that for the deposits made already

in the month of August, 2022, payout were not paid from September, 2022 onwards. Thereafter, on enquiry it was found that M/s Hijau Associates Pvt. Ltd, appointed 21 persons as its President and through the said 21 persons, independently in different names, different concerns were floated and through those concerns, deposits have been taken from general public. Hence, the complaint.

3. The learned Senior Counsel appearing for the petitioner submitted that the petitioner is arrayed as 12th accused. She is nothing to do with the allegations as alleged by the prosecution. Even according to the case of the prosecution, the petitioner was inducted as Director of the first accused company only from 05.09.2022 and she resigned from her directorship on 29.10.2022. During that period, she never collected any deposit from the public. Since the petitioner's husband is one of the accused, she has been falsely implicated as an accused. In fact, so far 16 immovable properties of the petitioner have been attached by the respondent. He further submitted that the petitioner is a proprietress of M/s. RMK Bros Agro Products and it is no way connected with the first accused company. It is not a sister concern of the first accused company. In the name of M/s.RMK Bros Agro Products, the petitioner did not collect even single rupee from any depositor. He further submitted that

the petitioner was arrested and remanded to judicial custody on 31.03.2023 and incarcerated for the past one year. Hence, he prays to grant bail to the petitioner.

4. The learned Additional Public Prosecutor appearing for the respondent submitted that the first accused is a company and other accused are the directors of the first accused company. They had collected money to the tune of Rs.4414,44,22,350/- from 14,521 depositors, who lodged complaints and also produced receipts in order to prove their deposits. The accused had collected the said huge amount without any approval of either from Reserve Bank of India under the provision of 45-1A of Reserve Bank Act, 1934 or sanction of any regulated deposits scheme with Securities and Exchange Board of India (SEBI) or Ministry of Corporate Affairs of Government of India for collecting deposits under the provisions of Companies Act, from general public.

4.1. As far as the petitioner is concerned, she arrayed as 12th accused and her husband arrayed as 16th accused, who is an employee of ICF. He has close associate with A3 and A4. He made his wife viz., the petitioner herein as Director of Board of the first accused company. The petitioner is also the proprietress of sister company of the first accused company viz., M/s.RMK

Bros Agro Products. The said company is not a registered firm, which is not issued with any non-banking finance company license by Reserve Bank of India to collect deposits from public, not sanctioned with any regulated deposits scheme by SEBI and not permitted to collect deposits under the provisions of Companies Act. Further, the petitioner had collected a sum of Rs.612 crores from 9079 depositors. She is one of the kingpins to cheat the general public under the guise of receiving huge returns. He further submitted that this is the third bail petition and this Court already dismissed the earlier petitions filed by the petitioners. If the petitioner is released on bail, she would tamper the witnesses and hamper the evidence. Hence, he vehemently opposed to grant bail to the petitioner.

5. Heard the learned counsel appearing on either side and perused the material placed before this Court.

6. It is seen that there are totally 40 accused in which the petitioner is arrayed as 12th accused. Though the investigation completed and filed final report on 17.05.2023 and the same has been taken cognizance by the trial Court in C.C.No.10 of 2023, the trial is yet to commence. Further the petitioner has committed very serious offence and there are materials to attract the

offences as against the petitioner. If the petitioner let out on bail, she might escape from the clutches of law which may jeopardise trial process and also bright chance to divert the crime proceeds in some other way. Further there is an ample of chances to tamper the witnesses and hamper the evidence. That apart, this Court already dismissed the earlier bail petition in Crl.O.P.No.11499 of 2023 by a detailed order dated 16.08.2023 and there is no change in circumstances to consider this bail petition. Taking consideration of the above facts and circumstances of the case, this Court is not inclined to grant bail to the petitioner.

7. Accordingly, the Criminal Original Petition stands dismissed. Consequently, connected miscellaneous petition is closed.

22.08.2024

Index : Yes/No
Speaking/Non Speaking order
Neutral Citation : Yes/No
rts

To

1. The Special Judge,
   Special Court under TNPID Act,
   Chennai.

2. The Deputy Superintendent of Police,
   Economic Offences Wing (H.Q),
   Ashok Nagar, Chennai.

3. The Central Prison,
   Puzhal, Chennai.

4. The Public Prosecutor,
   High Court of Madras,
   Chennai.

G.K.ILANTHIRAIYAN. J,

rts

ORDER IN
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